

---

**Department of Agriculture and Rural  
Development**

**Mid-term evaluation of Rural  
Development Programme in  
Northern Ireland 2001-2006**

**Final report**

**February 2006**

This report has been prepared for and only for The Department of Agriculture and Rural Development (DARD) and in accordance with our engagement letter dated August 2005 and for no other party and/or purpose. We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Proposals, tenders, reports together with working papers and similar documents, whether interim or final and other deliverables submitted by PricewaterhouseCoopers LLP, contain methodologies, models, pricing information and other materials and work product, which are proprietary and confidential to PricewaterhouseCoopers LLP, or which have been provided to PricewaterhouseCoopers LLP by third parties who may have made such information available on foot of confidentiality agreements, either written, implied, or under the law of confidence.

PricewaterhouseCoopers LLP clearly identifies all such proposals, tenders, reports and other deliverables as protected under the copyright laws of the United Kingdom and other countries. Such documents, presentations and materials are submitted on the condition that they shall not be disclosed outside the recipient's organisation, or duplicated, used or disclosed in whole or in part by the recipient for any purpose other than that for which they were specifically procured, pursuant to our engagement letter.

©2006 PricewaterhouseCoopers LLP. All rights reserved. 'PricewaterhouseCoopers' refers to the PricewaterhouseCoopers LLP (a limited liability partnership in the United Kingdom) or, as the context requires, other member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

In the event that, pursuant to a request which DARD has received under the Freedom of Information Act 2000, it is required to disclose any information contained in this report or any deliverable prepared by us, it will notify PwC promptly and consult with PwC prior to disclosing such information. DARD agrees to pay due regard to any representations which PwC may make in connection with such disclosures and DARD shall apply any relevant exemptions which may exist under the Act to such information.

# Contents

<b>I</b>	<b>Introduction and Terms of Reference .....</b>	<b>1</b>
	Introduction.....	1
	Terms of Reference .....	4
<b>II</b>	<b>Methodology.....</b>	<b>6</b>
	Overview of approach to the mid-term evaluation .....	6
	Details of each stage of approach .....	7
<b>III</b>	<b>Socio-economic context for the RDP 2001 - 2006 .....</b>	<b>11</b>
	Introduction.....	11
	Social issues prevailing in rural areas.....	17
	Summary of the on-going rationale for the RDP 2001-2006.....	18
<b>IV</b>	<b>Performance, outputs and impacts of RDP 2001-2006 .....</b>	<b>19</b>
	Introduction.....	19
	Summary of application and approval rates (overall and by funding stream).....	19
	Financial performance (commitment, expenditure and N+2).....	21
	Spatial impacts of the RDP 2001-2006.....	24
	Review of participation in the RDP 2001-2006 (by target groups).....	26
	Employment outputs arising.....	29
	Other outputs arising to date.....	32
	Summary of the contribution of RDP 2001-2006 to the economic and social revitalisation of rural NI.....	35
<b>V</b>	<b>Value-for-Money considerations in relation to the RDP 2001-2006 .....</b>	<b>37</b>
	Introduction.....	37
	Costs of Administering and Delivering the RDP 2001-2006 .....	37
	Cost per positive outcome.....	41
	Cost per positive outcome.....	43
	Leverage of matched funding and voluntary input.....	44
	Summary of VFM considerations in relation to RDP.....	45
<b>VI</b>	<b>Effectiveness of Programme Management, Implementation and delivery structures of the RDP 2001-2006 .....</b>	<b>46</b>
	Overview of management and delivery infrastructure of RDP .....	46
	Programme Management .....	49
	Review of impact of publicity and awareness raising activities of the RDP 2001-2006 in rural areas .....	53
	Summary of Programme Management, Implementation and Delivery Structures .....	55
<b>VII</b>	<b>Recommendations and future directions .....</b>	<b>56</b>
	Recommendations (for the remainder of the RDP 2001-2006 Programming Period .....	56
	Future Directions (for the RDP in the 2007-2013 Programming Period) .....	57

# I Introduction and Terms of Reference

## Introduction

- 1.1 The current phase of the Rural Development Programme (RDP) from 2001-2006, builds upon previous programming phases. More specifically the origins of the RDP go back to 1991 following work by the Rural Action Project between 1985 and 1989, a paper by the European Community on the Future of Rural Society<sup>1</sup> and a report by an Inter-Departmental Committee set up by the Secretary of State to advise on “*the best way of carrying forward action to tackle the social and economic problems in the most deprived rural areas in Northern Ireland.*” The findings and recommendations of this body of work laid the foundations from which the RDP was formed. The first phase of the RDP was implemented between 1991 and 1993. This phase of the programme provided funding for 22 community based development projects in disadvantaged rural areas. Subsequently, the new round of European Union (EU) Structural Funds beginning in 1994 provided an opportunity to consolidate and expand the programme in Northern Ireland (NI). It was against this background that the Department published its Rural Development Strategy for the period 1994-1999 in September 1994. The 1994-99 programming period was characterised by a focus on three strategic priorities, namely rural community development, area-based strategies and community based regeneration projects, which were supported from nine main funding components. The programme ‘architecture’ was complex, drawing as it did on the nine funding components, which led to difficulties in co-ordination, in maintaining an overall strategic approach, and some potential for duplication. That said, the 1994-99 programming period was broadly successful in terms of achievement of the stated<sup>2</sup> objectives of the programme and in contributing to the social and economic revitalisation of disadvantaged rural areas of NI.
- 1.2 The RDP 2001-2006 was developed against this backdrop and with a key emphasis on learning from the experience of the 1994-99 programming period. In particular, drawing on the<sup>3</sup> ex-post evaluation of the RDP 1994-99, a range of recommendations were made, for example, with respect to the need to simplify certain aspects of the ‘architecture’ of the RDP (where feasible) as well as the administration and monitoring procedures.

---

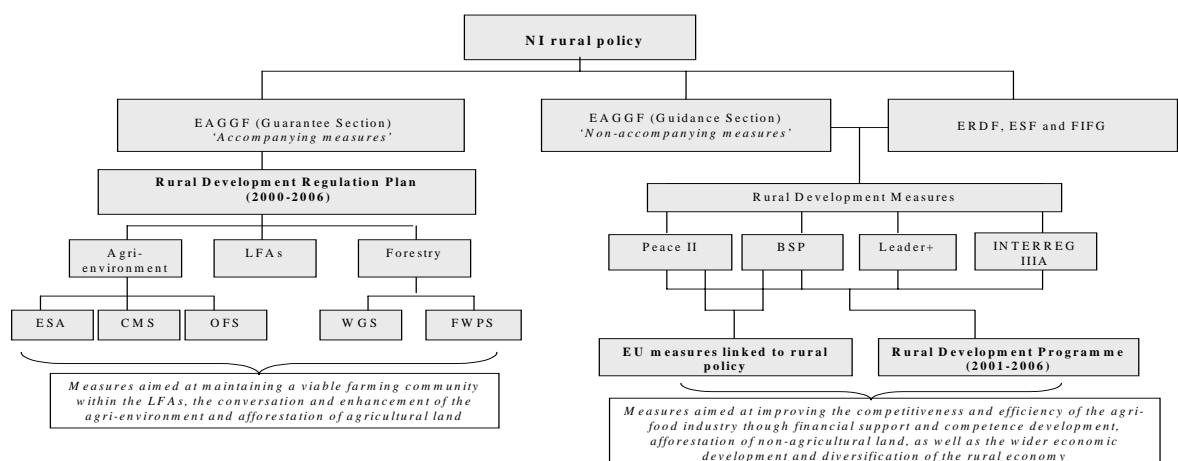
<sup>1</sup> Commission of the European Communities (1988). The Future of Rural Society. Corn (88) 371 final, Brussels.

<sup>2</sup> However, a degree of caution needs to be applied in terms of the potential that may have existed for some overstatement of outputs, at both the level of the overall RDP programme 1994-99 and the level of its component parts.

<sup>3</sup> Ex-Post Evaluation of RDP 1994-1999, PwC for DARD 2002.

- 1.3 The RDP 2001-2006 sits within a wider array of funding provision for the implementation of rural policy in NI, which in part derives from the intricacies of European Legislation. Agenda 2000<sup>4</sup>, which announced a reform of Community policies in light of the enlargement towards Central and Eastern Europe including a financial framework for 2000-2006) led to greater emphasis being placed within the Common Agricultural Policy on rural development and the environment (the 'Second Pillar of CAP') as reflected in the Rural Development Regulation (No. 1257/99). The Second Pillar of CAP incorporated environmental and rural development initiatives whereas the First Pillar focused on price support and production subsidies. The First Pillar is wholly financed by the EAGGF Guarantee Section, whereas the Second Pillar is funded by EAGGF Guidance and Guarantee. In addition, the EU supports a variety of rural development activities through the other structural funds (ERDF, FIFG and ESF).
- 1.4 The Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from the EAGGF provided a framework for the drawing up of the NI Rural Development Regulation Plan (2000-2006). This Plan focuses on the so-called Accompanying Measures. It is funded through the Guarantee Section of the EAGGF and is centred on accompanying and complementing market policies funded through the First Pillar of CAP. The non-accompanying measures, funded by Guidance, are set out in the Northern Ireland Community Support Framework (CSF) and along with the other structural funds (ESF, ERDF and FIFG), currently support rural development activity within the Peace II and Building Sustainable Prosperity (BSP) Programmes.
- 1.5 Of the non-accompanying measures, some are stand alone measures within the Peace II<sup>5</sup> and BSP Programmes while others are included in the RDP 2001-2006. Rural development measures in the EU-funded 'Community Initiative' INTERREG IIIA and Leader+ Programmes are also incorporated into the RDP 2001-2006. The various components of the NI Rural Development Regulation (RDR) Plan and the NI Rural Development Programme are summarised in Figure 1.1 below. In summary the diagram illustrates that the RDP 2001-2006 has four main funding components (Peace II, BSP, LEADER+ and INTERREG IIIA). In addition it is important to also acknowledge that the RDP 2001-2006 also encompasses the core funding provided by DARD (through non-EU monies) for the Rural Development Council (RDC), Rural Community Network (RCN) and the Rural College. Overall the RDP 2001-2006 has an overall level of funding to commit in the region of £80m.

**Figure 1.1: Relationships between RDP and other EU Programmes in NI**



<sup>4</sup> Agenda 2000 is an action programme whose main objectives are to strengthen Community policies and to give the European Union a new financial framework for the period 2000-06 with a view to enlargement.

<sup>5</sup> For example the farmer targeted Peace II Measures 1.6 Training for farmers. 1.7a Diversification of agricultural activities. 1.9 Investment in Agricultural Holdings. 5.6b (North) Cross Border Diversification.

1.6 The central aim of the RDP 2001-2006 is detailed below:-

*'to promote comprehensive and integrated action towards sustainable and equitable development in rural areas and, in doing so, contribute to the economic environmental, social and cultural well being of the rural community for the benefit of the whole community of NI.'*

1.7 In contributing towards this overall strategic aim, the RDP 2001-2006 has three specific objectives namely:-

- (to create) a vibrant rural society with confident people, communities and businesses taking advantage of the increased economic and social opportunities which the programme has helped to create;
- (to achieve) value for money for Northern Ireland society from specific Government intervention to address rural needs and opportunities; and
- (to make) a positive impact in disadvantaged areas<sup>6</sup>.

1.8 In delivery/implementation terms the RDP 2001-2006 consists of the following five key elements:-

- **Capacity Building** - to strengthen rural communities through the provision of advice and financial assistance. It will provide rural people with the skills, knowledge and experience which they need to play a part in the significant economic, environmental and social changes impacting on rural areas;
- **Local Regeneration Projects and Programmes** - to provide the resources rural people need to implement their plans to improve the economic, environmental, social and cultural conditions in their areas;
- **Sectoral and Area Based Development Projects and Proposals** - projects and programmes designed to tackle the needs and opportunities of specific sectors in the rural economy, environment or society, when these are best tackled by area based or region wide programmes, rather than a series of projects in local communities;
- **Natural Resource Rural Tourism Initiative** - a special Peace II funded Initiative to help Northern Ireland's disadvantaged rural areas take advantage of the particular opportunities that are presented by tourism in the context of greater political stability. The initiative targets five disadvantaged areas; and
- **Micro-business Development** - this is the focus of the Leader+ initiative in Northern Ireland. Local partnerships are encouraged to test out new approaches to maximise the economic potential of very small businesses in rural areas, including small farms.

---

<sup>6</sup> <http://www.rdpni.gov.uk>.

- 1.9 To meet its equality obligations under Section 75 of the Northern Ireland Act 1998 DARD carried out an Equality Impact Assessment of the Programme (EQIA) on the Programme<sup>7</sup>. The EQIA noted that agriculture and rural development are traditionally male-dominated areas. This trend was noted in the findings of the ex-post evaluation of the Rural Development Programme 1994-1999, which indicated that women were under-represented in the rural development process. To seek to redress this imbalance, women (and farm families) were specified as a particular target group for the RDP 2001-2006.
- 1.10 In addition the EQIA noted that young people and the long-term unemployed were found to be underrepresented in RDP 1994-1999 and as a result it was recommended that new ways should be found to promote the participation of these groups. Therefore the four specified target groups for the RDP 2001 – 2006 are as follows:
- Farmers and farm families;
  - Women;
  - Young people; and
  - The long-term unemployed.

### **Terms of Reference**

- 1.11 The terms of reference for this mid-term evaluation of the RDP 2001 – 2006 are shown in Figure 1.2.

---

<sup>7</sup> Equality Impact Assessment (EQIA) on the Rural Development Programme (RDP) 2001-2006.

Figure 1.2: Terms of Reference for the Mid-Term Evaluation of the RDP 2001-2006

<b>Core Objectives of the Study</b>	
<ul style="list-style-type: none"> <li>• Briefly review the social and economic conditions of rural Northern Ireland over the life of the RDP, commenting on how these might have affected Programme performance and assess the extent to which the programme remained relevant to the needs of its target rural areas with particular reference to the target groups women, young people, farmers and farm families and the long-term unemployed;</li> <li>• Assess the extent to which the RDP successfully achieved its objectives in terms of the economic and social revitalisation of rural Northern Ireland noting the particular contributions of the various component programmes; and</li> <li>• Assess whether the various components of the RDP contributed to the social and economic revitalisation of disadvantaged rural areas of Northern Ireland.</li> </ul>	
<p>In addition the terms of reference also highlight a further twelve objectives which are subsumed within the core objectives set out above.</p>	
1.	Examine the extent to which the recommendations arising from the evaluation exercises have been implemented (Section VI).
2.	Identify any changes that should be made to the current RDP either in terms of structure and organisation as well as its content or implementation taking account of the current time available to the remainder of the programme (Section VII.)
3.	Identify the main lessons arising for the current programme and for the design and implementation of future rural development programmes (Section VII).
4.	Assess overall value for money in terms of costs per output for the main component parts of the RDP (Section V.)
5.	Assess the programme's achievements in terms of employment including average cost per job of the programme as a whole and for each of its constituent parts (Section IV & V).
6.	Provide a contextual assessment of the quality of jobs created under the Programme – (Section V).
7.	Examine the extent of participation in the Programme by women, youth, long-term unemployed, farmers and families (Section IV).
8.	Examine the contribution made by communities on a voluntary basis – Section V.
9.	Consider whether the farmer targeted PEACE II measures should be included within the RDP (Section VI).
10.	Review the processes used to deliver the RDP including the administration cost and value for money obtained (Section VI).
11.	Assess the programme's impact in terms of targeting social need (Section IV).
12.	Assess the effectiveness of the existing publicity arrangements for the RDP, identifying any recommendations for the remaining period of the programme implementation as well as the lessons for the new programme period (Section VI).

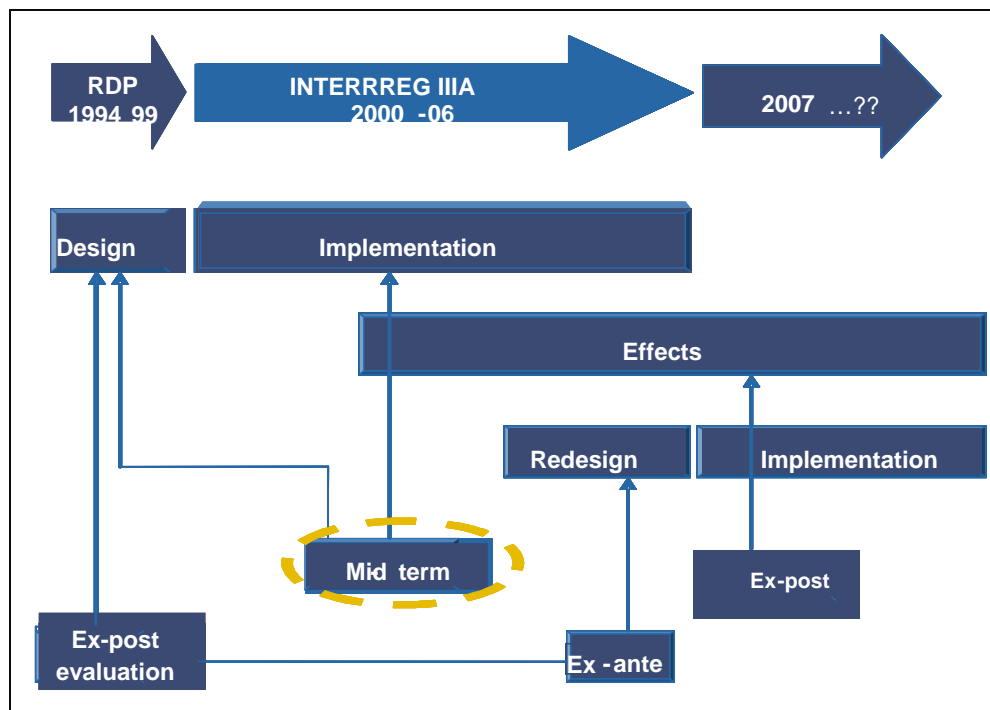


## II Methodology

### Overview of approach to the mid-term evaluation

2.1 Evaluation is the periodic process of mapping a policy, programme or organisation against its objectives. Mid-term evaluation is normally one of a cycle of evaluations to ensure that a Programme is on target. A conceptual overview of the cycle of evaluations with respect to the RDP 2001-2006 is set out in Figure 2.1 below. As noted earlier, the figure illustrates that this mid-term evaluation comes at an important time in the policy cycle, in other words, as the preparations begin for policy and programmes in the forward period (2007 to 2013). Planning for the future round of EU funds and Government initiatives with respect to rural areas will inevitably involve an examination of the results being achieved through the current programming cycle and as previously detailed should be informed through this mid-term evaluation of the RDP 2001-2006 (and any future ex-post evaluation).

Figure 2.1: Understanding the cycle of the RDP evaluation

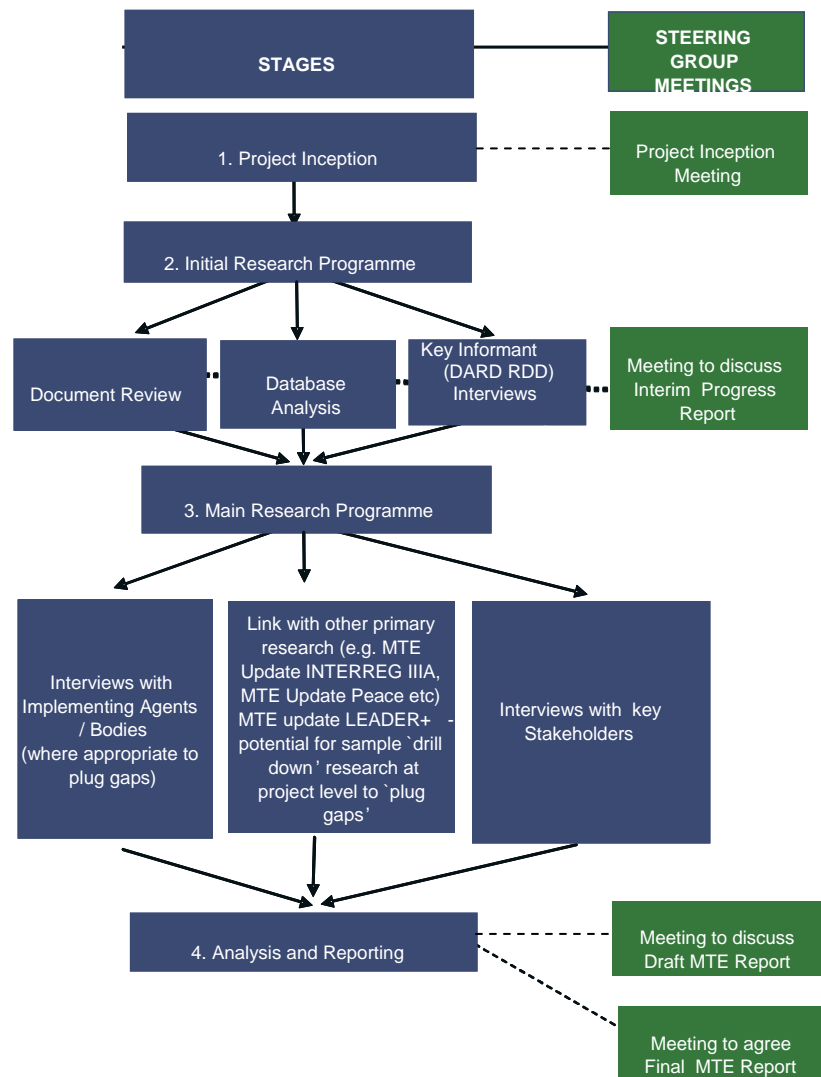


2.2 The methodology used in conducting this mid-term evaluation, is in line with the European Commission guidance on evaluation. It is important to highlight that, it builds on the work of the various mid-term evaluations (and mid-term evaluation updates) at Programme level, (e.g. Peace II, BSP, Leader+ and Interreg IIIA) and focuses on areas where value can be added and gaps 'plugged', with respect to work already completed. Furthermore, this mid-term evaluation focuses on the achievement of outputs and results to date and examines the likely achievement of overall strategic aims and objectives.

## Details of each stage of approach

2.3 The overall approach consisted of four main stages, namely project inception, initial research programme, main research programme and analysis and reporting. Figure 2.2 (overleaf) highlights each stage of the methodology. The timing of each phase, report outputs and meetings with the Evaluation Steering Group<sup>8</sup> are also illustrated. Each of these stages is described in the subsequent paragraphs.

**Figure 2.2: Methodology, timing and reporting timescales for Mid-Term Evaluation of RDP**



### Stage 1: Project Inception Meeting

2.4 The aim of the Project Inception meeting was to discuss in detail the key tasks, timetable and reporting arrangements, as well as project controls and risks. In addition, it provided an opportunity to review the methodology in detail and clarify the documents to be reviewed as part of the desk based research and a list of key informants (including contact details).

<sup>8</sup> The Steering Group consisted of representatives from DARD RDD, DARD policy and DARD equality branches and NISRA.

## Stage 2: Initial Research Programme

2.5 This stage involved three key tasks of document review, data assembly and key informant interviews (at this stage largely with DARD RDD and the Steering Group members). Each of these tasks is detailed in the following paragraphs.

### *Document Review*

2.6 This involved a review of the reports, many of which are outlined in the Terms of Reference and relate specifically to elements of the RDP (2001-2006). Relevant research reports included the following:

- LEADER II: Ex-post evaluation of LEADER II in Northern Ireland (September 2001);
- Ex-post evaluation of PEACE I and Mid-term Evaluation of PEACE II (November 2003);
- Rural Development Programme 1994-1999: Final Evaluation (June 2003);
- BSP Operational Programme 2000-2006: Mid-term Evaluation Update (October 2005);
- Interreg IIIA Mid term Evaluation Update (November 2005);
- Mid-term Evaluation Update of Peace II (November 2005);
- LEADER+ Mid-term Evaluation Update (December 2005); and
- LEADER+ Administration Review (January 2006).

2.7 In addition, and in light of the extent of policy development occurring in NI, it was important to review the following key policy documents and policy consultations including:

- Equality Impact Assessment (EQIA) Consultation document on the RDP 2001-2006 (DARD, August 2004);
- Reports issued by the Review of Public Administration (RPA);
- Consultation on the draft EU Rural Development Regulation, 2007-2013;
- A study of Rural Policy (PwC, 2005, to inform DARD's own review of Rural Policy);
- DARD RDP Programme Strategy 2001 – 2006; and
- PwC's Review of LEADER+ Administration (January 2006).

2.8 As part of this research phase, a brief review of social and economic conditions prevailing in rural NI was also conducted in line with the Terms of Reference. The purpose of this exercise was to review whether the original rationale for the RDP 2001 – 2006 remains valid, and to inform the development of a future rationale for the 2007 – 2013 programming period.

### *Database analysis*

2.9 This element of the research focussed on the ongoing analysis of the DARD 'mini' central database (which is an extract of the EU central database), as well as a review of the range of financial information held by DARD, with respect to the RDP 2001 - 2006.

2.10 The database was reviewed at various stages throughout the evaluation assignment. These reviews provided information in relation to number of applicants, approval rates, funding applied for, funding awarded and the target group to whom each project was aimed. During the early stages of the evaluation DARD staff were in the process of working with the various implementing agencies to ensure that the 'mini' central database, was as complete and accurate as possible, through a pro-active process to plug 'gaps' in captured information. Following the completion of this exercise in October 2005, an initial analysis was conducted of the number of applications, the rate of approvals and level of commitment and expenditure of each element of the RDP 2001 - 2006. This analysis was repeated three times as the database was populated to greater levels over the autumn and winter months of 2005.

- 2.11 It became evident in the early stages of the assignment, that while the database could provide information in respect to many aspects of the terms of reference there were also some gaps (e.g. particularly in relation to information on job quality, voluntary input and cost effectiveness measures). Accordingly, it was necessary to look further afield for this information, for instance the findings from the four mid-term evaluation updates and any additional monitoring data collected by the Rural Development Council in their role as an Implementing Agent.

*Key informant interviews with DARD representatives*

- 2.12 A number of interviews with representatives from DARD RDD involved in managing the RDP 2001-2006 were conducted. These included the various Programme leaders and members of the Evaluation Steering Group.

**Stage 3: Main Research Programme**

- 2.13 The main research programme involved two key tasks, interviews with implementing agents (e.g. LAGS, RDC and RCN), links with other programme level research and interviews with other key stakeholders. Each of these tasks is discussed in greater detail below.

*Link with other MTEU activity*

- 2.14 As noted earlier, mid-term evaluation updates of the four funding streams within the RDP 2001- 2006 were being conducted in parallel with this evaluation. An important aspect of this evaluation was to remain informed of the key findings from these four evaluations. The update evaluations of the Interreg IIIA, Peace II and Leader+ Programmes were all conducted by PwC, the update of the BSP mid-term was conducted internally within Government by NISRA. As such, PwC liaised with NISRA to ensure that the most up to date information regarding the relevant BSP measures was available.

*Interviews with key informants*

- 2.15 Finally, interviews were held with representatives from RCN and RDC to gain their views of their respective contribution to RDP 2001-2006 objectives/outputs as organisations funded by DARD<sup>9</sup>. During these interviews it was also possible to get an overview of the progress to date within the various measures of the RDP 2001 – 2006 that they were responsible for. These interviews also helped to 'plug' gaps in the monitoring information held on the DARD 'mini central' database.

**Stage 4: Analysis and Reporting**

- 2.16 Throughout the course of the evaluation PwC liaised closely with the Evaluation Steering Group. A meeting was held with the Steering Group at the outset to clarify the parameters of the evaluation and agree the methodology.
- 2.17 As we progressed through Stage 2 and Stage 3 we met with the Evaluation Steering Group to present an Interim Progress Presentation. A draft final report was submitted following which a meeting was held with the Evaluation Steering Group. The purpose of the meeting was to allow an interaction and discussion between the PwC team and the Steering Group prior to preparation of the final report. Following this a final report was submitted.

---

<sup>9</sup> Through core public expenditure monies and RDP 2001-2006 programme monies.

- 2.18 It should be noted that **the main research for this MTE was completed by December 2005 and accordingly the report does not present any activity beyond the 'cut-off' point. It should also be noted that the terms of reference related to a largely 'desk-based' exercise, with no primary research required with RDP 2001-2006 participants.** That said it was possible to draw on primary research conducted for the evaluations of the component funding streams of the RDP 2001-2006.

### III Socio-economic context for the RDP 2001 - 2006

#### Introduction

- 3.1 Given that the primary aim of the RDP 2001-2006 is to promote and advance the sustainable development of rural areas in NI, it is important to review the socio-economic context for the Programme, and in particular to conclude on whether the intervention rationale that underpins the Programme, remains valid.
- 3.2 Accordingly this section of the MTE report sets out:-
- the macro-economic situation prevailing in NI during the life of the RDP 2001-2006;
  - economic activity rates in rural areas;
  - unemployment trends in rural areas;
  - the composition of rural economies;
  - social issues prevailing in rural areas; and
  - a summary of the ongoing rationale for the RDP 2001-2006.

#### Macro-Economic Context

- 3.3 The broad macro-economic situation in NI has continued to improve since the end of the last phase of the RDP (i.e. 1999) but with comparatively little change relative to the overall UK position. Over the period 1999 to 2005 NI production output grew and with it, so did manufacturing output. Employment levels have continued to increase, while unemployment levels have maintained a steady decline. Since 1999, the earnings gap between males and females has closed, however comparisons with the overall UK position indicate that the earnings gap has worsened.
- 3.4 In sectoral terms agriculture continues to face an uncertain future, whilst manufacturing is following the common trend of contracting employment in developed countries. The number of jobs in the service sector has increased in NI over the period 1999-2005, with the main drivers being public sector spending, retail and business services. In relation to tourism the overall spend by tourists in the NI economy has increased by 26% since 1999.
- 3.5 Table 3.1 presents an overview of some relevant macro-economic indicators over the period 2000 to 2005.

**Table 3.1: NI economic situation, 2000 – 2005**

Key Economic Indicator	Northern Ireland				UK	
	2002	2003	2004	2005	2004	2005
GDP growth	2%	2.1%	2.9%	1.8%	3.2%	2.2%
Claimant count unemployment rate (% Jun)	4.5	4.3	3.6	3.3	2.7	2.7
Number of farmers in Northern Ireland (000's)	34.5	34	33.3	32.5	160	156
Average weekly wage in the agricultural sector (£'s)	234.5	247.4	227	237.9	314.4	321.8

Source: DETI, ONS, NISRA, Defra, PwC Economic Review

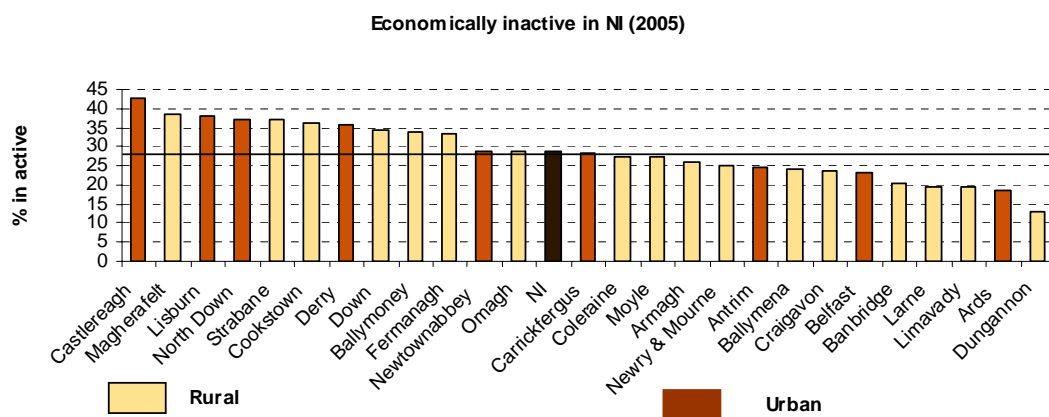
- 3.6 However, despite this positive overall picture, it is evident that the rural areas in NI continue to face a number of key economic problems that were present during the inception of the Programme and are still relevant. This is evident in the sub-analysis

below which updates some of the detailed analysis of the economies of rural areas included in the PwC Study on Rural Policy<sup>10</sup>.

### Economic Activity Rates in Rural Areas

- 3.7 Recent statistics (from July-September 2005) reveal that there are 280,000 economically inactive persons<sup>11</sup> or 26.7% of the working age (16-59/64) population in NI. This is significantly higher than the UK average (21.3%) and actually represents the highest level of economic inactivity of any UK region.
- 3.8 However, in the context of the RDP 2001-2006, it is important to highlight the perspective of rural areas<sup>12</sup>. **The Majority of Local Government Districts with an economic inactivity rate above the NI average are rural** (see Figure 3.1) In addition, if Belfast and Derry are excluded from the analysis, rural areas have higher proportions of their population economically inactive, with generally more categorised as permanently sick / disabled.
- 3.9 This chart, and subsequent charts at District Council level, classify Councils as either 'Urban' or 'Rural'. Of the 26 Council areas – 17 are designated as Rural and 9 are designated as Urban. This classification is based on that used in the LEADER+ Operational Programme for Northern Ireland (see Page 31, paragraph 2.54). This definition is consistent with that used in the NI Rural Development Regulation Plan (the 'accompanying measures' plan). Accordingly, it is appropriate that this classification is used for the analysis, otherwise it would be a departure from the basis on which the RDP 2001-2006 was developed. That said, it is understood that DARD has recently undertaken research into the spectrum of rural areas in NI, resulting in a classification of Council areas as 'accessible' rural or, 'less accessible' rural, which will be valuable in targeting interventions in a future RDP.

**Figure 3.1: Economic inactivity by Local Government District (2005)**



Source: DETI

<sup>10</sup> Study on Rural Policy, PwC 2005

<sup>11</sup> An economically inactive person is someone of working age (for males this is aged 16-64 and for females this is 16-59), neither in unemployment nor employed according to the ILO definition.

<sup>12</sup> The PwC study on Rural Policy (2005) defined 17 of the 20 NI District Council wards as rural. This was based on the definition used by DARD in the Development of the NI Leader+ Programme and the NI Rural Development Plan. More recently, DARD economists have produced a refined definition based on the population of settlements and their proximity to major towns/cities. This definition is broadly comparable with the PwC one.

- 3.10 Furthermore from a gender perspective the official statistics<sup>13</sup> clearly indicate that while women in NI are less likely to be unemployed than males, they are more likely to be economically inactive. Analysis shows that while economic activity rates have increased across NI, **there is still a prevailing low activity rate amongst women in rural areas**, as shown in Table 3.2 below (which presents economic activity rates for urban and rural areas for the period 2000 and 2005)

**Table 3.2: Economic activity by gender (Spring 2000 to Spring 2005)**

	Spring 2000		Spring 2005	
	Male	Female	Male	Female
Rural	79.8%	65.5%	79.2%	66.5%
Urban	77.4%	64.3%	79.2%	69%

Source: DETI / NISRA

- 3.11 The findings above are important in the context that the involvement of women in the rural development process was highlighted as a potential area for improvement from the previous phase of the last RDP 1994-99, where only 10% of projects objectively surveyed by PwC targeted rural women.<sup>14</sup> Accordingly it was agreed that women would be one of the key target groups for the RDP 2001-2006. Encouragingly, as is evident from the analysis included in Section IV of this report, there is evidence of higher levels of engagement and representation of women in this phase of the RDP 2001-2006, which should be a contributing factor to reducing levels of female inactivity in rural areas.

#### Unemployment trends in rural areas

- 3.12 NI has experienced a fall in unemployment (decreasing by approximately 34% to 34,000, as per the ILO measure<sup>15</sup>) over the Programme period as well as greater convergence across the region. However, evidence suggests that variations in unemployment levels exist across rural areas. In particular there is a need for the diversity of rural areas needs to be highlighted and a distinction drawn between rural locations around the Belfast Metropolitan Area and the southern and north eastern shores of Lough Neagh and the more 'peripheral' areas to the west. In relation to unemployment, the evidence suggests that **in general the 'peripheral' rural areas, which have the lowest economic activity rates and slowest employment growth, also have associated high levels of unemployment.** In this context it is encouraging that the analysis in terms of the 'spatial impacts of the RDP 2001-2006' (included in Section IV of this report) illustrates that a high proportion of RDP 2000-2006 funding committed to date, has been to the more western and peripheral areas of NI.
- 3.13 The NI claimant count unemployment rate currently stands at 3.3%, 0.5 percentage points above the UK average rate of 2.8%. It is important to look beyond the general unemployment trends in NI to consider trends in terms of long-term unemployment. Although falling by 61% over the Programme period, at 21.3%, the **long-term claimant count unemployment in NI, as a percentage of total unemployment, remains higher than the UK average** of 14.5%. Indeed as shown in Figure 3.2 overleaf NI

<sup>13</sup> Labour Force Survey, Department of Enterprise, Trade and Investment.

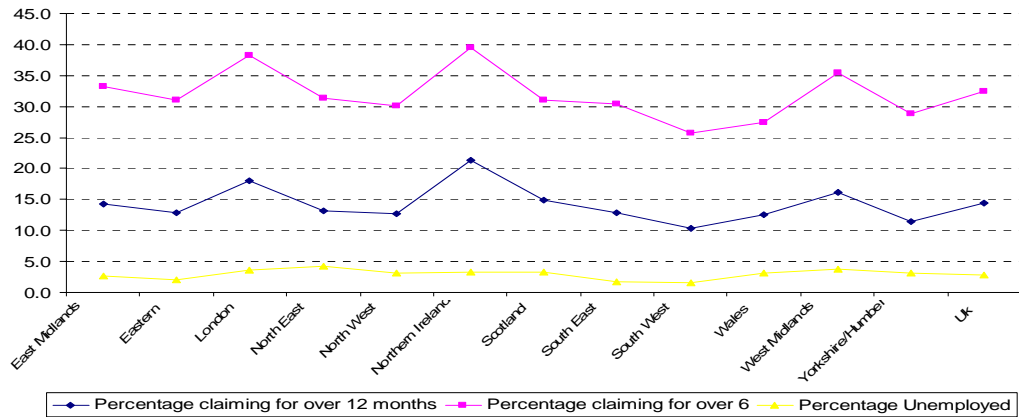
<sup>14</sup> PwC, Ex-post evaluation of the Rural Development Programme 1994-99, completed in 2002 for DARD.

<sup>15</sup> International Labour Organisation (ILO) measure of unemployment relates to people without a job who are available to start work within two weeks and either looked for work in the previous four weeks or were waiting to start a job they had already obtained. The ILO unemployment rate is the number of ILO unemployed divided by the economically active population.



suffers from higher proportions of long-term unemployment than all other regions in the UK.

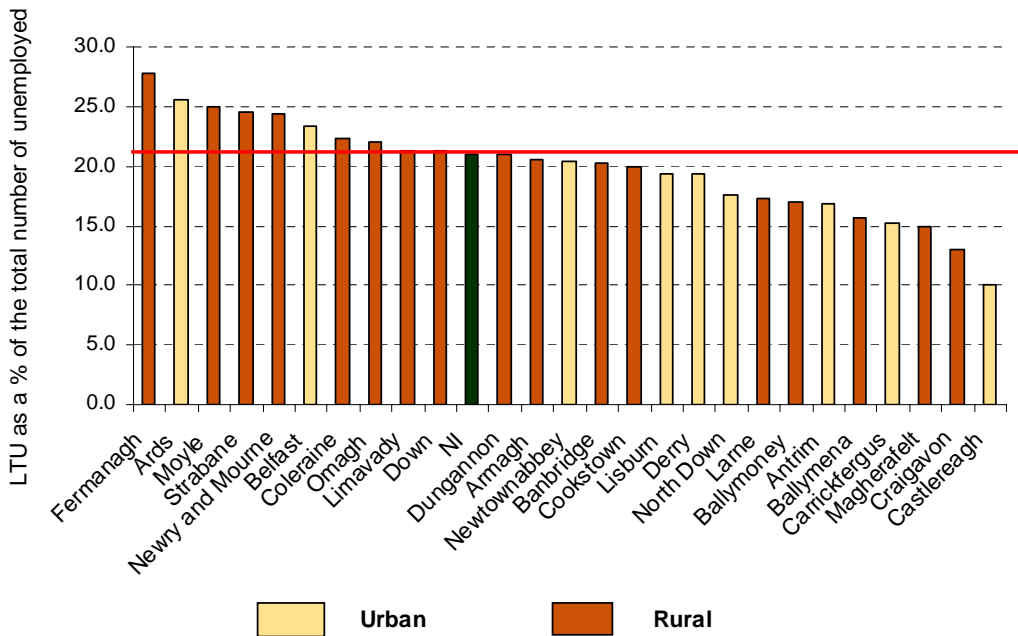
Figure 3.2: Comparison of unemployment rates across UK regions (October 2005)



Source: National Statistics (Labour Market Trends)

3.14 The official labour market data for mid-2005 shows that approximately 1 in 5 (21.3%) of all claimants in NI have been unemployed for 12 months or more. However, as well as being high compared to the rest of the UK, with the exception of Belfast and Derry, **high levels of long term unemployment are particularly evident in rural areas.** For example, in October 2005 Fermanagh had just over 28% of its total number of unemployed, classified as long-term unemployed compared to the NI average of 21% (See Figure 3.3).

Figure 3.3: Long-term unemployed as a percentage of total unemployed (October 2005)



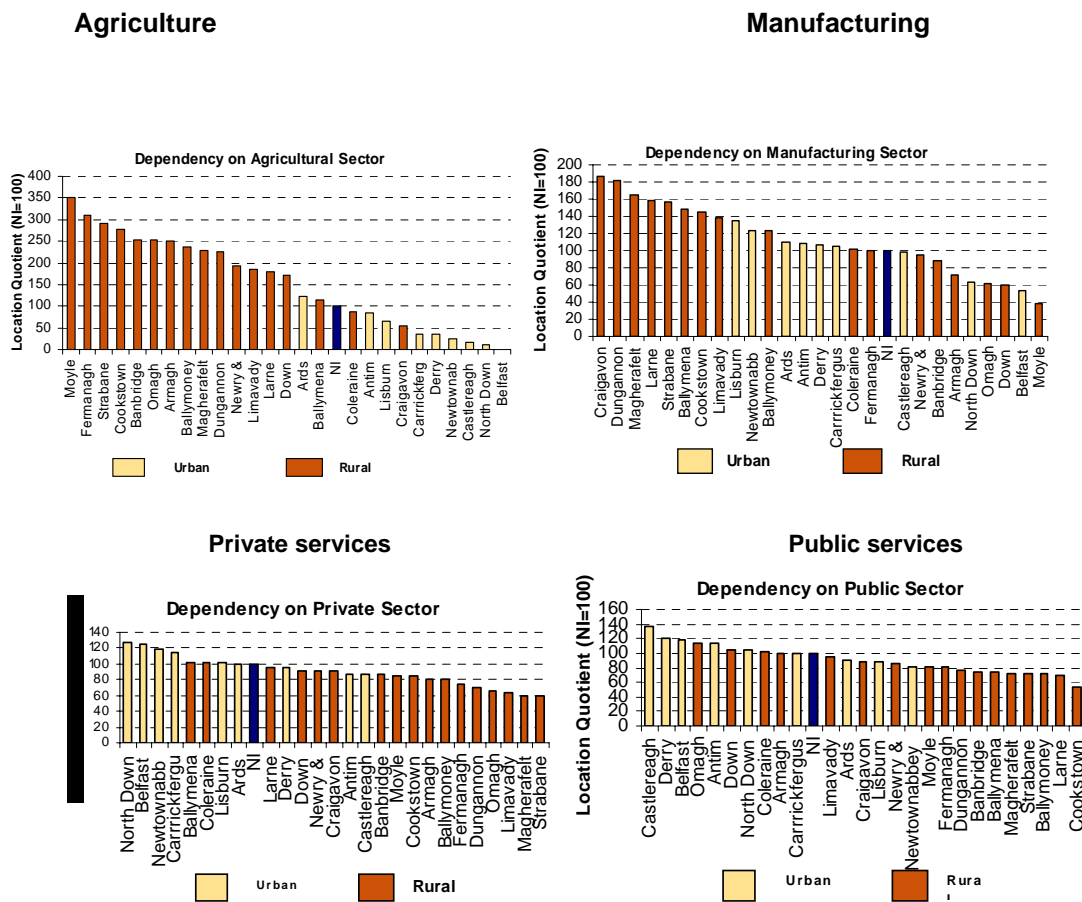
Source: DETI / NISRA

3.15 The above analysis reinforces the fact that one of the four specified target groups for RDP 2001-2006, is the long-term unemployed<sup>16</sup>. That said, it needs to be recognised that there are a range of challenges in engaging the long-term unemployed within the rural development process. This is particularly so when attempting to engage the long-term unemployed directly as applicants to the Programme. This is detailed further in Section IV of this report, where it is evident that the Programme has only engaged to a limited degree with this target group.

**The Composition of Rural Economies**

3.16 Rural economies have an above average dependence on the agriculture and manufacturing sectors and low concentrations of private services, as shown in Figure 3.4 below.

**Figure 3.4: Employee location quotients (2003)**



Source: DETI, Labour Market Trends

3.17 Analysis suggests that the most productive regions in the UK have moved away from manufacturing sectors and into service sectors, and therefore the structure of the rural economy in NI may not be conducive to future high and sustained economic growth. All but two of the 17 rural local government districts have a higher concentration of employees in agriculture than in the service sectors.

<sup>16</sup> The RDP defined long-term unemployment as those aged between 18-24 who have been unemployed for 6 months or more or those who have been unemployed for 18 months or more.

- 3.18 The agriculture and manufacturing sectors are experiencing change and in some respects, a period of decline over the last ten years. These sectors are set to face increasing challenges and competitive pressures in future. In particular, forecasts show a continued decline in employment levels in manufacturing in NI. Specifically 8 of the 17 local government districts classified as rural are forecast to shed more manufacturing jobs as a percentage of the working age population than the NI average<sup>17</sup>.
- 3.19 Agriculture makes an important contribution to both employment and GDP in Northern Ireland. However the sector has experienced a number of set-backs in recent years, including the BSE and Foot and Mouth crises. These have contributed to a declining agricultural labour force in NI, which has fallen over the life of the Programme from 59,300 in 1999 to 53,300 in 2004. The total agricultural labour force includes full-time and part-time farmers, partners and workers, spouses and other workers. Generally speaking, there is still an over dependence on the sector for employment in NI compared to the UK and ROI respectively. Furthermore the more peripheral rural areas of NI still rely heavily on the sector.
- 3.20 The agricultural sector has also recently been characterised with falling incomes and an aging workforce. Recent policy changes in particular the introduction of the Single Farm Payment (SFP) scheme early in 2005 are bringing further changes to the role of the agricultural sector in rural areas of NI. The SFP scheme has replaced the pre-existing livestock and arable direct support regimes in NI, and is independent from production and based largely upon historic receipts of aid. Payments are linked to the fulfilment of environmental, food safety, animal and plant health and animal welfare standards, as well as the requirement to keep all farmland in good agricultural and environmental condition and observe EU environment, health and welfare regulations ('cross-compliance').
- 3.21 Implementation of the SFP scheme, which decouples direct payments, means that farmers no longer have to engage in unprofitable production to claim subsidies. Therefore, many farmers are faced with decisions about their level of production and in this context some will consider whether to continue farming.
- 3.22 Furthermore the industry still faces massive costs in the context of complying with the EU nitrate legislation, estimated at £200 million plus, as new farm waste storage facilities will have to be built.
- 3.23 It is not yet clear whether the above factors will lead to acceleration in the downward trend in the number of farmers. Since 1983, the number of farms in Northern Ireland has fallen by 30%, with the number of full-time farmers also down, as part-time farming becomes more widespread (see Table 3.3 below).

**Table 3.3: Farms and farmers in Northern Ireland**

	1983	1993	2003	2005
<b>Number of farms</b>	39,531	34,089	28,281	27,100
<b>Number of full-time farmers</b>	30,500	24,800	19,300	18,200

Source: DARD Agricultural Census 2005

- 3.24 **The above analysis reinforces the importance of the RDP 2001-2006 as a means to promote and enhance the sustainable development of rural areas, where some of the traditional sources of employment (and wealth creation) are under threat.**

<sup>17</sup> See PwC's report 'The Future Role of Manufacturing in NI' which is due to be published by DETI early 2006.

In particular, the LEADER+ funding stream plays a key role in contributing to the development and sustainability of a small business private sector economy in rural areas. This is fundamental in the context of the low representation of private sector services businesses in rural areas of NI, a sector which is viewed as key to future economic growth.

- 3.25 In view of the changing picture of agriculture, the RDP 2001-2006 is playing a vital role through the BSP funding stream in encouraging diversification of the agricultural sector (and related skill development), alongside the Peace II farming measures, which technically sit outside the Programme, but which are closely allied with it. In the context of increasing tourism expenditure in NI, the Programme is playing a vital role in encouraging the benefits (of this increasing tourism expenditure) to be spread more evenly between urban and rural areas. This is particularly, but not exclusively, through the NRRTI's within the Peace II funding stream of the Programme, which supports the development of new tourism projects and amenities in rural areas.

### Social issues prevailing in rural areas

- 3.26 It is important in examining the 'backdrop' for the RDP 2001-2006 to look beyond the purely economic perspective and to also focus on issues and challenges in respect of the social dimension where the RDP 2001-2006 can also play a contributing role. These include for example:-

- **Challenges to the sense of community in rural areas**, arising from an influx of urban dwellers, who may be 'jumping the green belt' in search of space and quality of life. It could be viewed that such commuters not only represent a significant energy and congestion cost on society, or an undermining of local services and of economies through a rural to urban 'brain drain', but can also 'steal time' which could be invested in the social capital of rural communities. As such, some areas of the countryside in NI are becoming 'lifestyle areas' and challenging the sense of 'community and place' in rural areas;
- Linked to the above, there is a recognition that **community infrastructure is an asset to enable social inclusion, local citizenship and positive lifestyle choices in rural societies**. In particular the voluntary and community sector play a major role in working with communities to achieve rural development, in that it is acknowledged that Government cannot achieve equitable and sustainable development alone. Accordingly there is an ongoing need to maintain the community development infrastructure in rural areas, and 'plug' gaps in terms of areas of weak community infrastructure and/ or inclusion of Section 75 interests. In this context the RDP 2001-2006 has played a vital role in building on the capacity developed in the community and voluntary sector in rural areas of NI through the previous phase of the RDP 1994-99. This has been achieved for example through the work of the Rural Community Network and the Rural Support Networks, both of which are part funded through the RDP 2001-2006;
- The fact that while rural communities in many cases enjoy strong internal cohesion they can often suffer from the **same sectarian divisions** (as urban areas). In particular, rural areas do not have physical 'peace-walls' and thus sectarian interfaces are often "signed" by flags or hidden. Divisions in rural areas can be fuelled by various factors such as family and community history, social and cultural issues, personal experience, land ownership, shopping patterns and business habits. This suggests a continuing need for community relations and peace-building work in rural areas of NI. Again the RDP 2001-2006 is playing a contributing role in this context. For instance Measures 2.9a and b of the Peace II funding stream (Renovation and Development of Villages and Protection and Conservation of the Rural Heritage) support community relations and peace-building activities in rural areas; and

- **Issues in relation to accessing services in rural areas** - access to services can impinge on the attractiveness of rural areas as a 'place to live'. There is a need to ensure adequate access to key public services (for example, health, education) and community level services (e.g. post offices, youth clubs) , which assist in maintaining the sense of community and levels of social capital in rural areas. Both the BSP and the Peace II funding streams of the Programme support activities which improve the access to services in rural areas. For example two of the measures in the Peace II funding stream support the long-term viability of rural retail businesses and the BSP funding stream, for example, amongst other things, supports community transport schemes.

### Summary of the on-going rationale for the RDP 2001-1006

3.27 Overall, there are a number of economic and social factors that continue to be relevant to the underlying aim and rationale of the RDP 2001 -2006. In summary these are:-

- Whilst the economy of NI has continued to improve since the implementation of the Programme, rural areas continue to experience economic challenges. In particular the generally low level of unemployment in NI masks the higher levels of unemployment and economic inactivity that prevail in rural areas;
- Rural economies are, relative to urban economies in NI, unfavourably structured in sectoral terms. This is evidenced through traditionally high levels of dependence on agriculture and the manufacturing sectors, and relatively limited representation of the private services sector, which is important to future economic growth. Both agriculture and manufacturing are two sectors experiencing change and in some respects a period of decline (and employment contraction) and are set to face increasing competitive pressures. This reinforces the role that the RDP 2001-2006 plays in encouraging new sources of employment in rural areas, through support for farm diversification, through the development of tourist amenities and through enhancing the private micro-business sector (e.g. through LEADER+); and
- From a social perspective there are continuing challenges to the sense of community and place in rural areas. These arise from an influx of urban dwellers, prevalence of areas of weak community infrastructure, the need for inclusion of Section 75 interests, sectarian tensions, and inadequate access to services. All of the above reinforces the need for the activity within the RDP 2001-2006, in terms of community development, peace-building and support for community based service development.

3.28 In looking forward Section VII draws on this socio-economic context prevailing in rural areas, to set out aspects of the rationale for a future programme, (and linked to this suggested activities).

## IV Performance, outputs and impacts of RDP 2001-2006

### Introduction

4.1 This section of the MTE report outlines the main quantitative performance measures, outputs and impacts of the RDP 2001-2006 to date. Due to the diversity of the component parts within the Programme and the differing aims and objectives of each of these, there has been a wide range of outputs arising from the Programme thus far. Accordingly this section seeks to present information at a macro (aggregate programme) level and where relevant at the level of each of the four funding streams. Illustrations or examples arising from the research activity conducted for this MTE are used to supplement the headline findings, in order to bring a degree of visibility of the 'real impacts' of the RDP 2001-2006 'on the ground'.

4.2 In particular this section includes:-

- An overview of the application and approval rates within RDP 2001-2006 (overall and by funding stream);
- Financial performance (including commitment, expenditure and N+2);
- A review of the spatial impacts of the RDP 2001-2006 across NI, including the involvement of disadvantaged areas;
- A review of the engagement of target groups within the RDP 2001-2006;
- Employment outputs arising (with the emphasis on jobs created);
- Other programme outputs (drawing on performance against the monitoring indicators specified for each funding stream); and
- A summary of the contribution of the RDP 2001-2006 to the economic and social revitalisation of rural areas (drawing on the findings of the above sub-sections).

### Summary of application and approval rates (overall and by funding stream)

4.3 Table 4.1 below provides a 'snapshot' of application and approval rates within RDP 2001-2006 overall and by component funding stream and is based on an extract from the DARD mini central database in the middle of December 2005. It is important to note that the data for Interreg IIIA refers only to projects where the lead applicant is in NI and also only to the first call for applications within the rural development measure of Interreg IIIA (Measure 1.4).

**Table 4.1: Status of applications within the RDP 2001-2006 (December 2005)**

Programme	Application status				Total applications
	Approved*	Under consideration*	rejected	other	
Peace II	749	20	490	199	1458
Leader+	827	250	264	301	1642
Interreg IIIA	<sup>18</sup> 7	22	6	9	43
BSP	226	118	357	121	822
<b>Total</b>	1808	410	1117	630	3966

Source: DARD RDP 2001-2006 mini central database – 13th December 2005

<sup>18</sup> Including 6 approved N/S partnership projects, some of which are 'umbrella' projects which other applicants can seek funding from and one DARD led application in relation to the implementation of Measure 1.4

- 4.4 Table 4.1 highlights considerable variation between the funding streams of the RDP 2001-2006. For instance it is evident that LEADER+ has had to date both the highest rate of applications and the highest approval rate within the RDP 2001-2006, which can be explained by a range of factors. In the first instance LEADER+ is essentially a 'small grants'<sup>19</sup> programme for the micro-enterprise sector, available locally across NI through the dispersed <sup>20</sup>LAG infrastructure, which explains the high volume of applications to the programme. In addition the high approval rate evident within LEADER+ (with the rate of rejections running at only 16% to date) is in part a reflection of the pre-application support provided by LAG staff and more recently the use of Expressions of Interest (EoI), which has greatly improved the quality of subsequent applications.
- 4.5 Further light can be shed on the differing trends within Table 4.1 by examining the average time to process a successful application within the four funding streams of the RDP 2001-2006 and the average size of grant awarded, which is illustrated in Tables 4.2 and 4.3 below.

**Table 4.2: Average 'Turnaround' time for successful applications to RDP 2001-2006**

Funding Stream	Average 'Turnaround' Time for Successful Applications (Days)
Peace II	122
Leader +	81
Interreg III A	335
BSP	349

Source: DARD, September 2005

**Table 4.3: Average size of grant awarded by funding stream within RDP 2001-2006**

Funding Stream	Average Size of Grant Awarded
Peace II	£27k
Leader +	£19k
Interreg IIIA	£247k
BSP	£119k

Source: DARD central 'mini-database' 13th December 2005 (and focusing exclusively on grants to projects, by excluding technical assistance awards and core funding awards)

- 4.6 The longer turnaround time for successful applications within Interreg IIIA and BSP could in part be explained by the fact that in general decisions are being made with respect to much larger projects than is the case within Peace II and LEADER+, reflecting a need for detailed evaluation of applications including typically the completion of a full economic appraisal (rather than a shorter pro-forma economic appraisal process as is the case for many smaller LEADER+ projects). Furthermore the nature of some of the rural development projects within BSP, often involving a capital build/ infrastructure element, can add to the length of the approvals process. Finally the fact that the BSP rural development measures have typically been open for applications on a phased basis, with each call targeting a different type of applicant organisation<sup>21</sup> adds to the complexity of the applications and approvals process, relative to for instance LEADER+ where a single target market (i.e. private sector micro-businesses) has been identified across NI.

<sup>19</sup> The maximum grant under LEADER+ is £50k and each applicant must contribute at least 50% of the total project cost in most cases (with the exception of training projects which are funded at up to 100%).

<sup>20</sup> The 12 Local Action Groups

<sup>21</sup> including non-profit taking community and voluntary organisations, profit taking collectives and organisations, organisations wishing to deliver sectoral programmes/ projects and organisations promoting area-based interventions.

- 4.7 Within Interreg IIIA the turnaround time of Measure 1.4, is reflective to a degree of general trends with the Interreg IIIA programme, where it is evident that a cross border approach to develop, appraise and assess projects is much more time consuming than a 'single jurisdiction' approach. In addition it is apparent from the Republic of Ireland perspective that the staff from <sup>22</sup>DCGRA had a slightly different focus to DARD, perhaps more in the 'policy space' rather than the 'implementation space', which was reported to have impacted on the effectiveness/speed of implementation and overall progress achieved. The recent movement of ADM/CPA (now known as Border Action) into this role was reported to have brought a new sense of momentum to the cross-border decision making structures, which is viewed as having had a positive impact on programme implementation, including the approvals process. The overall picture with respect to Interreg IIIA (as is detailed further in the context of commitment and expenditure later in this section), was that the first call for applications was 'slow' but that the second call has elicited a much stronger response, which should enable Measure 1.4 to 'regain some ground'.
- 4.8 The average turnaround time of 122 days, within the Peace II measures of the RDP 2001-2006 compares favourably with the overall trends within the <sup>23</sup>Peace II programme, where the average turnaround time across all measures is 146 days. This strong performance may be reflective of the fact that, in general under the RDP 2001-2006, the size of grants awarded under the relevant Peace II measures, is lower than the average grant awarded across all of the Peace II measures (and therefore the principle of 'commensurate effort' with respect to the assessment of Peace II applications within the RDP 2001-2006 is relevant).
- 4.9 Despite the differing trends evident within the various funding streams of the RDP 2001-2006, the aggregate picture in terms of the level of engagement with the programme should not be overlooked. In effect by December 2005, almost 4000 applications to the RDP 2001-2006 had been made, with almost half of these approved. **This level of activity and engagement is indicative of the widespread impact of the RDP 2001-2006.**

### Financial performance (commitment, expenditure and N+2)

- 4.10 Table 4.4 below sets out the high level financial performance of the RDP 2001-2006 as of December 2005, drawing on the two main indicators of commitment and expenditure.

**Table 4.4: Financial performance of the RDP 2001-2006**

Programme	Total Allocation £m	Committed £m	Spent £m	% of allocation spent
Peace	20.6	21.0	13.5	65%
BSP	34.5	25.8	14.1	41%
Interreg IIIA (NI allocation)	4.8	1.8	0.4	8%
Leader	19.9	16.3	8.6	43%
<b>Total</b>	<b>80</b>	<b>65</b>	<b>35.5</b>	<b>44%</b>

Source: DARD, RDP 2001-2006 mini central database, December 8th 2005.

<sup>22</sup> Department of Community, Rural and Gaeltacht Affairs

<sup>23</sup> Update of the Mid-Term Evaluation of Peace II 2000-2006, completed by PwC for SEUPB in October 2005



- 4.11 At an overall level Table 4.4 indicates that circa 81% of the overall £80m allocation to the RDP 2001-2006 was committed and 44% spent, by December 2005, which is a strong overall performance relative to mid-term evaluation point of the previous phase of the RDP 2001-2006 from 1994-99, where there was a very large degree of 'back-end' loading with respect to both commitment and spend, partly due to the <sup>24</sup>long lead in time for some projects applying for funding from RDP 2001-2006. This strong performance is a reflection of the <sup>25</sup>'N+2' regime introduced for this round of EU funds, which has necessitated an ongoing focus on reviewing spend in line with annual N+2 targets.
- 4.12 Again Table 4.4 highlights some variation in the financial performance of the various funding streams of RDP 2001-2006. The Peace II allocation is now fully committed (in fact it is now actually slightly over-committed which will allow for a small degree of de-commitment) and the strong spend level of 65% is broadly <sup>26</sup>consistent with the overall performance of the Peace II programme in NI. Overall the Peace II component of the RDP 2000-2006 has met the specified N+2 targets to date, and with funding fully committed, appears to be in a strong position to achieve forward spend and N+2 targets.
- 4.13 Discussions with DARD indicate that the level of commitment and spend reflected in Table 4.4 for the BSP funding stream of the RDP 2001-2006 are likely to be an underestimate, in that the funding allocated through the area-based partnerships to individual projects in their locality is not captured on the DARD 'mini-central' database. **This is an issue that needs to be addressed in order to present an accurate and comprehensive picture of the financial performance of BSP (and in turn the overall RDP 2001-2006).**
- 4.14 Generally within the BSP funding stream of the RDP 2001-2006 the financial performance in terms of commitment, spend and N+2 has been 'just about on track', but this masks a degree of variation at the Measure level within the RDP 2001-2006 measures of Priority 4 of BSP. For instance it is understood that Measure 4.7 (Renovation and Development of Villages and Protection and Conservation of the Rural Heritage), which represents around one-third of the total BSP RDP 2001-2006 allocation, was identified at the time of the BSP MTE to be an 'under-performing measure'. However following actions by DARD, to revise the indicators and activities within this Measure in conjunction with DG AGRI<sup>27</sup> it is understood that this Measure is now one of the strongest performing measures within Priority 4 of BSP. To date there have been no de-commitments arising within BSP RDP 2001-2006 measures, however this may be due to a degree of over-performance of other non-RDP 2001-2006 measures within Priority 4, which have balanced out the overall picture and ensured that the Priority 4 level N+2 targets have been met to date. Finally DARD have recently been pro-active (with a view to N+2 targets), by immediately promoting available

<sup>24</sup>DARD - Final Evaluation of the RDP 2000-2006 1994-99, PwC 2001. A number of factors contributed to long lead-in times, including timing delays caused by having to secure funds from a number of sources for capital projects; Raising the required 5% community contributions by groups towards the overall project cost; Technical issues, such as securing planning permission; the very practical reality that many groups and communities required 'lead-in' support in terms of time for group development and capacity building before they would be in a position to scope and implement major development projects in their community.

<sup>25</sup>'Back-end' loading was a feature of a number of the European Programmes up to 31 December 1999. As a result legal rules were brought in for the next round of European funding starting in 2000. These required that an allocation from the Commission to a given programme for any given year must give rise to an equivalent level of payment requests by the end of the second year following the allocation. This became known as the "n+2" rule and it means that payments that are not claimed within this time frame are lost to the programme (as de-commitments).

<sup>26</sup> Update of the Mid-term Evaluation of Peace II 2000 - 2006, PwC 2005, where in October 2005 the level of expenditure was 59% of the total allocation.

<sup>27</sup> MTE Update of BSP 2000-2006 Operational Programme, NISRA, November 2005

monies for rural development projects when a major capital project did not proceed resulting in a large de-commitment.

- 4.15 Measure 1.4 of Interreg IIIA is the main funding stream of the RDP 2001-2006 which has been lagging behind in terms of financial performance. The first call was 'slow', the quality of applications to this call is understood in general to have been poor, and in addition it is apparent, as previously detailed, that the staff from DCGRA had a slightly different focus to DARD, perhaps more in the 'policy space' rather the 'implementation space', which is reported to have impacted on the effectiveness/speed of implementation and overall progress achieved. Looking forward there is an opportunity to regain some ground in terms of the performance of this measure. It is understood that a greater degree of pre-application development support was provided in advance of the second call within Measure 1.4, which resulted in a higher quality of applications to the call. A total of 55 applications were received in respect of the second call involving projects led from both jurisdictions. Currently it is anticipated that another eight north/south partnership projects will be funded, which again could include umbrella projects.
- 4.16 Overall including the activity funded through the first call it is anticipated that Measure 1.4 will support 14 north/south partnership projects, which collectively could in turn support around 100 projects 'on the ground'. Currently it is understood that the second call projects have been approved 'in principle' arising are currently subject to economic appraisal, with a view to Letters of Offer being issued before Easter 2006. **It is viewed that these projects will result in full commitment of the remaining allocation within Interreg IIIA, although clearly this needs to be monitored closely in the forward period in order to meet forward N+2 targets.**
- 4.17 Finally as previously detailed the recent movement of ADM/CPA (now known as Border Action) into the Implementing Agent role in the Republic of Ireland, is reported to have brought a new sense of momentum to Measure 1.4, which is viewed will impact positively on the forward implementation process.
- 4.18 However in highlighting that Measure 1.4 of Interreg IIIA has been lagging behind the other funding streams of the RDP 2001-2006 in terms of financial performance, it is fundamental to highlight that there is incomplete capture of all the relevant data, meaning that the commitment and spend data presented in Table 1.4 is only part of the picture. In essence the majority of the information on the DARD 'mini central' database relates to Northern Ireland. **It is understood that actions are being progressed to enable some of the data held by ADM/CPA in relation to the Republic of Ireland to be 'pulled through' to the DFP central EU database, which should address this issue. It is important that this is progressed as soon as possible.**
- 4.19 Finally LEADER+ has performed well with respect to both commitment and expenditure and in particular there has been real progress since the time of the MTE of LEADER<sup>28</sup> in 2004. This is evidenced by the fact that commitments have risen to over 80% (£16.3m) and spend to 43% (£8.6m). DARD have also been pro-active in addressing any identified challenges in meeting N+2 targets, which has contributed to the recent progress made on expenditure. For instance in June 2004 it became evident that there would be a real challenge in meeting the N+2 target (£4.85m) for the year. Progress towards this 2004 N+2 target was aided by the fact that DARD offered unallocated Action 1 funding to LAGs who submitted "innovative" proposals for projects that would also generate quick expenditure. As a consequence eleven LAGs submitted proposals for projects, commensurate with their existing strategies, that were both innovative and could generate sufficient spend to meet the N+2 requirements. Arising from this £1.07 million was offered to LAGs for project expenditure in September 2004. One innovative

<sup>28</sup> At the time of the MTE the LAGs had spent an average of 6% of their total budget (and in fact six LAGs had at that time spent no operational monies) and the commitment was 29%.

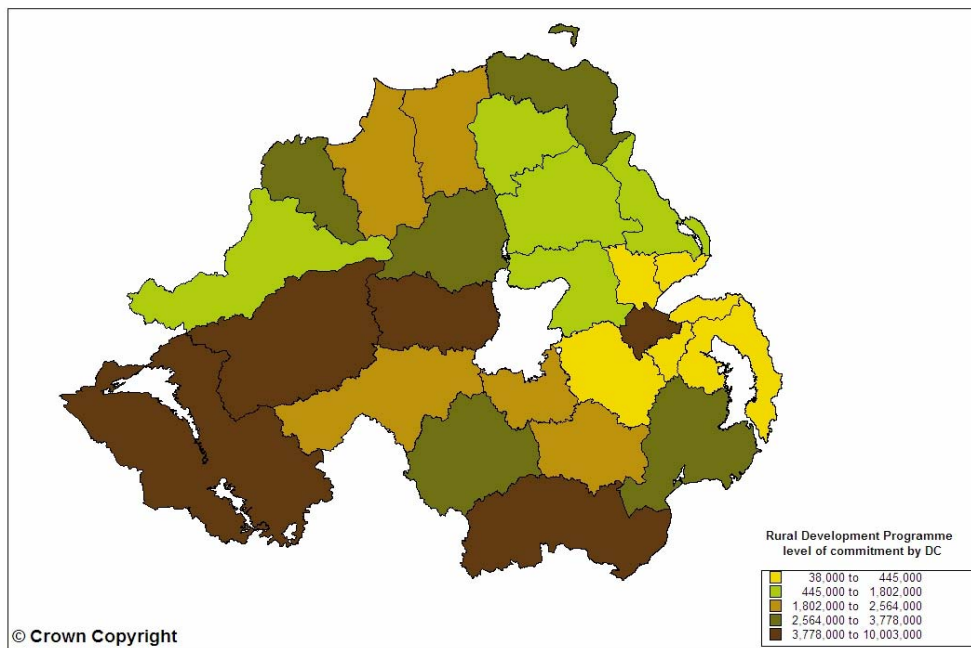
project was based on replicating the 'IT for micro-business development programme' being implemented by <sup>29</sup>ETR which identified the IT needs of micro business, provided tailored training and support, resulting in the offer of IT capital grant aid to businesses. This was replicated across seven LAGs in NI supported by innovative actions funds, and provides evidence of good practice being shared and acted upon within the LEADER+ programme. The N+2 target for 2005 is £3.4m and has recently been met. Finally, it is understood that the N+2 target for 2006 is expected to be met by June 2006.

## Spatial impacts of the RDP 2001-2006

4.20 The strategy document for the RDP 2001-2006<sup>30</sup> highlighted that for the purposes of the programme rural areas, were defined as all parts of NI outside the Belfast Metropolitan Area, the city of Derry/ Londonderry and towns with a population greater than 5,000. However it was highlighted that a degree of flexibility would be retained to support projects based in urban settings, where they were targeted at a rural constituency.

4.21 With this in mind Figure 4.1 below sets out the actual allocation of funding across NI at the level based on commitment levels captured in the DARD 'mini-central' database as at December 2005. It is evident that to date the largest proportion of funding has been allocated to the District Council areas of Fermanagh, Omagh, Cookstown and Newry and Mourne, all of which would be <sup>31</sup>categorised as 'rural' District Council areas. In addition it is evident that other District Council areas categorised as rural (e.g. Down, Armagh and Magherafelt) have also to date secured a large proportion of the RDP 2001-2006 funding.

**Map 4.1: Distribution of RDP 2001-2006 funding committed by District Council**



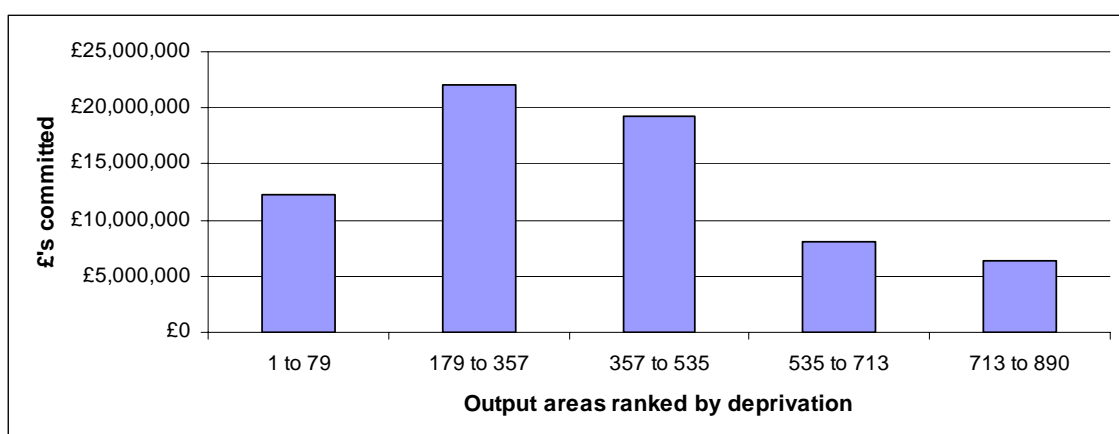
<sup>29</sup> East Tyrone Rural

<sup>30</sup> Rural Development Programme Strategy 2001-2006, published in 2001.

<sup>31</sup> PwC Study on Rural Policy, 2005, Annex E where the following District Council areas were categorised as rural, Armagh, Ballymena, Ballymoney, Banbridge, Coleraine, Cookstown, Craigavon, Down, Dungannon, Fermanagh, Larne, Limavady, Magherafelt, Moyle, Newry and Mourne, Omagh and Strabane.

- 4.22 Figure 4.1 above shows a cluster of funded projects in the Belfast City Council area. This anomaly is due to a number of regional organisations with Head Quarters in the Belfast area who deliver projects and services in rural areas.
- 4.23 It is **also encouraging to note that in general there has been a high proportion of the RDP 2001-2006 funding allocated to date, to the more western and peripheral areas of NI.** This observation is made in the context of the need to recognise the diversity of rural areas, with rural locations around the Belfast Metropolitan Area and the southern and eastern shores of Lough Neagh being relatively prosperous compared to the more 'peripheral' areas in the west of NI. In particular these <sup>32</sup>areas have experienced the lowest economic activity rates, slowest employment growth, higher levels of unemployment, and greater incidence of rural poverty in recent years. **Accordingly, at least on social inclusion and economic grounds, the rationale for intervention in these areas is relatively strong, and it is encouraging that a high proportion of the RDP 2000-2006 funding to date has benefited these areas.**
- 4.24 Leading on from the above, it is important to comment more fully on the relation between deprivation in rural areas and RDP 2001-2006 funding. This is important particularly in the context that the original <sup>33</sup>RDP 2001-2006 strategy included new TSN and disadvantage as one of the guiding principles for implementation of the programme. In particular this strategy highlighted the need for the RDP 2001-2006 to *'give priority to strategies, programmes, and projects and that address the needs of areas, groups and individuals objectively identified as being in greatest social need'*.
- 4.25 The Noble Northern Ireland Multiple Deprivation Measure ranks areas known as 'super output areas' from 1 to 890, with 1 being the most deprived and 890 the least. Figure 4.2 below highlights the value of RDP 2001-2006 committed to date to wards within 5 'bands' of wards, according to their deprivation rank. The graph highlights **that there has been a high proportion of RDP 2001-2006 funding allocated to date to wards in the second and third 'band' of deprivation.** There has been reasonable penetration of RDP 2001-2006 funding into the first 'band', that is the most deprived 180 wards in NI, but the potential in this context is constrained by the fact that a significant proportion of these wards are in the cities of Belfast and Derry/ Londonderry, and therefore could be outside the scope of RDP 2001-2006 funding.

**Figure 4.2: Relationship between deprivation and RDP 2001-2006 funding allocated**



- 4.26 In interpreting Figure 4.2 it should be highlighted that there has been a degree of debate about the adequacy of the Noble approach in taking into account the degree of

<sup>32</sup> PwC Study on Rural Policy, 2005 Section V

<sup>33</sup> Rural Development Programme Strategy 2001-2006, published in 2001

accessibility to key services in rural areas. The five most deprived wards based on 'proximity to services' domain are all rural, and yet none of these appear in the top 100 most deprived wards based on the 'multiple deprivation measure'<sup>34</sup>. The underlying issue that has been argued is that the weighting attributed to the 'proximity to services' domain within multiple deprivation measure is perhaps too low which potentially results in a degree of rural insensitivity in capturing highlighting poverty. This could be viewed as a key issue given that those in rural poverty are often further disadvantaged in a rural setting because of limited access to services and related problems of mobility and isolation.

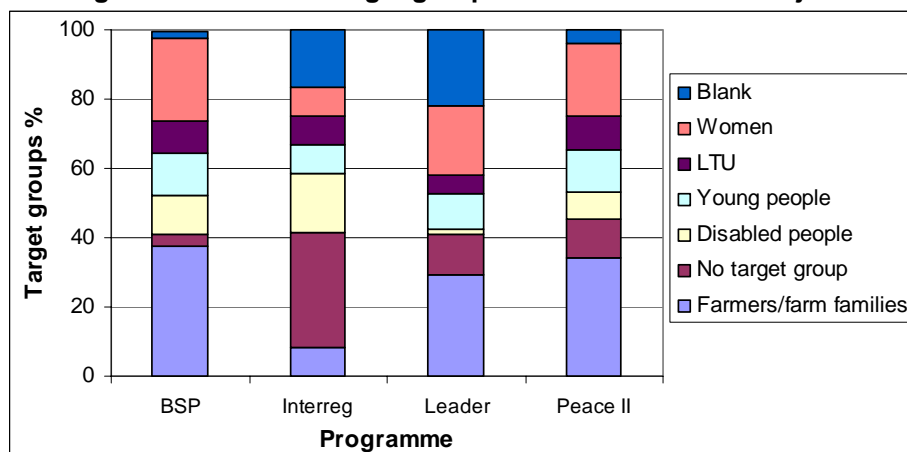
- 4.27 However while there may be some debate about the methodology in relation to the multiple deprivation measure, **it is evident that to date that the RDP 2001-2006 has successfully engaged with 'areas, groups and individuals objectively identified as being in greatest social need'**.

### Review of participation in the RDP 2001-2006 (by target groups)

- 4.28 The Terms of Reference for this MTE specified a requirement to examine the participation in the RDP 2001-2006 of four target groups women, young people, long-term unemployed, farmers and farm families. This links back to issues identified in the<sup>35</sup> ex-post evaluation of the RDP 1994-1999 where it was highlighted that it was difficult to capture the true extent to which women and farm families had participated in the programme. Furthermore it was emphasised in this report that there was an opportunity for pro-active targeting women and farm families in the RDP 2001-2006, and that this should be monitored quantitatively and qualitatively to demonstrate progress.

- 4.29 Accordingly the DARD 'mini' central database for the RDP 2001-2006 requires applicants to indicate, what target groups their project is intended to benefit. The key target groups monitored within the RDP 2001-2006 are as above women, young people, long-term unemployed, farmers and farm families, although the database also has an extra field for 'individuals with a disability'. It is understood that the inclusion of this additional field, was linked to the findings, of the Equality Impact Assessment (EQIA) conducted for the RDP 2001-2006.<sup>36</sup> Figure 4.3 below presents an analysis of this information captured in the DARD 'mini-central' database at December 2005, by the four funding streams within the RDP 2001-2006.

**Figure 4.3: Intended target groups for RDP 2001-2006 Projects**



Source: DARD mini-central database, December 2005, approved applications only

<sup>34</sup> NI Multiple Deprivation Measure May 2005, NISRA

<sup>35</sup> Ex-post evaluation of the 1994-99 Rural Development Programme, PwC for DARD in 2003

<sup>36</sup> Equality impact assessment of the Rural Development Programme, 2000 – 2006, Final Report February 2005, DARD.

- 4.30 It should be highlighted in general that the target groups are those that the project promoters intend to target (drawing on their initial application) and may not be an accurate reflection of the actual beneficiaries of each project in due course<sup>37</sup>. In addition it may be subject to inaccuracies as there could be a tendency for project promoters to 'tick' all categories of potential target groups in their application form, which may or may not be accurate. That said, it is understood that the various implementing bodies responsible for operational projects are required to monitor target outputs and report on the beneficiaries broken down by target groups (to allow DARD RDD to update the database accordingly). In addition once a project is operational the project promoter and all project beneficiaries are issued with Section 75 questionnaires (which cover two of the RDP target groups). Looking forward it is important that DARD RDD regularly review this 'actual' participation data against the intention originally expressed in the database.
- 4.31 Reflecting on Figure 4.3 it is evident that almost 40% of the BSP approved projects stated that they would target farmers / farm families. Many of these intended impacts are linked to Measures 4.4, 4.6 and 4.7 (Setting up of farm relief and farm management services, Basic services for the rural economy and population, Renovation and development of villages and protection and conservation of the rural heritage). However there appears to be some inconsistencies between the expenditure and monitoring data in this context. For instance in December 2005 there was no recorded expenditure for Measure 4.4, however the monitoring data captured in June 2005<sup>38</sup> suggests that 40 farm families have engaged with services provided by activity funded through Measure 4.4. **It is important that inconsistencies in data capture such as these are explored by DARD.** Furthermore they relate to a more general point, detailed later in this section, about the timeliness of the capture of monitoring data relative to the capture of financial data (and the differing arrangements in relation to the timing of this across each funding stream of the RDP 2001-2006) and the quality/ consistency of some of it.
- 4.32 It is also evident that women are also reasonably well represented as intended target groups of projects funded by the RDP 2001-2006. Around 20% of projects (from the BSP, Peace II and LEADER+ funding streams<sup>39</sup>) intend to target rural women. This represents a potential improvement on the previous RDP 1994-1999, where only 10% of projects surveyed targeted rural women<sup>40</sup>.
- 4.33 Engaging young people in the rural development process has been a challenge in previous phases of the RDP, which is a key issue, given that young people are important to the future and succession planning in terms of the governance of rural development projects. In the RDP 1994-1999 only 7% of all approved projects targeted young people and this has risen a little to 11% of all projects currently approved within the RDP 2001-2006. It is evident that engaging with young people will continue to be a challenge, indeed in particular funding streams of the RDP 2000-2006 there have been real barriers to engaging with young people. Specifically within LEADER+ it is evident that young people typically did not have access to the 50% match funding required. In addition they required extensive development time, which was reported to be difficult within the administration constraints of the programme, where the administration budget is designed to cover project development rather than capacity building of individuals. Finally it is questionable whether it was ever realistic to target young people extensively

<sup>37</sup> There are some exceptions to this in that under Leader+ the LAG targets the RDP 2001-2006 through the sub-measures they deliver.

<sup>38</sup> As reported in the BSP mid-term evaluation update in October 2005.

<sup>39</sup> There is not as yet any captured monitoring data with respect to Interreg IIIA at the project level. The monitoring data is only at the level of the 6 n/s partnerships meaning that the full picture on actual target groups is not evident.

<sup>40</sup> Source: PwC survey of successful applicants completed as part of the Ex-post Evaluation of the Rural Development Programme, 1994 – 1999.

within LEADER+, as young people, with limited 'life experience' are unlikely to have significant networks to facilitate them becoming a successful entrepreneur in their rural community. That said as highlighted in the Leader+ mid-term evaluation update, lessons could be learnt in this context from organisations such as Young Enterprise and the Princes Trust.

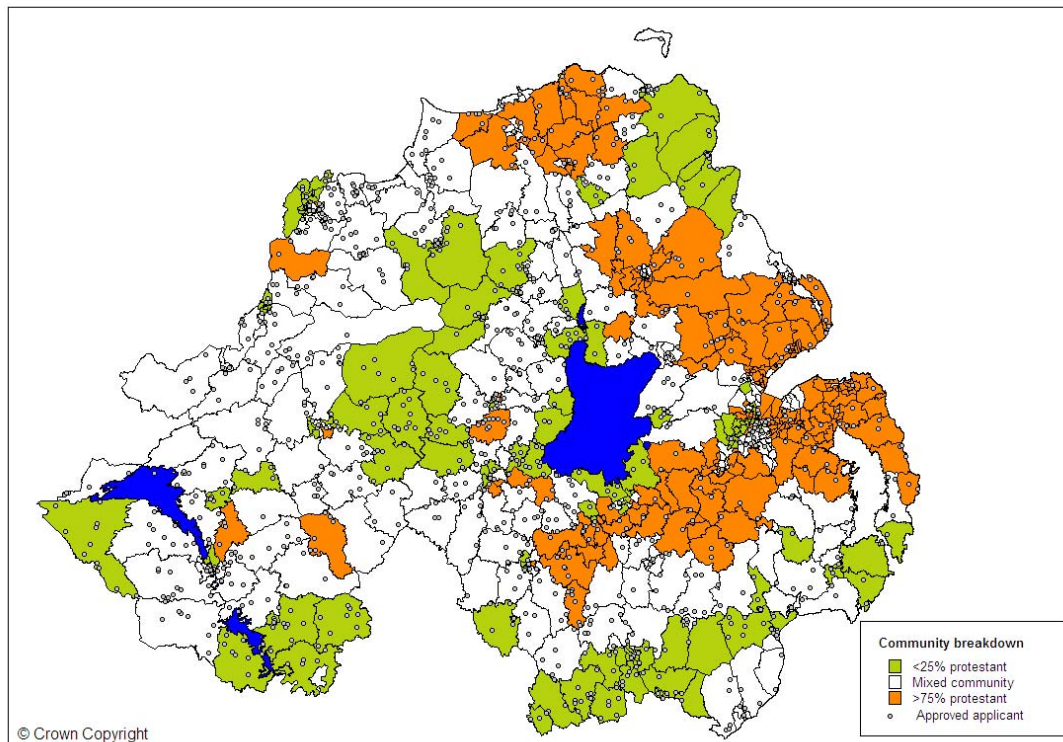
- 4.34 It is further evident that the target group of the long-term unemployed is also challenging, where circa 7% of approved projects to date within the RDP 2001-2006 have stated an intention to target the long-term unemployed. It would appear that targeting the long-term unemployed as applicants to the RDP 2000-2006 is certainly challenging. For instance it has been difficult to encourage individuals who are long-term unemployed to bring forward micro-business ideas for funding under LEADER+. It was reported that the difficulty with the current programme, in comparison to LEADER II is that 50% match funding was required and the focus is on new and existing micro-businesses. It was apparent through interviews with LAG Managers that long-term unemployed people typically lack the ability to raise the match funding and frequently do not have the skills, capacity and networks to develop a new business. Again, similar to the perspective of young people detailed above, it is questionable whether it was ever realistic to aim to engage with a significant proportion of individuals who were long-term unemployed within LEADER+ and more broadly within the RDP 2001-2006. Perhaps this is an area requiring parallel intervention from other Departments/agencies (e.g. DEL<sup>41</sup>, the further education sector), before interventions from the RDP 2001-2006 could realistically make an impact. **Accordingly some form of strategic collaboration between DARD and DEL may be appropriate with respect to this issue.**
- 4.35 It is important to note that both the LEADER+ and the Interreg IIIA funding streams of the RDP 2001-2006 have a large number of 'blanks' where the project promoter has not provided any information in relation to intended target groups. Therefore it is evident that information relating to target groups is not comprehensive. In addition a proportion of approved applicants (10%) stated that their project has no specific target group. **It is important that actions are taken by DARD to plug these gaps, particularly from the LEADER+ perspective**, as it is evident that the implementation of LEADER+ is significantly more advanced than Interreg IIIA to date. It is understood that actions are underway by DARD with LAG's to plug these gaps. Furthermore, it is understood that new procedures have been introduced to identify incomplete project records as part of the verification of claims received by LAGs.
- 4.36 In the context of the statutory equality duty imposed on DARD from Section 75 of the NI Act, and the EQIA conducted with respect to the RDP 2001-2006, it is important to highlight that fields were created on the DFP central EU database and the DARD 'mini-central' database to capture the Section 75 categories of the intended project participants. However due to fact that these fields were poorly populated, largely in terms of data quality (i.e. the majority of projects just recorded that their project benefited all Section 75 categories, rather than being more specific) has meant that there was little added value in retaining these equality fields on the DARD 'mini-central' database<sup>42</sup>. However it is important to highlight that an alternative system has been put in place to capture equality data, via the issue of Section 75 questionnaire to project promoters and beneficiaries for return to NISRA.
- 4.37 Through using the postcode data held for approved projects on the DARD 'mini-central' database it is possible to highlight the impact of the RDP 2001-2006 in the context of one of the Section 75 categories (i.e. religion/ community background). Figure 4.2 overleaf sets out the distribution of RDP 2000-2006 approved projects at ward level,

<sup>41</sup> Department for Employment and Learning

<sup>42</sup> That said, some parts of the RDP 2001-2006, is Leader+ active in asking beneficiaries to complete a Section 75 questionnaire for return to NISRA to add to monitoring data.

where the wards are categorised in terms of community background (drawing on the 2001 census data). It is important to highlight that this is not a totally accurate method to capture the impact of the RDP 2000-2006 thus far, in that it is not based on religion/community background data held at the level of applicants including applicant organisations. Nevertheless it does demonstrate that there has been a fairly even distribution of RDP 2001-2006 funding within wards that can be categorised as 'predominantly protestant', 'predominantly catholic' and 'mixed', which would potentially suggest that there has been no differential impact within one community over another, with respect to RDP 2001-2006 funding.

**Map 4.2: Successful applications to RDP 2001-2006 by community background**



## Employment outputs arising

4.38 It is important to note that the RDP 2001-2006 is not a job creation programme *per se*. The primary aim of the RDP 2001-2006 as set out in Section 1<sup>43</sup>, is to promote and advance the sustainable development of rural areas. In fact job creation is not mentioned at all in the vision statement, overall aim or guiding principles for the RDP 2001-2006. That said it is evident that the creation of jobs is an important 'by-product' of the rural development process. In particular some of the measures within the RDP 2001-2006 have a job creation target, within a broader portfolio of specified result, output and impact indicators for the measure as a whole.

4.39 Accordingly PwC developed an agreed list of 13 measures within the RDP 2000-2006 that had a job creation element (specified either in the objectives and/or targets for the Measure) and these measures were analysed in greater detail. It is important to highlight that in setting measure level targets for jobs, the emphasis by DARD has been exclusively on jobs created as a 'spin-off or downstream' impact of the RDP 2001-2006

<sup>43</sup> the aim of the RDP is 'to promote comprehensive and integrated action towards sustainable and equitable development in rural areas and, in doing so, contribute to the economic environmental, social and cultural well being of the rural community for the benefit of the whole community of NI.'



funding (which is a 'tighter' definition than that applied with previous phases of the RDP). There is no reference to posts funded within the RDP 2001-2006 infrastructure (e.g. within IFB's, through technical assistance, or fixed term posts to implement projects) or casual/ seasonal employment (e.g. created through construction of capital projects in rural areas, seasonal employment in tourism projects). However all of the above categories of employment do bring a degree of wealth creation into rural areas, even if it is short-term, and therefore should be included in the aggregate analysis of the employment impact of the RDP 2001-2006.

**Table 4.5: Jobs created by the RDP 2001-2006 to date**

RDP Funding Stream	Number of RDP Measures within this funding stream that have a job creation target	Jobs Created To Date
BSP	6	58
Peace II	2	2
Leader+	4	569
Interreg IIIA	1	0
<b>Total</b>	<b>13</b>	<b>629</b>

Source: DARD, NISRA, RDC & RCN

Note; Based on spin-off /downstream jobs only

- 4.40 By December 2005, 629 new jobs were created in projects that were funded under the 12 measures within the RDP 2001-2006 that are deemed to have at least a degree of a 'job-creation' component. However this figure draws on monitoring data for the various funding streams of the RDP 2001-2006 which is captured at different times (e.g. the BSP monitoring data is June 2005 drawing on the MTE evaluation update conducted by NISRA, the Peace II monitoring data is largely from August 2005, drawing on a range of data capture processes within RDC, RCN and DARD, and the LEADER+ monitoring data is from September 2005 and sourced through NISRA). Accordingly it is very difficult to 'synchronise' this data in order to obtain an accurate picture of the total employment created at any point in time by the RDP 2001-2006.<sup>44</sup>
- 4.41 Nonetheless against a target for jobs created within the RDP 2001-2006 of 1,000 the performance of 629 jobs (in the context of expenditure levels that would have been circa 36% of the overall RDP 2001-2006 programme allocation in September 2005) represents good progress. However it is evident that the LEADER+ programme has been the main contributor to this strong performance, aided by the fact that LEADER+ is private sector, small grants and micro-business focused, all of which has contributed to the speed of project mobilisation and subsequent employment impacts.

<sup>44</sup> That said, it is understood that DARD RDD Corporate Services do request a quarterly update for job creation across the RDP.

### Examples of Job Creation within the RDP 2001-2006

CARD/ LEADER+ contributed circa £60k to MT Waste Management and Manufacturing Ltd, which designs and manufactures skips, compactors and balers for use in waste management and re-cycling. Since receiving the grant the business has gone from strength to strength and has created 7 full-time jobs as a result of the Leader+ funding. The business has expanded to service an all Ireland market, and now has a three year business plan to extend their premises and double employee numbers.

A local development group in Irvinestown secured a BSP grant through the Rural Development Council (RDC) to re-develop a derelict factory to create workspace units based around IT. The project specifically targeted local people who had been made redundant when the factory closed and as a result the workspace units have facilitated the creation of 27.5 full-time jobs.

- 4.42 It is important to establish whether the 'net' employment impact of the RDP 2001-2006, which brings into the frame consideration of 'job chains'. For instance if a person was previously economically inactive or unemployed moving to an RDP 2000-2006 created job is clearly a net gain to the rural economy. However if an individual moves from employment into a RDP 2001-2006 created job (and they are not replaced in their previous role), this is clearly not a net gain to the rural economy. **This could potentially be tested as part of a sample/ verification process with respect to the employment created within the RDP 2001-2006.** It is understood that within LEADER+ an exercise is impending shortly to verify all the job creation outputs captured by LAGs on the DARD 'mini-central' database, linked partly to uncertainties about the accuracy of the 'jobs safeguarded' data captured. This could potentially be extended to other funding streams within the RDP 2001-2006, without significant effort as LEADER+ is the main source of job creation thus far.
- 4.43 Whilst the DARD 'mini' central database does record new jobs that are created as a 'spin-off or downstream' impact of the RDP 2001-2006 funding it does not capture the full employment impact of the RDP 2001-2006. Accordingly Table 4.6 below presents available (but not comprehensive) data on funded posts supported through RDP 2001-2006 funds, sourced through research with the relevant organisations.

**Table 4.6: Short-term funded posts supported by the RDP 2001-2006**

Source	Number of posts
RDC projects	42
RDC staff*	7
Leader staff	26.85
NRRTi staff*	17.6
RCN staff**	50
Interreg IIIA (partnerships)	9
<b>Total</b>	<b>152.45</b>

\*FTE staff directly funded through RDP monies, that is staff funded by core / PE monies are not included. \*\* Source: DARD, RDC & RCN.

- 4.44 The category 'RDC projects' above refers to funded posts captured at the project level, through support provided by the RDC administered Measures of Peace II and BSP. RDC are not required by DARD to capture this information given the emphasis within the jobs target for the RDP 2001-2006 only on jobs created as 'downstream impacts' of the funding. **However it is suggested that this approach understates the total employment impact of the RDP 2001-2006 and accordingly it is proposed that data on funded posts at the project level, should be captured for all other**

**Measures of the RDP, and reported publicly.** It is understood that as part of the quarterly monitoring process the various implementing bodies are required to report to DARD on the number of temporary jobs created.

- 4.45 The Terms of Reference for this MTE specified a need to report on the quality of jobs created through the RDP 2000-2006. It is evident that there has been no agreed approach across the RDP 2001-2006 infrastructure, to capture job quality. There is one monitoring indicator within LEADER+ 'jobs still in place after two years' which could inform job quality in that sustainability of a job is a potential indicator of the quality of the job. RDC expressed an intention to capture job quality through 6 monthly project monitoring visits, but indicated that it was too early within the RDP 2001-2006 for any of this information to be widely available. Given the impending review of the employment data captured for LEADER+ (which could be broadened beyond to other funding streams of the RDP 2001-2006 as recommended above), **it is suggested that the research exercise should include questions to capture data on job quality** (e.g. potentially building on the model developed by Simon Bridge for DARD within the scope of the last RDP 1994-1999). It is understood that this is an area where DARD RDD are currently developing procedures and systems which may influence this recommendation.

### Other outputs arising to date

- 4.46 As previously detailed the RDP 2001-2006 is not a job creation programme *per se*. The primary aim of the RDP 2001-2006 is to promote and advance the sustainable development of rural areas. Consequently it is important to look beyond employment outputs to performance to date against the broader portfolio of specified result, output and impact indicators for the RDP 2001-2006 measures. This is set out below under each of the RDP 2001-2006 funding streams. It is important to highlight, as previously detailed, that the collation, analysis and reporting back on monitoring data varies in timing terms by funding stream of the RDP 2001-2006. This MTE was required to draw on monitoring data captured within the MTE updates of the funding streams relevant to the RDP 2001-2006, all of which was captured at different times. Accordingly it is difficult to 'synchronise' at any point in time the aggregate performance of the RDP 2001-2006.

### Leader+ Key outputs

- 4.47 The LEADER+ programme has achieved significant progress in relation to most of the specified key output and result indicators. The majority of the key output and result indicators had achieved 40% of their target (based on September 2005 monitoring data and in the context of 33% of expenditure at this time). Indeed, across Action 1, by September 2005, the LEADER+ programme had created 569 jobs (against a target of 900), had trained 1,581 (against a target of 2,400) and had provided advice and support to 1,176 businesses (against a target of 1,000). This represents good progress at this stage of the programme, particularly given delays in 'mobilising' the LEADER+, meaning that it had only been truly 'operational' for two years by September 2005.

**Table 4.7: Key outputs in relation to the Leader+ funding stream**

Indicator	Target	Progress	% of target achieved
<b>Key outputs</b>			
Micro-businesses receiving financial support	1,070	474	44%
Micro-businesses receiving advice / support	1,000+	1,176	118%
New micro-businesses created / assisted	230	50	22%
Training, advice or employment programmes	18	21	116%
Individuals supported	40	4	10%
Buildings restored or improved	62	6	10%
<b>Key results</b>			
New full-time jobs created	900	569	63%
Existing full-time jobs safeguarded <sup>45</sup>	930	1,007	108%
Participants in training	2,400	1,581	66%
Restored buildings used by trading businesses	60	4	7%
<b>Key impacts</b>			
Supported businesses still in existence after 2 years	930	6	1%
New micro-businesses still in existence after 2 years	160	0	0%
New full-time jobs still in place after 2 years	650	11.5	6%
Restored buildings still used by businesses after 2 yrs	46	0	0%

Source: Leader+ MTE Update 2006

- 4.48 The text box below provides an example of one of the micro businesses that have been supported through the Leader+ programme, and demonstrates the diversity of outputs and impacts that LEADER+ can generate, beyond employment outputs.

#### **Example of the Impacts of LEADER+ funding**

With the decline of traditional blacksmithing a county Blacksmith established a craft company making items, such as curtain poles and ornamental furniture. With an increasing market in the domestic and hotels sectors the blacksmith was spending increasing time away from work to deal with marketing and sales queries. East Tyrone Leader+ group provided the support of a marketing and development officer, which has enabled the market for decorative iron work to be researched properly. This led to increased productivity and has helped the business expand into a developing market.

Source: Leader+ Success through innovation and diversity, DARD 2005.

#### **Peace II Key Outputs**

- 4.49 The outputs from the Peace II element of the RDP 2001-2006 are widespread and varied, reflecting the differing aims and objectives of the various RDP 2000-2006 measures. Whilst generally speaking most of the Peace II measures within the RDP 2000-2006 have been performing well in terms of commitment and expenditure there is some variation evident in relation to performance against specified monitoring targets.

<sup>45</sup> To be treated with caution until these figures have been verified in view of the comments above at 4.42.

For instance the NRRTi measures have not performed strongly to date, which may be in part be due to the time taken to set up the NRRTi partnerships, meaning that the many of the outputs are yet to arise. Similarly across all the Peace II RDP 2001-2006 measures the job creation outputs have been slow to materialise, again linked to the slower performance of the NRTTI measures which have a collective job creation target of 64.

**Table 4.8: Key outputs in relation to the Peace II funding stream (August/September 2005)**

Indicator	Target	Progress	% of target achieved
Tourism projects supported	486	111	23%
Jobs created	64	4.5	7%
People trained	225	1984	800%
Environmental projects supported	141	75	53%
Single identity groups assisted to develop cross community contacts	25	27	108%

### BSP Key Outputs

4.50 The DARD Rural Development Division, RDC and RCN are all responsible for delivering the BSP element of the RDP 2001-2006. The objective of the BSP measures in the Programme is *“tackling the significant socio-economic differentials that exist between Northern Ireland’s disadvantaged rural areas and the overall community in the region by diversifying the economy to provide alternative sources of employment and income for rural people, both on and off-farm”*. This objective is reflected in the focus of the output indicators. NISRA collect and collate the BSP monitoring data on behalf of DARD, and the latest available data collated for this element of the Programme was in relation to June 2005.

**Table 4.9: Key outputs in relation to the BSP funding stream**

Indicator	Target	Actual	% of target achieved
Projects supported	204	103	50
Jobs created	210	58	28
Businesses created	48	5	10
People trained	500	2046	409
Environmental projects supported	74	69	93

4.51 As is evident from Table 4.8 two of the output targets for BSP have been almost met or exceeded, for example four times the number of people had been trained relative to the output target by June 2005. In addition the target for the number of environmental projects supported was almost met by June 2005. However, performance with respect to other output targets such as businesses and jobs created is relatively poor. In addition only 50% of the target to support 204 projects has been met. Given that BSP funding needs to be committed by the end of 2006 and spent by 2008, it may be a challenge to meet this target within the allotted funding period. As noted earlier in this section, the creation of new jobs (where they are defined as ‘downstream of spin-off impacts’ from the RDP 2001-2006 funding) tends to occur towards the later end of projects and programmes. Therefore it is possible that the jobs created target could be met in due course if other targets such as projects supported and businesses created are achieved.

4.52 Example of projects supported through the BSP and the impacts evident to date are illustrated in the text box below.

#### Example of the Impacts of a BSP Funded Project

The South Lough Neagh Regeneration Association received support to implement a positive land management scheme that aims to raise awareness of the contribution of local farms to the landscape, provide information on the opportunities to maximise environmental improvement, resources and knowledge and to establish a forum for contact between individual landowners, statutory agencies and community organisations. The project is enabling additional expertise, assistance and income for the South Lough Neagh Wetlands. As a result greater involvement with the farming community, positive recognition of the farmer and his business and a more thorough understanding of the environmental assets of the region has developed. It is anticipated that this will significantly contribute to the objectives of the South Lough Neagh Regional Development Strategy.

#### Interreg IIIA Key Outputs

4.53 The indicator targets that have been set for Measure 1.4 of Interreg IIIA were relatively modest. Despite a relatively poor performance in terms of commitment and expenditure to date, the measure is progressing well towards many of its output indicator targets.

**Table 4.10: Key outputs in relation to the Interreg IIIA funding stream**

Cross Border Area Framework Strategies supported	Target	Actual	% of target achieved
Cross Border Area Framework Strategies supported	9	6	66%
New cross-border Partnerships created	5	1	20%
Existing cross-border Partnerships supported	4	1	25%

4.54 Interviews with DARD Interreg IIIA staff have suggested that by Easter 2006 a further 8 cross-border partnerships will be supported and 100 sub-projects. Whilst this is welcome in relation to progress towards output targets it also highlights the importance of maintaining timely and accurate monitoring data to ensure that the full impact of the programme is recorded. The long lead time of this measure now means that 2006 will be crucial to the measure's overall success, as all funding has to be committed by the end of 2006 and spend by 2008.

#### Summary of the contribution of RDP 2001-2006 to the economic and social revitalisation of rural NI

4.55 It is likely that the total contribution of the RDP 2001-2006 to the economic and social revitalisation of rural NI will not be measurable until the end of the Programme. At this stage many of the projects are still in early stages of implementation and the outputs could be best described as 'emerging'.

4.56 That said it is evident that the RDP 2001-2006 has to date contributed strongly to the economic and social revitalisation of rural NI. This is evidenced through the following:-

- 1,808 approved applications for rural development projects by December 2005;

- Strong financial performance, evidenced through a commitment of £65m (81% of the allocation) and expenditure of £35.5m (44% of allocation) by December 2005;
- Strong uptake levels in the some of the most western and peripheral rural areas of NI, which are relatively less prosperous compared to rural areas around the Belfast Metropolitan Area and the Southern and Eastern Shores of Lough Neagh;
- Successful engagement of areas, groups, and individuals objectively identified as being in greatest social need (evidenced by a large proportion of successful applications emanating from deprived wards);
- Some improvement (relative to the RDP 1994-1999) in terms of the engagement women and farm families in the rural development process (as captured by the 'intentions' on the database, which are to be verified on an ongoing basis by actual beneficiary data captured at project level);
- Balanced distribution of RDP 2001-2006 approved projects within wards categorised by religion/ community background, potentially suggesting that there has been no differential impact within one community over another;
- Creation of 629 jobs, as 'downstream or spin-off' impacts of RDP 2001-2006 funding and in addition a further 152 'funded posts' within the RDP 2001-2006 delivery infrastructure and at project level;
- Training/ capacity building of over 5,000 individuals in rural areas of NI; and
- Support for 149 environmental projects to date in rural areas of NI.

## V Value-for-Money considerations in relation to the RDP 2001-2006

### Introduction

- 5.1 This section of the report focuses on value-for-money considerations in relation to the RDP 2001-2006 through three main mechanisms as below:-
- Firstly by examining the costs of administering and delivering the RDP 2001-2006, in the context of the £80m funding allocation;
  - Secondly by examining cost-effectiveness measures, notably cost per job created (for those measures of the Programme which have a job creation component); and
  - Thirdly by illustrating the leverage impacts of the Programme, in terms of matched funding and voluntary time, drawing on available evidence to date.

### Costs of Administering and Delivering the RDP 2001-2006

- 5.2 Given that the RDP 2001-2006 comprises four main funding streams, each with differing implementation structures, the task to calculate the administration effort associated with the Programme is fairly complex. Figure 5.1 below provides an overview of the various delivery bodies associated with each funding stream of the Programme. In addition DARD RDD has an 'oversight' role in relation to the entire Programme as well as being responsible for aspects of delivery within Peace II, BSP and Interreg IIIA.

**Figure 5.1: Summary of RDP 2001-2006 delivery infrastructure**

<b>Leader+</b>	- 12 Local Action Groups
<b>Peace II</b>	- DARD RDD - Rural Development Council - Rural Community Network - 5 NRRTIs
<b>BSP</b>	- DARD RDD - Rural Development Council - Rural Community Network
<b>Interreg IIIA</b>	- DARD RDD - Interreg IIIA Partnerships

- 5.3 The RDP 2001-2006 is therefore managed and administered through funds *within* the £80m allocation, (that is Programme funds) and funds *additional* to the £80m allocation (that is core costs funded from central public expenditure and local authority funding). For instance the LAG infrastructure (in terms of the DARD support) is resourced entirely from the LEADER+ funding stream – in effect Programme funds. The RDC and RCN are funded from a combination of Programme funds and core central public expenditure funds. Finally all of the DARD RDD costs are resourced from central public expenditure funds.
- 5.4 In order to calculate the cost of administering the RDP 2001-2006, PwC worked with DARD RDD representatives to identify all of the posts associated with the Programme, and converted this to a full-time equivalent (FTE) estimate. From this it was established



that there are 92.5 FTE posts within DARD RDD, linked to the delivery and administration of the Programme. The staff in these posts are based in 5 offices across NI, including the head office in Dundonald House and regional offices in Omagh, Newry, Ballymena and Cookstown. It should be noted that this total figure does not include the periodic involvement of other DARD staff in the RDP 2001-2006, for instance in relation to audit support to comply with EU regulations, as these individuals are not dedicated to RDP 2001-2006 activities. Accordingly the 92.5 FTE DARD RDD staff are only the individuals who work exclusively on activities associated with the Programme.

- 5.5 PwC worked with DARD RDD representatives to identify the grading and salary bands associated with the 92.5 FTE posts. From this an average salary per grade was calculated to aggregate up the total DARD RDD salary costs associated with administration of the Programme. It is important to note that actual cost data on DARD RDD salaries linked to the 92.5 FTE posts was not used for this analysis. Therefore the calculations presented overleaf in terms of the DARD RDD costs should be viewed as an estimate. In any event due to fluctuations in staffing levels during the life of the RDP 2001-2006 any annual cost figures would be at best an approximation. It is also important to note that overhead costs are not included within these salary figures but as a guide it could be assumed that overhead cost would be circa 20% -25% of salary costs.
- 5.6 The data on NRRTi staffing levels, grades and associated costs and local authority contributions to NRRTi resourcing were all sourced from DARD RDD. The costing information in relation to the NRRTi's is based on actual costs. DARD RDD also provided data in relation to the number of staff and grades of staff in the Interreg IIIA north/ south partnerships, which administer funding for a range of smaller projects 'on the ground'. These partnerships are in the early stages of mobilising. The data on Interreg IIIA administration costs associated with the North/South Partnerships, is based on application of NJC<sup>46</sup> salary scales to the grades of staff supplied by DARD.
- 5.7 All of the remaining cost data was sourced directly by PwC. In particular PwC worked with RDC and RCN to source costs data in relation to funding from Programme and core/ central public expenditure sources. RDC provided actual salary costs for 2004/05, and therefore the data presented is a reasonably accurate estimate of the annual costs of implementing RDC activity within the RDP 2001-2006. RCN provided details of the staffing levels and grades of individuals involved in the delivery of RDP 2001-2006, rather than actual costs and accordingly the average salary within each band of the NJC pay scale was applied to arrive at a cumulative figure for the annual RCN costs of administering their aspects of the RDP 2001-2006. A similar approach was applied within LEADER+ as the actual salary costs associated with the LAG infrastructure was not readily available within DARD RDD. In particular PwC were able to draw on primary research gathered during the Review of Leader+ Administration<sup>47</sup> and the MTE update of the Leader+ Programme<sup>48</sup>, where interviews were conducted with LAG staff to source information in relation to the number and grade of staff working on the Leader+ Programme and the source of funding for staff salaries. Again rather than actual costs the average salary within each grading band of the NJC pay scale was used to calculate the total administrative effort within LEADER+.
- 5.8 Table 5.1 sets out the total staffing associated with the implementation of the RDP 2001-2006. This indicates that in total there are approximately 240 (FTE) staff delivering and administering the RDP 2000-2006 across NI. It should be noted that this figure would not have been constant within the life of the Programme, due to

---

<sup>46</sup> National Joint Council

<sup>47</sup> Review of Leader+ Administration, PwC, January 2006

<sup>48</sup> Mid-term Evaluation Update of the Leader+ Programme, PwC February 2006

fluctuations in the timing of activity with RDP 2001-2006 funding streams and measures which in turn influences the required administration effort. By way of example the nine Interreg IIIA partnership staff are only recently appointed to their posts. By contrast other parts of the RDP 2001-2006 delivery infrastructure now have reduced staffing levels reflecting the fact that implementation of their activity is well advanced. For instance RCN advised that until recently there were six more staff delivering the RCN element of Peace II, than is currently the case.

**Table 5.1: Total RDP implementation staff**

Source	Programme funded staff posts (FTEs)	Core funded staff posts (FTEs)	Total staff
RDC staff	13.5	0*	13.5
Leader staff	25.7	8.3	34
NRRTi staff	17.6	16.9	34.5
RCN staff**	50		52.5
Interreg IIIA partnerships	9	0	9
DARD RDD	0	92.5	92.5
<b>Total</b>	<b>115.8</b>	<b>124</b>	<b>239.8</b>

\*There are 15 staff in RDC core funded by central public expenditure funds from DARD, although it is arguable whether these costs are exclusively related to the RDP 2001-2006 and accordingly they have not been included.

\*\* Includes RSN staff. Also RCN were able to isolate the FTE equivalent contribution of some core funded staff to the RDP 2001-2006

- 5.9 Table 5.2 provides an estimate of the annual salary costs associated with the 239 FTE posts.

**Table 5.2: 04/05 costs relating to the implementation of the RDP 2001-2006**

Source	Programme costs £'s	Other/Core costs £'s	Total costs £'s
RDC staff costs	348,253	0	348,253
Leader staff costs	597,434	247,617	845,051
NRRTi staff costs	325,410	188,894	514,304
RCN staff costs	914,824	0	914,824
Interreg IIIa partnerships	258,003	0	258,003
DARD RDD costs	0	2,411,007.5	2,411,008
<b>Total</b>	<b>2,443,924</b>	<b>2,847,519</b>	<b>5,291,443</b>

- 5.10 In interpreting Table 5.2 it is important to note that:-

- The Programme costs set out in Table 5.2, and totalling £2.4m represent a 'snapshot' at this point in time of the total annual costs. It is not appropriate to multiply this figure of £2.4m by each year of the life of the RDP 2001-2006 to arrive at a total figure, because different parts of the delivery infrastructure linked to these costs mobilised at different stages within the Programme. For instance the DARD RDD, RDC and RCN costs are likely to be relevant each year from 2001-2006, that is 5 years. By contrast the LAG's NRRTIs and Interreg IIIA partnerships, may only be in place for on average 3-4 years within the life of the RDP 2001-2006. **If these assumptions are applied then the total Programme costs to administer the RDP 2000-2006 would be in the region of £10.7m.** These costs as previously

detailed come from *within* the £80m allocation of the RDP 2001-2006, meaning that there is £70m left to fund project activity;

- The administration costs *additional* to the £80m allocation of the RDP 2001-2006, includes all the activity funded by central public expenditure funds, the largest component of which is the DARD RDD costs, but which also includes core costs of RDC and RCN. Furthermore it would include local authority support to the NRRTI's and LAGs . Again it could be assumed that the LAG and NRRTI core costs may be relevant for around 3.5 years of the life of the RDP 2001-2006 and that the core costs of DARD RDD and RCN would be relevant for 5 years of the life of the RDP 2001-2006. **If these assumptions are applied then the total core funding associated with administering the RDP 2001-2006 is in the region of £14.2m.** This figure is *additional* to the £80m funding allocation of the RDP 2000-2006; and
- Arising from the above analysis a **total estimate of the administration costs associated with the RDP 2001-2006 would be in the region of £24.9m.** As previously detailed this is based on salaries alone, and could be as much as £30m if a 20% provision for overheads was included.

5.11 The ex-post evaluation of the previous programme (RDP 1994 -1999)<sup>49</sup>, highlighted that the administration costs associated with Programme funding were £10.1m, which is very close to the £10.7m figure derived above. This would suggest that the administrative effort associated with Programme funding has remained constant from the last phase of RDP, although it could be viewed that some efficiencies have been achieved as the RDP 2001-2006 has a higher funding allocation of £80m relative to the previous phase (where the funding allocation was £55m)

5.12 However the ex-post evaluation of the previous phase of the RDP 1994-1999 indicated that at its maximum the annual DRC<sup>50</sup> costs associated with DARD RDD were in the region of £1.4m. Currently as indicated above, it is estimated that the salary costs associated with DARD RDD are now in the region of £2.4m per annum. Over and above inflationary cost increases there may be some reasons why the DARD RDD costs are higher in this phase of the RDP 2001-2006, including for instance:-

- Being accountable for a higher funding allocation (£80m versus £55m);
- Enhanced Managing Authority role, with additional responsibilities in relation to expenditure monitoring (N+2), management and population of the DARD 'mini-central' database, which is a highly resource intensive task; and
- Overseeing large capital/ infrastructure projects, particularly within the BSP funding stream, where such projects carry a higher risk profile, and require higher levels of project development support, appraisal and monitoring.

5.13 The reasons above may provide some rationale why the DARD RDD costs of administering the RDP 2001-2006 have increased relative to the previous phase. That said it is evident that the DARD RDD costs constitute almost half of the total costs of administering the RDP 2001-2006. Furthermore, while the RDP 2001-2006 infrastructure is still complicated there has been a degree of simplification from the previous phase, including a reduced number of funding streams (from 6 to 4) and the elimination of scope for 'cocktail' funding, which added greatly to the administrative effort in the last phase of the RDP 1994-1999. Furthermore it could have been assumed that the last phase of the RDP 1994-99 would have laid the 'groundwork' in terms of capacity building, and therefore there should have been less administrative effort associated with project and group development.

<sup>49</sup> Ex-post evaluation of the Northern Ireland Rural Development programme, 1994 – 1999, PwC 2003.

<sup>50</sup> Direct Running Costs

- 5.14 **Looking forward, to the 2007-2013 programming it is suggested that there is a need to explore the potential for greater efficiencies in the delivery of rural development support and funding.** This may be linked to perceptions of the need in a new programme, for an approach that is less 'funding-led', and based on need linked to a clear and integrated policy for intervention in rural areas. Furthermore there is a perceived need for even greater levels of simplification referred to above of delivery structures, given that the current arrangements are viewed to have created confusion for customers and contributed to inefficiencies at an overall level. The concept of simplification also extends to the separation of policy and delivery for rural development. All of these concepts were detailed in the PwC Study on Rural Policy (January 2005), and are further detailed in Section VII of this report where future directions for the RDP in the forward programming period (2007 – 2013) are considered.
- 5.15 In summary the total costs of administering the last phase of the RDP 1994-99 was £16.5m against a total allocation of £55m. Thus, the total cost of the last phase of the RDP 1994-99 was £61.5m, based on an additional £6.4m of costs associated with DARD RDD. Within this phase the estimate of the administration cost arrived at above is £24.9m against a total allocation of £80m. Therefore the total cost of the RDP 2001-2006 is in the region of £94.1m, inclusive of an additional £14.1m costs linked to DARD RDD costs and local authority monies, both of which are not part of the £80m allocation. **In proportional terms it would appear that the administrative costs of the two phases of the RDP are very similar (at 26-27% of the total cost), whereas a degree of efficiency might have been expected.**

## Cost per positive outcome

### Cost per job (job creation measures only)

- 5.16 As emphasised in the previous section the RDP 2001-2006 is not a job-creation programme *per se*, although some of the measures within the Programme do have a job creation element. The primary aim of the RDP 2001-2006 as set out in Section I<sup>51</sup>, is to promote and advance the sustainable development of rural areas. PwC reviewed the aims and objectives of each measure with DARD RDD and from this it was agreed that 13 measures within the Programme had some emphasis on job creation and job creation targets. Accordingly in Table 5.3 below cost per job figures are set out for the BSP and Leader+ funding streams (the relevant Peace II and Interreg IIIA measures were excluded from this analysis because of low levels of actual expenditure at the time of the research).

**Table 5.3: Examples of cost per job created – BSP and Leader+\***

Funding Stream	Measures with job creating elements	Jobs created to date	Target job creation*	Forecasted job creation cost	Actual spend £m (at time of monitoring data collection)	Actual cost per job £'s
BSP	6	58	210	134,760	7.548	130,000
Leader+	4	569	900	16,936	7.273	12,700

\*calculated by dividing the total funding allocation for the measure by the job-creation target

<sup>51</sup> the aim of the RDP is 'to promote comprehensive and integrated action towards sustainable and equitable development in rural areas and, in doing so, contribute to the economic environmental, social and cultural well being of the rural community for the benefit of the whole community of NI.'

- 5.17 As shown in Table 5.3 the cost per job created to date within the BSP funding stream has been relatively high. However, the forecast cost per job is also relatively high. This is perhaps an inaccurate picture to present, given that the funding allocation for these Measures creates outputs beyond jobs, which cannot be easily 'disaggregated' from the funding associated with job-creation. These additional outputs are detailed further overleaf, to 'balance' the analysis.
- 5.18 It is evident from Table 5.3 that the Leader+ funding stream has performed strongly, evidenced by the fact that the cost per job created is around £4,000 less than forecast. Furthermore, within Leader+, it is also less than the cost-per-job created figure under LEADER II, which is an indication of the success of focusing on private sector micro-business development, where typically projects mobilise quickly and achieve employment outputs quickly.
- 5.19 It is important in interpreting Table 5.3 to acknowledge the 'tight' definition applied by DARD in this phase of the RDP to job creation. As detailed in the last section, the emphasis by DARD has been exclusively on jobs created as a 'spin-off or downstream' impact of the RDP 2001-2006 funding. Accordingly it is likely that many of the job outputs (when defined in this way) will arise in the latter stages of the RDP 2001-2006.
- 5.20 The ex-post evaluation of the previous phase of the RDP 1994–1999, estimated that the cost per job created was in the region of £38k. This evaluation noted that the majority of the job creation outputs were 'back end' loaded, that is they were only evident towards the end of the programme. This figure of £38k should however be treated with some caution in making comparisons with cost per job figures within this phase of the RDP 2001-2006. This is because there were inconsistencies in the early years of the last phase of the RDP between the implementing agents involved in RDP 1994-99, in terms of the way in which employment outcomes were captured. Secondly, it was evident, that because of the prevalence of 'cocktail-funding' scenarios for projects within the previous phase of the RDP 1994-99, there was a strong risk of 'double-counting' of employment outcomes between the various components parts of the RDP 1994-99. In effect it was viewed that the number of new jobs created at the overall Programme level, could have been overstated, which in turn would mean that that the cost per job figure of £38k was a conservative estimate. The risks that were evident within the previous phase of the RDP 1994-1999 will not be relevant within this current phase, because in the first instance DARD have had a very clear stance from the outset on what counts 'as a job created output' and secondly because cocktail funding arrangements for projects were not permissible.
- 5.21 As detailed above, it is important in the context of cost effectiveness to provide visibility of the other outputs associated with measures within the RDP 2001-2006 that have a job-creation component. Accordingly, Table 5.4 overleaf sets out some of the other outputs arising to date again focusing only on the BSP and Leader+ funding streams. For instance it is evident that the BSP job-creating measures have also resulted in over 2,000 individuals being trained in rural areas. Accordingly it is not entirely appropriate to calculate cost per job measures by dividing the total measure allocation by the total jobs created to date. That said, it is also not possible to robustly 'disaggregate' which portion of the funding within the measure resulted in training outputs and which portion created a job.

**Table 5.4: Other outputs associated with RDP 2001-2006 job-creating measures with BSP and Leader+ funding streams**

Funding Stream	Measures with job creating elements	Jobs created to date	Businesses created	People trained	Environmental projects supported
BSP	6	58	5	2,046	11
Leader+ <sup>52</sup>	4	569	50	1,581	n/a

## Cost per positive outcome

5.22 The Terms of Reference for this MTE specified a requirement to consider the 'cost-per positive outcome', which is understood to include outputs beyond jobs created. Table 5.5 below provides a 'snapshot' of the cumulative outputs and outcomes arising from the Programme to date. From **this it is evident that the Programme has created a wide range of outputs reflective of the varying focus of the measures within the Programme.** Table 5.5 aims to 'aggregate-up' common output/outcome indicators across the RDP 2001-2006. However in doing so it is important to highlight that this 'aggregating up' exercise excludes a number of other outputs that are very specific to individual measures and which are much harder to capture when reviewing the Programme in its entirety. For instance Measure 5.6a of Peace II assisted 52 community groups to develop cross-border projects in rural areas and 13 community groups were provided with support through Peace II Measure 2.9a to develop community safety schemes. Both of these could be viewed as 'measure specific' indicators.

**Table 5.5: Outputs and outcomes associated with RDP 2001-2006 to date**

Funding Stream	Jobs created to date	Environmental projects supported	People trained	Business created
BSP	58	69	2,046	5
Peace II	4.5*	75	1,984	0
Leader+ <sup>53</sup>	569	0	1,581	50
Interreg IIIA	0	0	0	0
<b>Total</b>	<b>631.5</b>	<b>144</b>	<b>5,611</b>	<b>55</b>

5.23 Furthermore it is not possible to dis-aggregate outputs to particular funding allocations within Measures to arrive at a cost per positive output/ outcome, because many of the outputs are inter-related. For example, Action 1 of Leader+ has 14 output, impact and result targets, which are impossible to separate out from each other to isolate the cost of one individual output. One further example, from Peace II, is Measure 2.9a where 31 single identity groups were assisted in developing cross-community projects. However it is not clear from the monitoring data if any of these cross-community projects also participated in the 13 community safety programmes that were supported within the Measure. Therefore, without conducting primary research (such as a survey of RDP 2001 - 2006 projects) it is likely that the cost per outcome would be over or, under stated.

<sup>52</sup> Based on information categorised in the database. However over 25% of Leader+ funded projects have had a positive environmental impact captured by DPA analysis.

## Leverage of matched funding and voluntary input

- 5.24 In considering cost-effectiveness it is important to consider the leverage dimension. Although cocktail funding scenarios have not been allowed within this phase of the RDP 2001-2006, there is still the potential for leverage of funding from non EU sources, such as the International Fund for Ireland, private funding including bank loans and community fund raising.
- 5.25 The £65m of project funding committed to date makes up around 75% of the total cost of the 1806 approved projects to date (as taken from the DARD 'mini' central database in December 2005). **Therefore the projects funded to date from the RDP 2001 - 2006 have leveraged in the region of £21.5m of funding from other sources.** Within LEADER+ these sources are almost entirely private sector sources, including bank finance. For projects where the project promoter is from the voluntary and community sector the source of leveraged funding is usually other non- EU funding bodies such as the International Fund for Ireland (IFI), as the case study in the text box below illustrates. As the £21.5 m of leveraged monies is against a £65m of commitment it is **reasonable to assume that the level of matched funding could increase to £30m by the end of the Programme.**

Cookstown Rural Community Transport Rural Routes Project is a local transport scheme helping rural dwellers access town based services such as health clinics. The project provides low-cost accessible transport to registered groups and individuals in the Cookstown area. Patrons are collected at their own home taken to their appointment and taken home again. The service is sensitive to the needs of the individual and trained drivers ensure that safety and comfort of passengers. The project received funding from both the RDP and the International Fund for Ireland (IFI).

Source: Rural, Autumn 2004, RDC

- 5.26 This figure only includes actual matched funding captured on the DARD 'mini-central' database and in particular does not take into consideration the value of voluntary time, particularly from projects led by the community and voluntary sector. This information is not routinely collected as part of the monitoring data and therefore would be difficult to measure accurately without significant primary research, such as a comprehensive survey of RDP 2001-2006 funded projects. However the RDC have been active in capturing information in relation to the input of steering committees and boards of RDP 2001-2006 funded projects. This suggested that on average there are around 6.6 people active on each steering group/ voluntary board.
- 5.27 In order to calculate the value of their voluntary time input, it could be estimated that these 6.6 committee members spend a minimum of two hours a month on project related activity. To date 1,318 registered charities/voluntary groups have been successful applicants to the RDP 2001-2006. Extrapolating these figures up and applying an agreed hourly rate<sup>7</sup>, it is estimated that the value of voluntary time contributed by community and voluntary groups to the programme is around £2.1 m per annum<sup>54</sup>. However, the level of voluntary input would naturally fluctuate across the life of the RDP as projects become established and then completed. **However, it is reasonable to 'aggregate' this annual figure up to £10.5m for the life of the RDP 2001-2006.**

<sup>54</sup> This is based on information provided to the Leader + MC in November 2004 by the Volunteer Development Agency of volunteer time being valued at around £10 per hour.

- 5.28 One other example of the voluntary contribution to the Programme is the time spent by the board members on each of the Leader+ LAG boards. Interviews with the LAG Managers, conducted by PwC<sup>55</sup>, requested information on the scale of board member input into the programme in the form of attendance at board meetings, Assessment Panel meetings and ad hoc activities (e.g. signing cheques). In addition, at the October 2005 Leader+ MC it was estimated that the number of hours input by board members (at Board meetings only) over the first six months of 2005 was 3,343 hours which is slightly lower than the figure derived by the PwC research with LAG Managers (which incorporated time involved in attending assessment panel meetings, preparing for meetings and signing cheques). Nonetheless, using the MC derived figure, this represents £67k of voluntary input per year or £334k over the life of the programme which is 2% of the overall £21m budget within the programme.
- 5.29 Further primary research would be required to get a more accurate picture of the level of voluntary input at Programme level, for example, the level of input to boards and committees governing the NRRTIs, RSNs RDC and RCN and the extent of voluntary time contributed from committees on the sub-regional framework projects (i.e. the Interreg and BSP partnerships). **Therefore, a high-level estimate of the value of voluntary time leveraged by the Programme is at least £10.5 million throughout the life of the Programme.** However, it is extremely difficult to calculate this accurately without a significant level of primary research.

### Summary of VFM considerations in relation to RDP

- 5.30 The Value for Money considerations in relation to the RDP 2001 – 2006 can be summarised as follows:
- It is estimated that the salary costs in relation to the implementation of the programme are in the region of £25m for the life of the Programme. This figure includes Programme costs within the RDP 2001–2006 allocation and core costs derived from central public expenditure sources which are additional to the RDP 2001-2006 allocation. The proportion of funding associated with the administration is broadly comparable with the previous phase of the RDP 1994–1999, whereas some efficiencies could have been expected;
  - As noted previously, there have been significant levels of outputs other than jobs arising from the RDP 2001–2006; for example over 5,000 people have participated in training programmes, in addition to the 629 jobs that have been created to date. The cost per job created, varies greatly by funding stream, from just over £12,000 for the Leader+ programme to over £1.5m for Peace II (reflecting the fact that many of the jobs associated with the Peace II 'job creation' Measures have yet to materialise);
  - The RDP 2001–2006 has been successful in generating approximately £21.5m of matched funding to date and by the end of the Programme it would be reasonable to project that circa £30m matched funded will have been leveraged;
  - It is estimated that the value of voluntary time that will be leveraged by the RDP 2001-2006 will be at least £10m; and
  - When the Programme allocation (£80m), core staff costs (£14.2m), matched funds leveraged (£30m) and the value of voluntary time (£10.5m) are all taken into consideration the total level of investment in rural areas of Northern Ireland associated with the RDP 2001- 2006 will be around £130m.

<sup>55</sup> In the context of the MTE update of Leader+, PwC January 2006



## VI Effectiveness of Programme Management, Implementation and delivery structures of the RDP 2001-2006

### Overview of management and delivery infrastructure of RDP

6.1 As reflected in previous chapters the RDP 2001 -2006 has reasonably complicated delivery structures, although there was some simplification from the previous phase (i.e.1994-1999). That said, beyond DARD there is still a wide range of implementing agents and external partnerships in place for the delivery of the Programme. This section of the report reviews the effectiveness of these structures and addresses the following:-

- **Delivery structures and processes;** this examines the effectiveness of the various implementing agents and the effectiveness of the application and selection processes across the Programme. It also considers from a delivery perspective the linkage between the Peace II farmer measures (which sit outside the RDP 2001-2006) and the Programme with a view to the future;
- **Programme management;** this examines the role of DARD as the Managing Authority. It also considers how effective DARD has been in a Programme Management context in actioning the lessons learnt and recommendations from the last phase of the RDP 1994-1999, to benefit this phase of the Programme; and
- **PR and publicity;** this includes a review of the impact of publicity and awareness raising activities that were undertaken to publicise the Programme.

### Delivery structures and processes

6.2 As discussed in previous chapters, there are in excess of 20 implementing agents who are responsible for delivering various aspects of the Programme. Table 6.1 provides an overview of the number and status of applications in December 2005. While it is difficult to make direct comparisons between delivery mechanisms given the differing nature and aims of each of the Measures, Table 6.1 illustrates that the LAGs had received the highest proportion of applications (41 per cent) with the Rural IFBs, NRRTIs and DARD at 26, 20 and 13 per cent respectively.

**Table 6.1: Number of applications per implementing body, December, 2005**

Organisation	Approvals	Under Consideration	Rejections	Other	Total
DARD	137	130	181	69	517
	27%	25%	35%	13%	100%
Rural IFBs	444	10	446	113	1013
	44%	1%	44%	11%	100%
NRRTIs	413	20	226	147	806
	51%	2%	28%	18%	100%
LAGs	827	250	264	301	1642
	50%	15%	16%	18%	100%
<b>Total</b>	1821	410	1117	630	3978
	46%	10%	28%	16%	100%

Source: DARD RDP 2001-2006 mini central database – 13th December 2005

- 6.3 By December 2005, the LAGs had the highest proportion of applications (41 per cent) but some of the other delivery bodies also have significant proportions with the rural IFBs and NRRTIs accounting for 25 and 20 per cent respectively. This reflects the significant level of activity within the LAGs since the Leader+ Mid Term Evaluation in 2003<sup>56</sup>. In addition, it is also reflective of the dispersed LAG infrastructure and the focus on small grants within Leader+ (evident in the smaller average grant size of £19,000 within the Leader+ element compared to £27,000 within the Peace II element or £119,000 within the BSP element). Table 6.1 also highlights that DARD has the largest number of applications under consideration at 25%. However, this includes the Interreg IIIA applications that are currently awaiting an economic appraisal.
- 6.4 The rural IFBs have performed reasonably effectively in terms of delivery costs and engaging with participants at grass roots level, as highlighted by the large number applications from community and voluntary groups (62% of applications). In addition, discussions with staff from the rural IFBs highlighted that they are extensively involved in supporting and developing rural based groups, in order to bring projects to fruition. Therefore, their role is much greater than simply administering funding. However, again they distribute much smaller grants than the DARD funded projects (an average £27k compared to an average of around £183k). Therefore their relative efficiency could be a reflection of the principle of 'commensurate effort' with less resource investment required to fund and monitor smaller scale projects.
- 6.5 In addition each of the implementing agents has a slightly different client focus. For example the Leader+ Programme is solely targeted towards micro-businesses and many of the RDC implemented measures are targeted towards voluntary and community groups. Each of the client groups have different levels of project development needs and various levels of capacity, including resource availability to implement projects successfully.
- 6.6 In the context of effectiveness it is also worth commenting in the rejection rates and in particular the low level of rejections within Leader+. Many of the LAGs provided high levels of development support to project applicants. As part of this process the LAGs developed an Expression of Interest form which allowed project applicants to put forward their project plans before a full application. This gave the LAG staff an opportunity to support potentially successful projects in the development stage and to reduce the level of administration for inappropriate applications. The Expression of Interest forms and the high level of project development support collectively contributed to the fact that the LAGs have had the lowest rejection rates of all the implementing agents, at only 16%.
- 6.7 In interpreting the trends set out in Table 6.1 it is also important to reflect on the issues set out in Section IV, with respect to 'turnaround' times for the various components of the RDP 2001-2006.
- 6.8 In the context of the review of delivery structures and processes, it is relevant to comment on the positioning of the four farmer targeted measures of Peace II, delivered by DARD, viz-a-ziz the RDP 2001–2006. These measures focus on providing support to farmers to deliver farm diversification activities. As previously detailed they technically sit outside the Programme, but are captured within the DARD 'mini-central' database and at least internally within DARD are regularly linked into strategic discussions about the progress of the RDP 2001-2006. It is understood that these measures sit outside the Programme, only because of the historical structure of the Department, including how such support was delivered under Peace I, rather than any for any other strategic reason. Looking forward and in line with the Terms of Reference it is now relevant to now consider whether in a future RDP such activity should be formally integrated within

---

<sup>56</sup> Mid-term Evaluation, of the Leader+ Programme 2000 – 2006, DTZ Pidea, 2003.

the Programme structure. In order to do this it is important in the first instance to review the aims and objectives of the measures and their potential compatibility with the rest of the Programme.

6.9 The rationale for Measure 1.6 of Peace II (Training for Farmers), is to support training activities for the diversification of rural economic activity, the measure has three objectives which are to:-

- Reduce economic and social exclusion in farming through cross-community collaborative actions to improve farms;
- Promote the adoption of best production, business and environmental practice on farms through demonstration of best practice in commercial 'focus farms' and delivery of peer mentoring within the industry to stimulate its adoption on other farms; and
- Stimulate farm businesses to exploit the potential of ICT for production, management and personal development purposes.

6.10 Therefore broadly speaking the objectives if this measure to reduce economic and social exclusion in farming fits with the overall RDP 2001 – 2006 aim of contributing to the economic, environmental, social and cultural well being of the rural community.

6.11 Measure 1.7a aims to assist farm families to acquire skills suited to off-farm employment or non-traditional on-farm diversification to enable them to supplement farming income and remain on their holdings. The measure has three objectives, which are to:-

- Help people currently engaged in farming to identify their skills development needs and successfully undertake a skills development programme;
- Facilitate the re-skilling or up-skilling of these people either to secure off-farm employment or to acquire the expertise required to develop new on-farm non-traditional experience; and
- Help secure supplementary employment or engage in a farm diversification process.

6.12 Again the rationale and the objectives of this measure are also in-line with the Programme's aim of contributing to the economic, environmental, social and cultural well being of the rural community and as such would sit well within the RDP. In addition, this measure is in-line with the aims of the capacity building element of the RDP 2001 – 2006, as one the aims is "to strengthen rural communities through the provision of advice and financial assistance and to provide rural people with the skills, knowledge and experience they need to play a part in the significant economic, environmental and social changes impacting on rural areas." In addition this measure has the potential to closely complement the focus of LEADER+ in NI, which sits within the RDP 2001-2006.

6.13 Measure 1.9 (Investment in Agricultural Holdings) aims to provide opportunities to farmers to work collaboratively to deliver high quality products that are derived from systems that safeguard the environment, respect animal welfare and assure food safety, which would assist in building consumer confidence in domestic and export markets. The three objectives associated with this measure are to:

- Reduce economic and social exclusion in farming through cross-community collaborative actions to improve farms;
- Assist and develop the capacity and actions of farmers working in cross-community groups to identify and purpose solutions to specific environmental problems and provide assistance to implement remedial actions on individual holdings; and
- Assist and develop capacity and actions of farmers working in cross-community groups to identify and propose solutions to enhance product quality and provide assistance to implement remedial actions on individual holdings.

- 6.14 Again the aims and rationale of this measure are also broadly in line those of the RDP 2001 – 2006 and are also in-line with the aims of the capacity building element of the Programme.
- 6.15 Measure 5.6b (Agriculture and Rural Development Co-operation Cross Border Diversification) aims to secure cross-border and cross-community reconciliation and social inclusion and enhance the rural economy through the development of agricultural diversification projects on a cross-border basis. This measure is complementary to the focus of LEADER+ in the NI, and offers the scope to extend this on a cross-border basis. In addition it is complementary to the cross-border activity supported through Measure 5.6a (Cross Border Community Development), in that actions to develop the community infrastructure on a cross-border basis, should underpin the rural development activity (including agricultural diversification)
- 6.16 In view of all of the above it is suggested that there is merit in considering the integration of the above activity within the core structure of a future Programme, and these views were confirmed through discussions within the Peace II branch within DARD. It would also be consistent with wider strategic directions in rural policy at an EU level, which can be traced back to the 1990's, and in particular the Cork Declaration (made by the then EU Agriculture Commissioner, Mr Fischler at the 1996 Cork Conference 'A Living Countryside). This emphasised the need for an integrated rural development policy and programme for the EU, pointing towards an expanded definition of rural development to embrace the 'whole farmed countryside'. Furthermore the concept of an integrated approach such as this has been embodied within current plans for an over-arching rural policy in NI. For instance the 'Study on Rural Policy' PwC 2004, highlighted that a future rural policy needed to recognise the unique role that agriculture plays in the rural economy and that this understanding of the role of agriculture (and other activity that avails of natural resources) was one of the characteristics that distinguished rural development policy, from traditional economic development and/or regeneration policy.
- 6.17 Finally, in concluding on delivery structures it is important to reflect that they are still overly complicated, creating confusion for customers at an overall level and there are related perceived inefficiencies, reflected within the administration costs in Sections V.

## Programme Management

- 6.18 DARD are simultaneously responsible for the overall management of the Programme as well as of some aspects of delivery. In terms of overall Programme management it is important to highlight that while the RDP 2001-2006, is performing well, the early stages of the Programme were characterised by delays in the mobilisation of some of the component parts (e.g. Leader+ and Interreg IIIA), and slow progress in terms of approvals and expenditure, which led to frustrations in the stakeholder community.

- 6.19 As a Managing Authority DARD has a number of additional responsibilities (relative to the previous phase of the Programme), such as attending Monitoring Committee meetings of the individual funding streams. Although the RDP 2001-2006 does not have a separate Monitoring Committee it is DARD's responsibility to attend the Monitoring Committees of the individual funding streams and any associated selection committees. In addition DARD are also responsible for the maintenance of the DARD 'mini' central database, which is an exercise they have approached in a very pro-active manner to maximise the usefulness of it as a management information tool. This database not only captures application and monitoring data of the RDP 2001-2006, but also data relating to the 'Peace II farmer measures' that currently sit outside of the RDP 2001-2006 as detailed above. The considerable resource effort associated with this database should be acknowledged. As a Managing Authority, DARD also has responsibilities relating to the management and achievement of N+2. The management of the database and N+2 targets are new to the RDP 2001-2006 and therefore have added considerable to the 'management effort'.
- 6.20 In reflecting on DARD's Programme management role it is also relevant to reflect on views expressed to PwC during the course of the consultations of the 'Study on Rural Policy' 2005. These included perceptions:
- That DARD RDD exhibits a risk adverse culture, which contributed to a perceived lack of innovation in some areas. (This was attributed to the issues raised by the NIAO report on the previous phase of the Programme);
  - That constraints in relation to accountability requirements and N+2 had contributed to a perceived sense of bureaucracy in the delivery of the RDP 2001-2006; and
  - That delivery of the RDP 2001-2006 had been 'funding led', rather than 'demand led' and that more could have been done to ensure strategic integration of activity within an 'evidence based' policy framework.
- 6.21 Accordingly for the future in the context of a wider rural policy, principles including 'innovation' and an 'evidence based' approach were embodied in the forward plan.
- 6.22 In examining the effectiveness of DARD as Managing Authority of the RDP 2001-2006, it is relevant to reflect on the extent to which DARD RDD, have actioned the lessons learnt and previous recommendations for the future, from the last phase of the RDP 1994-99 (as detailed in the ex-post evaluation of the same). For ease of reference these are summarised in Table 6.2.

Lessons learnt/ recommendation from 1994-99 phase of the RDP, to be 'pulled through' to RDP 2001-2006	Commentary on whether the recommendation was appropriately actioned by DARD RDD
<p>The need for full transparency in relation to the anticipated output and outcomes, in particular, the quantity and quality of the jobs created (given the potential for 'overstating' of performance that existed within RDP 1994-99);</p>	<ul style="list-style-type: none"> <li>• This issue is less relevant in the RDP 2001-2006, given that 'cocktail-funded' projects are not permissible.</li> <li>• There has been no progress however by DARD RDD on capturing the 'quality' of jobs created, although RDC indicated that they would in due course through monitoring visits to projects, touch on some aspects of job quality.</li> <li>• In addition this MTE of the RDP 2001-2006, has highlighted in terms of the 'quantity' of jobs created, the need for verification of some of the data captured to date, for instance particularly the 'jobs safeguarded' category within LEADER+. That said, DARD has taken a much more focused and conservative approach to capturing jobs created within this phase of the RDP 2001-2006, focusing only on jobs created as 'downstream impacts' of the funding.</li> </ul>
<p>The need for DARD to deploy sufficient resources to administer and manage the Programme</p>	<ul style="list-style-type: none"> <li>• This recommendation was made in the context that in the last phase of the RDP 1994-99, DARD was very active in 'cocktail-funding' scenarios in working on behalf of all the funders involved, which created a degree of pressure on available resources.</li> <li>• Section V of this report has highlighted the increased resourcing and costs of administering the RDP 2001-2006, some of which can be justified on the grounds of a larger programme (in funding terms) and in view of additional tasks required within this phase of the Programme, including the database and N+2. In proportional terms it is estimated that the cost of administering this phase of the RDP, is similar to the last. However it was suggested that a degree of efficiency might have been expected because of the fact that this phase of the Programme, while still complicated structurally, is less so than the previous phase. Overall the need for increased efficiencies and value-for money in a future RDP should be highlighted.</li> </ul>
<p>The need for clear roles and responsibilities for all parties involved as well as a need to simplify certain aspects of the architecture of the RDP and the administration and monitoring procedures (arising from the identified confusion at the project level, related to the plethora of funding components and the various bodies involved, which created administrative inefficiencies due to the duplication of effort);</p>	<ul style="list-style-type: none"> <li>• There was a degree of structural simplification within this phase of the RDP, for instance a reduction in the number of funding streams from 6 to 4.</li> <li>• That said it is still viewed that the Programme is 'overly complicated and bureaucratic', which is perceived to contribute to administrative inefficiencies.</li> </ul>
<p>The need for the development of well designed promotional material, together with a continuous programme of awareness creation and publicity.</p>	<ul style="list-style-type: none"> <li>• Concerted efforts were made by DARD RDD to underpin the Programme with a comprehensive communications and PR strategy from the outset, which included the development of well-designed promotional material. There has been good progress in terms of continuous awareness creation and publicity, although latterly this has been more at the level of the funding streams, rather than the overall programme, meaning that some ground may have been lost in terms of the corporate identity of the Programme.</li> </ul>

Lessons learnt/ recommendation from 1994-99 phase of the RDP, to be 'pulled through' to RDP 2001-2006	Commentary on whether the recommendation was appropriately actioned by DARD RDD
<p>The need for the development of indicators and targets to take place within the context of setting an overall baseline position (and after having established a baseline, that sufficient resources were made available to undertake exercises designed to provide information that will populate these indicators over the duration of the RDP);</p>	<ul style="list-style-type: none"> <li>• While there may not have been a comprehensive 'baselining' study done for the RDP 2001-2006, quantified indicators and targets were developed in conjunction with NISRA for each of the funding streams, working from previous experience and evidence from the relevant ex-ante studies in terms of need.</li> <li>• Therefore relative to the last phase of the RDP 1994-99, there has been a much more sophisticated approach to target setting and performance measurement. Furthermore DARD RDD have been very pro-active through the DARD 'mini-central' database in capturing data against indicators and targets, and in working to address any gaps in the data. It is important to emphasize the resource intensive nature of this task.</li> </ul>
<p>The need for a number of macro or programme wide indicators to be set which can be collected across each of the component elements (including process-type indicators, impact and outcome indicators and social and community benefits);</p>	<ul style="list-style-type: none"> <li>• While DARD RDD have been active in 'aggregating-up' some common indicators across the Programme from the component funding streams, it is not clear that this has been done in the context of the agreed and published macro-Programme indicators.</li> </ul>
<p>The need to attempt to identify and quantify in conjunction with projects, if applicable, the extent of voluntary input at the project level. In addition it was recommended that the target beneficiaries of the project should also be collated to enable an assessment with respect to involvement of some Section 75 and New TSN groupings.</p>	<ul style="list-style-type: none"> <li>• No co-ordinated action by DARD RDD evident to capture voluntary time across the Programme, although within LEADER+ efforts were made to assess voluntary input in terms of governance at the LAG and MC levels. In addition RDC have been active within some of their measures in estimating voluntary time input at project level.</li> <li>• The DARD 'mini-central' database captures intended target groups of the RDP 2001-2006 although some uncertainty exists in relation to the quality of data captured. As such it is recommended that a sample verification exercise be undertaken.</li> <li>• In addition fields were included in the DARD mini-central database, with respect to Section 75 categories, but due to issues about the quality of data captured (where 'all' was often recorded as a 'catch-all') this has not been continued.</li> </ul>
<p>The need for a centralised database of all RDP 2001-2006, funded projects to be constructed.</p>	<ul style="list-style-type: none"> <li>• Fully actioned through the DARD mini-central database, which is a subset of the full EU funding central database.</li> </ul>
<p>The need to ensure that all direct employment related outputs from the RDP 2001-2006 are collected, recorded and presented for each of its component parts. It was suggested that these should be collected in three respects (new full-time equivalent jobs created; temporary jobs created, such as construction and seasonal jobs, in person years; <i>and</i> full-time equivalent jobs safeguarded or sustained) for each component and then aggregated to provide an overall output relating to employment;</p>	<ul style="list-style-type: none"> <li>• There has been concerted efforts by DARD RDD towards capturing employment data for this phase of the RDP. Most of this to date has centred on LEADER+, where the vast majority of the employment outputs have arisen.</li> <li>• DARD have also taken a fairly conservative approach to capturing employment outputs, focusing only on jobs created as downstream impacts of RDP funding. While this is commendable in one context it is possible that this understates the total contribution of the Programme, in terms of local employment and wealth creation</li> </ul>
<p>The need to collect information from project sponsors relating to funding outside of RDP, even if this funding is from the community or private sector. This was to ensure that the jobs created through projects assisted by RDP 2001-</p>	<ul style="list-style-type: none"> <li>• DARD RDD have been active in capturing matched funding from other funders (e.g. International Fund for Ireland), the private sector (e.g. in a LEADER+ context) and community fund raising. However it is not evident that this has been followed through to</li> </ul>

Lessons learnt/ recommendation from 1994-99 phase of the RDP, to be 'pulled through' to RDP 2001-2006	Commentary on whether the recommendation was appropriately actioned by DARD RDD
2006 could be 'pro-rated', based on the Programme's contribution;	'pro-rata' the jobs created to the Programme contribution only.
The need for cost per job indicators to be only calculated only in relation to employment creation projects.	<ul style="list-style-type: none"> <li>It is not evident that cost-per-job indicators have been routinely monitored within the Programme, although this MTE report has addressed this issue, working in conjunction with DARD RDD. The emphasis within this analysis has only been on measures with a job-creation component.</li> </ul>
To define a monitoring and evaluation framework for RDP 2001-2006 to facilitate the work of the Monitoring Committee, and satisfy the European Commission.	<ul style="list-style-type: none"> <li>High-level framework developed and included within the RDP 2001-2006 Programme Strategy</li> </ul>
The need to progress measures to assess the quality of jobs created or supported at the individual project level (e.g. using the framework of the Simon Bridge model);	<ul style="list-style-type: none"> <li>Not addressed centrally by DARD RDD across the Programme. As detailed above RDC have intentions in this direction through questions that are included in a interview pro-forma for project monitoring visits.</li> </ul>

6.23 In view of the above it is broadly concluded that DARD RDD have been effective in implementing the 'lessons learnt' and recommendations from the RDP 1994-99 evaluation in light of wider developments in the intervening period, with only one or two areas remaining outstanding.

## Review of impact of publicity and awareness raising activities of the RDP 2001-2006 in rural areas

6.24 A RDP communications strategy<sup>57</sup> noted the importance of implementing a successful; communication strategy and communicating the benefits of the Programme. During the early stages of the Programme a PR campaign working group was in place, whose primary aim was to develop a proactive, workable corporate RDP public relations campaign. It was agreed that the RDC and the RCN should develop their own RDP public relations strategy to highlight their own specific roles within the Programme. However, representatives from RDC and RCN also sat on this PR Working Group.

6.25 In June 2001 the Campaign Working Group (CWG) agreed the following key Corporate Objectives:

- To put the concept of rural development on the social, political and media agenda;
- To create a better understanding of what rural development is;
- To focus on the media to help them understand the aims of the new programme and who it is targeting; and
- To target key audiences and show them how they can help themselves by availing of the new programme.

6.26 The Campaign Working Group also agreed the following primary and secondary key Corporate Communication Messages in June 2001:

### **Primary Corporate Communication Messages**

- The RDP is a DARD initiative encompassing the RCN, RDC and RACs;
- The RDP helps people to help themselves and is a process of addressing the needs of the rural communities;
- The RDP is a flexible and wide-ranging programme open to all rural dwellers;

<sup>57</sup> Draft Communications Strategy for the Department of Agriculture & Rural Development's 2001-2006 Rural Development Programme, Morrow Communications, 2001.



- The RDP is a sustainable programme and is concerned with helping projects to succeed both in the short-run and the long-run;
- RDP gives people in non-urban areas equality of opportunity; *and*
- Funding available as part of the RDP is additional to current subsidies.

**Secondary Corporate Communication Messages**

- The RDP is looking for ideas and can only succeed if it receives them;
- The RDP does not only offer financial assistance – it also offers support, advice and guidance; *and*
- The RDP is a way of facilitating change through the available resources.

6.27 The Corporate Key Objectives and Messages were drafted by the CWG and refined following extensive interviews as part of the Morrow Communications research in drafting the signpost brochure (which was distributed at the information seminars). The agreed target audience for the RDP 2001-2006, as indicated in the draft PR Strategy and refined by the CWG in 2001 can be broken down as follows:

- Community groups/collectives;
- Farmers and farm families;
- Women and children;
- Youth;
- Rural business people;
- Business community as a whole;
- Long-term unemployed;
- Opinion formers (e.g. church leaders, MPs, MLA's, MEP's, Cllr's);
- Urban community;
- Fisherman/anglers;
- Cross-border partnerships; *and*
- Minority groups (e.g. disabled).

6.28 To date just over £100k has been spent on RDP publicity<sup>58</sup>, the funding for this came directly from DARD Public Expenditure fund monies and not Programme funds and covered costs relating to printing and events. Approximately, £60k of the £100k was spent in the first year of the Programme.

6.29 The Programme was formally launched on 13<sup>th</sup> November 2001 and a series of 17 information seminars followed. These were held in various rural locations across NI and the main aim was to provide people in rural areas information about the programme and to allow them to ask questions and submit expressions of interest. The information seminars were attended by both DARD staff and staff from the Rural IFBs.

6.30 The RDP 2001 – 2006 is a complex programme that is delivered by a range of organisations, therefore in promoting the programme it was important to emphasise the delivery of the Programme as a whole and not merely four component funding streams. However it appears that the promotion of the Programme as a whole has 'waned' lately and more recently any promotion of the Programme has been through the individual funding streams, e.g. the RDC, BSP publicity launch September 2005. In addition, the RDC publish a range material which publicises successful projects and also a bi-annual newsletter which provides promotional information about the Programme and also information about successful projects.

6.31 It is unclear whether the publicity has been effective in-terms of promoting the Programme as a corporate entity. The level of project activity in the past year would suggest that rural dwellers are more aware of the individual funding streams than the

<sup>58</sup> Data provided by DARD RDD staff

corporate identity of the RDP 2001-2006. This was evidenced by the survey of Leader+ projects, conducted by PwC in the Leader+ Mid-term evaluation update.

## Summary of Programme Management, Implementation and Delivery Structures

6.19 The main conclusion of this section can be summarised as follows:

- While there has been some simplification in delivery structures since the last phase (1994-1999) the Programme structure is still viewed as 'overly complicated'. This is reflected in the £25m costs estimated in Section V, to deliver the Programme. Variable levels of effectiveness and efficiency are evident across the range of implementing bodies, however, comparisons need to be interpreted with caution due to the differing focus and average grant size of the activity involved;
- The Peace II 'farmer measures', while closely linked to the RDP 2001-2006, could in a future programme benefit from being part of the core delivery measures, to reflect an integrated approach;
- The overall management of the Programme by DARD has gained momentum, reflecting significant progress from the early stages where some elements of the Programme were slow to mobilise. In addition, it is important to acknowledge that DARD has (relative to the last phase) a number of additional responsibilities as a Managing Authority, which they have embraced. Furthermore, DARD has been active in progressing recommendations made in the ex-post evaluation of the last phase of the RDP. However, views exist that DARD remains too bureaucratic and risk adverse in respect of the management of the Programme; and
- While there has been extensive publicity and PR within the funding streams of the Programme, it is viewed that the 'corporate identity' of the RDP 2001-2006 has lost ground.

## VII Recommendations and future directions

### Recommendations (for the remainder of the RDP 2001-2006 Programming Period)

- 7.1 Generally speaking the RDP 2001-2006 has progressed well towards the aims and objectives as set out in the Programme strategy document (and detailed in Section I). Accordingly it is not appropriate to recommend any radical reforms in terms of Programme focus or delivery. In addition it is perceived as being too late into the Programme's implementation to radically change either its focus or delivery structures. Therefore most of the issues/recommendations set out below should be viewed as 'fine tuning' points for consideration.
- 7.2 As noted in previous chapters, some elements of the Programme have been performing better than others. For example both the NRRTI and Interreg IIIA elements have been slow to spend and produce target outputs. Whilst some reasons have been provided for this performance to date (as noted in Section IV of this report) there remains a need for DARD as the Managing Authority to keep the progress of these elements of the Programme under close review, to ensure that both N+2 and indicator targets are met.
- 7.3 Many of the recommendations that have been noted throughout this report relate to the monitoring and evaluation of the Programme. These include:
- DARD should ensure that funding allocated through the Area based Partnerships (under BSP) to projects in their locality is captured on the mini-central database (in order to provide a comprehensive picture of the financial performance of BSP and in turn the RDP 2001-2006);
  - DARD should ensure, with respect to Interreg IIIA, that data held by Border Actions (ADM/CPA) with respect to the Republic of Ireland data is pulled through to the database;
  - DARD should regularly review the 'actual' participation data with respect to RDP target groups, (sourced from Implementing Bodies and via Section 75 questionnaires) against the original 'intentions' expressed by project promoters at application stage and captured on the database;
  - DARD should monitor any inconsistencies between financial and monitoring data (such as the example at paragraph 4.13) and more generally seek to influence the timeliness of the capture of monitoring data in relation to the financial data;
  - All jobs supported through programme funding (including short-term funded posts) should be recorded on the database. Currently only jobs 'created', as 'downstream impacts' of the funding are recorded which under-states the total impact of the Programme. That said, it is understood that some of this additional jobs data is currently captured and that there is a non-mandatory field on the database for this;
  - Further primary research could be initiated to capture evidence in relation to the level of voluntary time estimate, as set out in Section V;
  - Given the impending verification exercise of the employment data captured for LEADER+ (which should be broadened to the other funding streams of the RDP 2001-2006) it is suggested that this research exercise aims to capture data on job quality (e.g. potentially building on the model developed by Simon Bridge for DARD within the scope of the last RDP 1994-1999) and explore the concept of 'job chains'

(noted in paragraph 4.42). It is understood that DARD RDD are no in the process of developing procedures/systems for this;

- Although the long-term unemployed were agreed as a target group for the Programme, the evidence and interviews with DARD staff suggest that this a difficult target group, certainly as direct applicants to the particular elements of the Programme. Accordingly some form of strategic collaboration between DARD and DEL may be appropriate with respect to this issue; and
- Mid-term Evaluation updates, have been completed for each of the individual funding streams within the RDP 2001-2006, however, neither the Peace II, the Interreg IIIA nor, the BSP evaluations made specific recommendations relating to the relevant RDP 2001-2006 measures. The PwC Mid-term Evaluation Update of the Leader+ Programme made a number of recommendations some of which were relevant to the remainder of Leader+ and some for the future. A full list of the recommendations included in the Leader+ Mid-term Evaluation Update is provided in Appendix A.

7.4 Therefore the emphasis in this final section is on recommendations at the 'macro' level of the Programme as a whole.

## **Future Directions (for the RDP in the 2007-2013 Programming Period)**

### **Introduction**

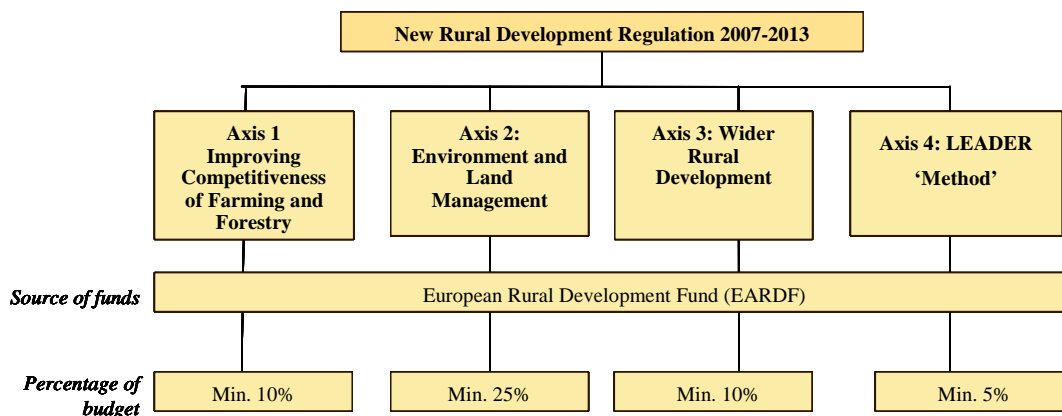
7.5 The Terms of Reference for this MTE evaluation of the RDP 2001-2006, required consideration of future directions in respect of the next programming phase from 2007-2013, building on lessons learnt from this programming phase. Accordingly some initial thoughts are set out below on future directions. These acknowledge:-

- The wider backdrop of EU policy and the EU funding context for rural development from 2007-2013;
- Strategic directions for DARD, as set out in the DARD Strategic Plan 2006-2011;
- The importance of other cross-cutting policies (Anti-Poverty, Equality/ Good Relations, development of the community and voluntary sector) to a future phase of the RDP;
- The need for a future RDP to sit within a wider 'rural policy', also encompassing activities in relation to agriculture, forestry, land management, agri-environment and natural heritage. This wider 'rural policy' is under development by DARD and a draft document has recently been issued for consultation, building on the 'Study on Rural Policy' completed for DARD by PwC in 2005. Accordingly this sub-section focuses on the 'rural development' component of this wider rural policy, and in particular on activities with respect to rural regeneration and access to services in rural area, which could be funded by Axis 3 of the Rural Development Regulation (RDR) referred to below and any mainstream monies that could also be leveraged. Importantly while this sub-section assumes DARD would have 'primacy' in terms of the policy for regeneration of rural areas in future, some of the impacts will only be realised through the influence that DARD can bring to bear on other Government Departments/ agencies, through for example rural proofing; and
- The potential implications of public sector reform in NI, more specifically the Review of Public Administration (RPA), with respect to the implementation and delivery arrangements for a future phase of the RDP.

## EU Policy (2007-13) and Funding Context for Rural Development Activity

- 7.6 In the past for many parts of Europe, the Structural Fund programmes have dominated rural development activity, however after 2006, this situation will change significantly. From 2007, rural development programmes under the Common Agricultural Policy (CAP) will be funded from a new single Rural Fund, which is entirely separate from future Structural Funds. This fund will grow slowly over time as money is shifted from the First Pillar of the CAP into the Second Pillar via 'compulsory modulation'. At the same time, the programmes are to be simpler, broader and more flexible than the current range of measures funded under the Second Pillar. In particular it is acknowledged that rural development policy needs to place agriculture in a broader context that includes the environment and the wider rural economy.
- 7.7 On 14th July 2004 the European Commission published a new draft Regulation for Rural Development, clarifying how it sees the new single rural fund working. An illustrative overview of the proposals is set out in Figure 7.1 below. DARD launched a consultation exercise in relation to the draft Regulation in the last quarter of 2004, posing a series of questions in respect of its content.

**Figure 7.1: Funding for Rural Development 2007-2013**



- 7.8 The draft regulation was debated and agreed by the EU Agriculture Council and finally agreed in September 2005. This agreed regulation now clearly sets the framework for the majority of EU rural development funding in the UK, beyond 2006. It is understood that there is scope to plan programmes at the regional level but that these must be consistent with Rural Development strategies at both the EU and Member State levels. Therefore implementation and delivery can be regional or sub-regional, but **the Commission's 'preferred implementation method' for Axis 3, wider rural development, is 'through local development strategies targeting sub-regional entities'**.

- 7.9 It is important to highlight that in the Regulation the Commission proposed a significantly strengthened role for the 'LEADER approach' within rural development programmes and proposed that each programme should contain a LEADER (cross-cutting) axis. It was initially proposed that at least 7% of Community support would be reserved for implementing the LEADER priority axis. In effect it was envisaged that the 'method' will underpin the other three axes. In addition at this stage it was proposed that 3% of the overall funding for the period 2007-2013 would be kept in reserve and allocated to the Member States with the best performing LEADER programmes. More recently it is understood that the situation has changed from these original proposals and currently the LEADER axis is now 5% and performance reserve monies have been

excluded<sup>59</sup>. Drawing on the above it is interesting to focus on whether LEADER in future is a discrete 'programme' or whether it is a broader 'approach' that should underpin all rural development activity in a sub-regional setting. In effect it is viewed that there is now an opportunity for LEADER to be much more closely configured with other local / sub-regional rural development activity, within the wider backdrop of an 'NI wide' rural policy set by DARD.

### DARD Strategic Plan 2006-2007

7.10 As detailed above the DARD Strategic Plan was developed in 2005 and issued as a draft for consultation in July 2005. It is of particular relevance to a future phase of the RDP that this plan acknowledges:-

- The vision for NI to be a thriving and sustainable rural community;
- The need for DARD to be an advocate for the needs of the wider rural community (implying a need for influence over other Government Departments/ agencies with a remit for service provision in rural areas);
- The need to promote all aspects of equality/ good relations and to make a positive impact in terms of the NI-Anti-Poverty Strategy (linking back to the social needs of rural communities set out in Section III of this report and to the positive impacts of the current phase of the RDP 2001-2006 in terms of engagement of disadvantaged areas and disadvantaged groups);
- The challenges impending through the current phase of very significant public sector reform, nationally through the Gershon Report<sup>60</sup>, and in NI through the Fit for Purpose Report<sup>61</sup> and the RPA – all of these will influence how DARD, interacts with customers, either directly or indirectly through partnership with other organisations. In particular the strategy acknowledges that while DARD will continue to be a major service provider, in future more services will be delivered through partnerships with other organisations. Linked to this the strategy acknowledges that the DARD workforce could become smaller in numbers, with the emphasis on a diverse and mobile workforce. This is of relevance to some of the value-for-money issues identified in Section V, in respect of delivery costs of the current phase of the RDP 2001-2006;
- The need to react to changes in farming culture, through an ongoing focus on diversification out of traditional farming, and the growth of a stronger, more diverse rural economy (linking back to the needs identified in Section III of this report in terms of re-structuring of rural economies);
- As an objective the need for strong local community involvement in the rural development process, linking to an action to maintain community-based partnership (which implies a need for the future phase of the RDP to focus on maintaining community infrastructure in rural areas and focus on 'plugging' gaps in terms of weak community infrastructure. It also implies a need for ongoing linkages to policy for the community and voluntary sector, under the auspices of DSD<sup>62</sup>);
- As an action that the fact that DARD would take lead responsibility for rural development issues (linking back to the views expressed in the 'Study on Rural

<sup>59</sup> Council Regulation (EC) No. 1698/2005 of 20th September 2005

<sup>60</sup> Releasing resources to the front line- Independent Review of the Public Sector Efficiency. 'Sir Peter Gershon', 2004.

<sup>61</sup> Fit for Purpose – the Reform Agenda in the NI civil service, 2004.

<sup>62</sup> DSD Positive Steps – Governments Response to Investing Together, the report of the Task Force 2005

Policy<sup>63</sup> that DARD should have 'primacy' for rural policy, and be a champion in respect of the same, but that delivery (or aspects thereof) should reside external to DARD); and

- As an action that new funding packages would be developed (which links to views that mainstream funds could be sought to complement aspects of the EU funding for rural development in a future RDP).

### Current developments towards a wider rural policy for NI

7.11 As detailed above currently DARD is in the process of finalising an NI-wide policy for rural development post 2006. This exercise is drawing to an extent on the findings of the 'Study on Rural Policy' conducted by PwC for DARD late in 2004, and in particular on the final section in relation to future directions for rural policy in NI post 2006. As detailed above DARD has recently issued a <sup>64</sup>draft document for consultation and this sub-section focuses on the 'rural development' component of this wider rural policy, and in particular on activities with respect to rural regeneration and access to services in rural areas, which could be funded by Axis 3 of the Rural Development Regulation (RDR) and potentially any mainstream monies that could also be leveraged.

7.12 In this context it is relevant to highlight that this draft document re-iterates the need identified in the Study on Rural Policy<sup>65</sup> for an integrated vision in respect of policy for rural areas, combining social, economic, and environmental factors, and also including important specific sub-components related to 'culture' and 'agriculture and forestry'. In the context of a future RDP, this focus on integration provides further weight to the arguments already set out in Section VI of this report, with respect to inclusion of <sup>66</sup>'Peace II farmer measures' within the core Programme.

7.13 This document also sets out four key aims the fourth of which is most relevant ('Strengthening the Social and Economic Infrastructure of Rural Areas) to a future RDP. It also progresses to identify key actions under this aim, some of which map to the suggestions made below in terms of 'content', that is the nature of activities to be included in a future RDP.

### Impact of the RPA

7.14 Having set out broad directions in terms of a NI-wide rural policy, it is now important to turn to the sub-regional perspective, and in particular to the implications of the RPA on the future of the RDP. The RPA in NI is a major examination of how public services in NI are organised and delivered. It has been ongoing since June 2002 and the main outcomes arising from the three year review and consultation process were announced by the Secretary of State, on 22nd November 2005.

7.15 With respect to local government<sup>67</sup> it was announced that councils would have a new and/or enhanced role in respect of a number of functions, as detailed in Figure 7.2. Those that are most relevant a future RDP are highlighted in bold.

---

<sup>63</sup> PwC Study on Rural Policy for DARD, 2005

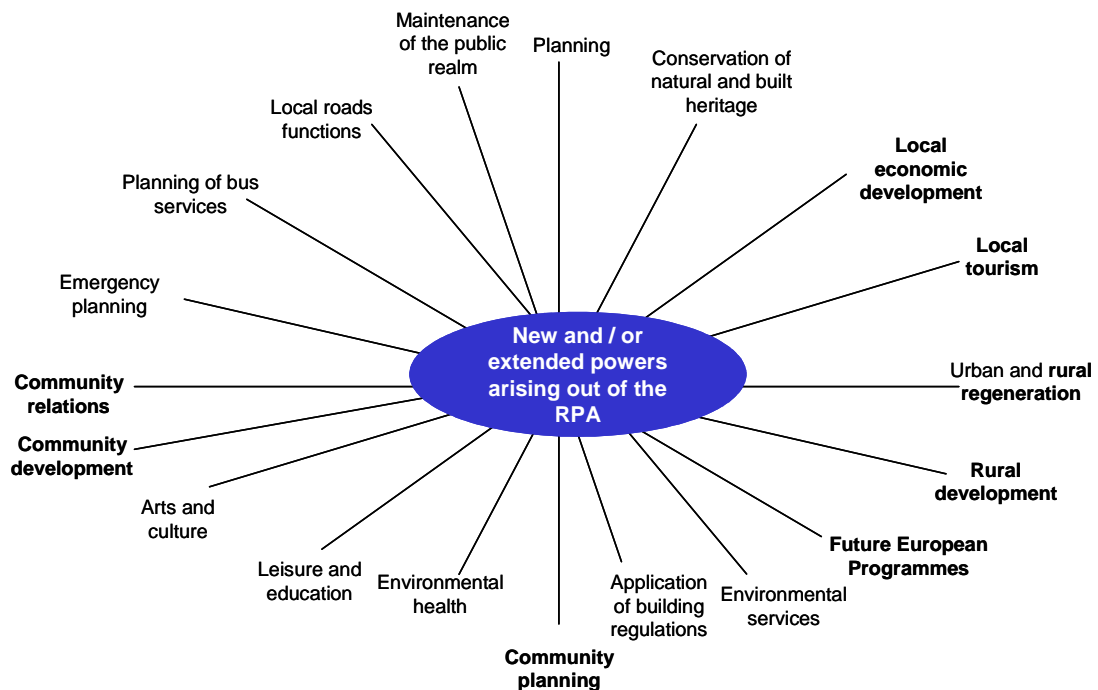
<sup>64</sup> Consultation on the draft new EU Rural Development Regulation

<sup>65</sup> PwC Study on Rural Policy for DARD, 2005

<sup>66</sup> or activity equivalent to the Peace II farmer measures in the current RDP 2001-2006

<sup>67</sup> Lord Rooker – Reform of Local Government, Outcome of the Review of Public Administration, 22nd November 2005

Figure 7.2: New and/or extended powers for Councils arising out of the RPA



7.16 In addition it was announced that all of the evidence pointed to seven councils as the optimum model for local government. Furthermore the proposed configuration of the seven councils was set out based on amalgamation of existing councils in NI (with the exception of Belfast which will remain as one council area). Finally it was highlighted, in the context of the 'coterminosity' which is an underpinning principle of the RPA, that all Departments/ Agencies (whose functions would transfer to local government) and all other service providers, should consider configuring their services to the same boundaries as the new local government structures. This in turn raises issues about the number and configuration of structures external to Government, that currently have a role in relation to rural development, including by way of examples the LAGs under LEADER, and the Rural Support Networks.

7.17 It is assumed that implementation of the RPA proposals as detailed above could mean that DARD would retain a remit for an NI wide rural policy, but that Councils would assume a greater role for implementation of this NI-wide policy, in a sub-regional setting, perhaps with the 'LEADER approach' underpinning and integrating all rural development activity, in this sub-regional context. Accordingly, it is viewed that LEADER would be more of an 'approach' rather than a 'discrete programme'. In turn this raises issues about the existence, number and coverage of a range of other sub-regional structures (beyond LAG's) that are currently within the RDP 2001-2006 or relevant to rural areas – including NRRTI's, RSN's and LSP's. It is understood for instance that discussions are currently underway within the LAGs and the RSN's about re-configuring for future. It is hoped that this will lead to simplification and less confusion for 'customers' of a future RDP.

#### Aspects of the intervention rationale for a future RDP (and corresponding content/activity focus)

7.18 In setting out a rationale for intervention it is important to draw on the needs of rural areas as articulated in the PwC Study on Rural Policy (2004), and updated in the context of this RDP 2001-2006 MTE (in Section III). Each aspect of the rationale for a future RDP is set out in Table 7.1. Along with a suggestion as to whether the



intervention rationale is broadly applicable (i.e. across NI or should be more narrowly focused). Furthermore the table aims to set out suggested content or activities that could be considered in a future RDP, linked to each aspect of the rationale.

Table 7.1: Summary of the proposed rationale and activities for a future RDP

Aspect of the intervention rationale for a future RDP	Spatial focus	Suggested content and activities in a future RDP that 'correspond' to this need.
<p><b>The need to restructure rural economies</b> – linking back to the unfavourable composition of rural economies set out in Section III.</p>	<p><b>Widespread</b> - Applicable to all rural areas, given the widespread implications of the changes in agriculture and manufacturing, which means that traditional sources of employment (and wealth creation) in rural areas are under threat.</p>	<ul style="list-style-type: none"> <li>• Support for '<b>on-farm and 'off-farm diversification</b>'.</li> <li>• Support for the <b>development of a small business private sector economy</b> (expansion/ diversification of existing rural small businesses and support for enterprise i.e. start-up activity).</li> <li>• Support for the development of <b>rural tourism</b>, leveraging off the environment as a natural asset. This is to ensure that rural areas seek to re-dress the current trend where the majority of the increased tourism expenditure in recent years in NI is benefiting urban areas.</li> </ul>
<p><b>Enhancing economic opportunities, social inclusion and access to the labour market</b> – linking back to the trends identified in Sections III and IV in terms of unemployment , economic inactivity and deprivation trends in rural areas</p>	<p><b>Narrower/ Targeted.</b> In this context the diversity of rural areas needs to be acknowledged, where rural locations around the Belfast Metropolitan Area and the southern and eastern shores of Lough Neagh are relatively prosperous compared to the more 'peripheral' areas in the west of NI. In particular these areas have experienced the lowest economic activity rates, slowest employment growth, higher levels of unemployment, and greater incidence of rural poverty in recent years.</p>	<ul style="list-style-type: none"> <li>• <b>Support for the development of the social economy</b> – given the potential of the 'social economy model' to bring excluded groups into the labour market.</li> <li>• Support for the <b>development of accessible and affordable childcare and eldercare</b> in rural areas, to remove one of the main barriers to reducing economic inactivity (particularly for women) in rural areas.</li> <li>• Support for activity to <b>integrate new sources of labour</b> into rural economies (e.g. migrant workers)</li> <li>• Support for <b>skill development for young people and the long-term unemployed</b> to meet the needs of changing rural economies (in conjunction with DEL)</li> </ul> <p><i>(note - there will be linkages between the actions set out above to restructure rural economies and the need here in terms of the more peripheral and inaccessible rural areas, where access to quality employment/ different occupational categories of employment and higher average earnings are particularly relevant)</i></p>

<p><b>Access to services in rural areas</b> – linking back to the issues identified in Section III in terms of ensuring adequate access to key public services (for example, health, education) and community level services (e.g. post offices, youth clubs) , which assist in maintaining the sense of community and levels of social capital in rural areas.</p>	<p><b>Narrower/ targeted</b>, with the emphasis on more peripheral and less accessible rural areas.</p>	<ul style="list-style-type: none"> <li>• It is important to highlight that much of the need in this context, should be fulfilled by DARD bringing a degree of influence (e.g. through Rural Proofing) to bear on other Government Departments/ agencies.</li> <li>• However there are actions that a future RDP could support to contribute to this need, including for instance:- <ul style="list-style-type: none"> <li>➢ Support for local community based service delivery and outreach, for example through continuing <b>development of the ‘community / village halls’</b> concept, and also through a <b>cross-border approach</b> to achieve critical mass for service delivery;</li> <li>➢ Support for <b>physical renewal of villages</b>, partly to encourage civic pride but also to encourage private sector investment in terms of service delivery; and</li> <li>➢ Support to enhance the <b>viability of rural retail outlets</b>.</li> </ul> </li> </ul>
<p>Maintaining <b>community infrastructure</b>, to ensure that community involvement underpins the rural development process. The key need is to encourage empowerment, civic engagement and participation in rural areas.</p>	<p>In the first instance there is a <b>widespread need</b> to maintain community infrastructure across rural areas of NI. However a word of caution is required, in that under the auspices of DSD, the Task Force and the Positive Steps policy, the emphasis is on a range of mechanisms and interventions to assist in modernising and <i>consolidating</i> the voluntary and community sector across in NI.</p> <p>In parallel with this general need there is a more specific need to ‘plug gaps’ in terms of <b>weak community infrastructure</b> (either in spatial terms or in terms of particular Section 75 interests). This need should be addressed on a more specific targeted basis.</p>	<ul style="list-style-type: none"> <li>• Support to <b>maintain community infrastructure in rural areas</b> (e.g. updating skills, work with replacement personnel in groups, helping groups to move into local service delivery and the social economy), rather than supporting the development of ‘new’ community infrastructure in rural areas.</li> <li>• Support to <b>‘plug’ gaps in terms of weak community infrastructure</b> (i.e. geographic areas and Section 75 interests)</li> </ul>

### Delivery Considerations for a future RDP

7.19 At this stage until the precise implications of the RPA are clearer, it is only possible to highlight broad themes in terms of delivery of a future RDP. These include:-

- The **need for DARD as an overall policy ‘champion’** for rural areas, and more specifically rural development;
- Linked to the above the need for **DARD to bring greater levels of influence to other Government Departments/agencies** who deliver services in rural areas, to augment what can be directly delivered through a future RDP;
- A **greater emphasis on delivery external to central Government**, through Councils in a sub-regional setting and through re-configuration of other sub-regional delivery structures (e.g. LAG’s, LSP’s, NRRTi’s and RSNs), potentially all embraced in the ‘LEADER method’, which could underpin all rural development activity in a sub-regional setting. Implicit within this re-structuring is that greater degrees of value-for-money could be achieved in the delivery of a future RDP;
- The need to explore the **potential for leverage of mainstream funds alongside EU funds for a future RDP**, reflecting the fact that aspects of the rationale for rural development activity, link back to core Government priorities;
- Depending on the mix of funding sources for a future RDP, it would be desirable from a delivery perspective to achieve **greater degrees of co-ordination with respect to the timing of the collation of monitoring data**, so that at any one time it would be feasible to gain an ‘aggregate’ impact of the RDP; and
- Linked to the above it is important from a delivery perspective that **a greater sense of the ‘corporate identity’ of the Programme would be maintained**. As detailed in Section VI, as the Programme has progressed the identity/ profile of some of the funding streams gained prominence over the identity of the RDP 2001-2006 as a whole.