

**Northern and Western Regional
Assembly's Submission
on the
Enterprise White Paper**



29th July 2022

1: Introduction

The Northern and Western Regional Assembly (NWRA) welcomes the opportunity to provide input into the development of the White Paper on Ireland's future enterprise policy. Considering the challenges facing the Irish economy, the development of a White Paper on this topic is timely and will be essential to ensuring that Ireland's enterprise base continues to remain competitive and can utilise future opportunities in an ever changing economic environment.

At a high-level, the NWRA believes that the White Paper must explore how future enterprise policy can support the delivery of balanced regional development in line with the objectives of the National Planning Framework (NPF) and the Regional Spatial and Economic Strategy (RSES) of the Northern and Western Region¹, while the White Paper should also examine how a policy of "Positive Discrimination" could be adopted towards the region, in order to regain the region's previously held status as a "More Developed Region". A policy of "Positive discrimination" aims to address regional disparities by providing above average levels of resources to struggling regional economies.

This could not be more important considering the significant challenges being experienced by the Northern and Western Region's economy and the fact that the European Commission continues to note that considerable regional disparities exist in Ireland². Furthermore, a policy of "Positive Discrimination" already exists in an Irish context, in the form of the European Regional Development Fund's enhanced co-financing rates for the Northern and Western Region, therefore a similar regional perspective should be adopted for Ireland's wider enterprise policies and schemes.

On this basis, it is imperative that any White Paper on future enterprise policy acknowledges and acts on the regional economic challenges of the Northern and Western Region – as documented in Section 2 of this submission – and the regional enterprise priorities of the NWRA, as documented in Section 3 of this submission.



¹ <https://www.nwra.ie/pdfs/NWRA-RSES-2020-2032.pdf>

² https://ec.europa.eu/info/sites/default/files/2022-european-semester-country-report-ireland_en.pdf

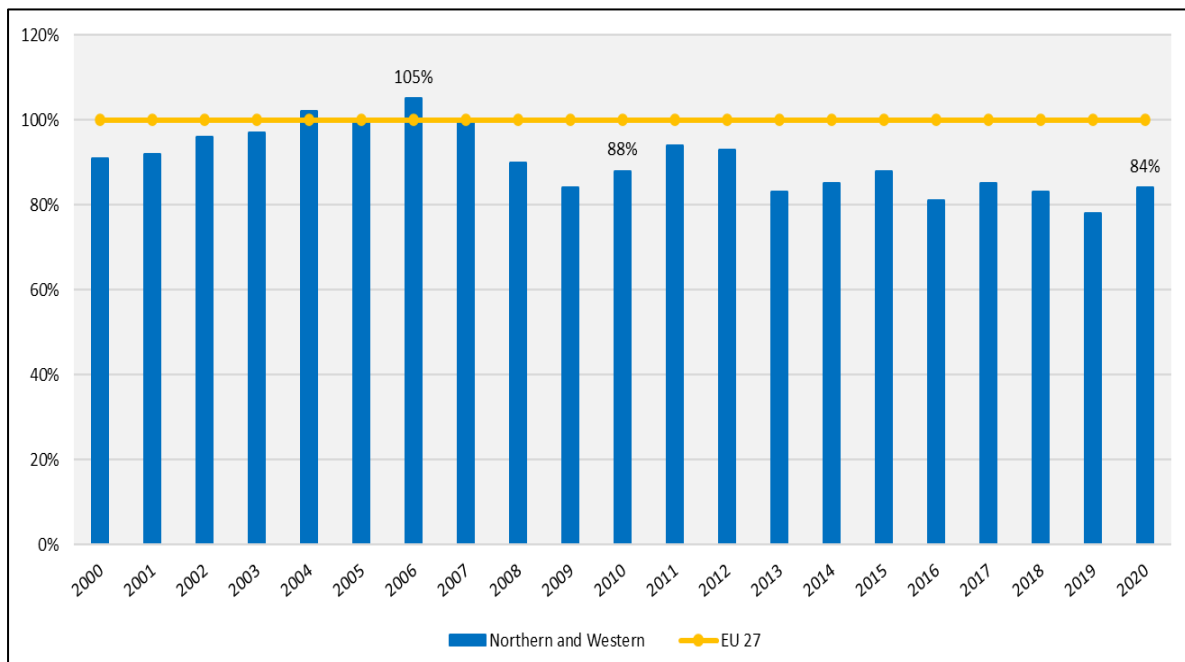
2: Regional Economic Challenges

2.1: Transition Region Status

As per the latest available Eurostat statistics³, it is estimated that the Northern and Western Region's GDP per capita was 84% of the EU27 average as of 2020, which was 4 percentage points lower relative to the region's corresponding ratio in 2010, and 21 percentage points lower compared to the region's previous peak of 105% as of 2006.

Notably, from the perspective of the Multiannual Financial Framework, the Eurostat figures with respect to the evaluation period (2015 – 2017) showed that the region's GDP per capita was 85% of the EU27 average during this time. Such a performance resulted in the European Commission downgrading the region from its previously held status as a "More Developed Region" to a "Transition Region".

Figure 1: GDP per capita in the Northern and Western Region – as a % of EU27 average – (PPS) 2000-2020



Source: Eurostat

2.2: Lagging Region Status

The European Parliament's Committee on Regional Development⁴ also categorised the Northern and Western Region as a "Lagging Region", which is a region that faces specific development challenges, including relatively lower productivity and educational attainment, a weaker skills base and business environment. Ongoing transitions such as the transition to a more digital and sustainable society are accentuating these challenges.

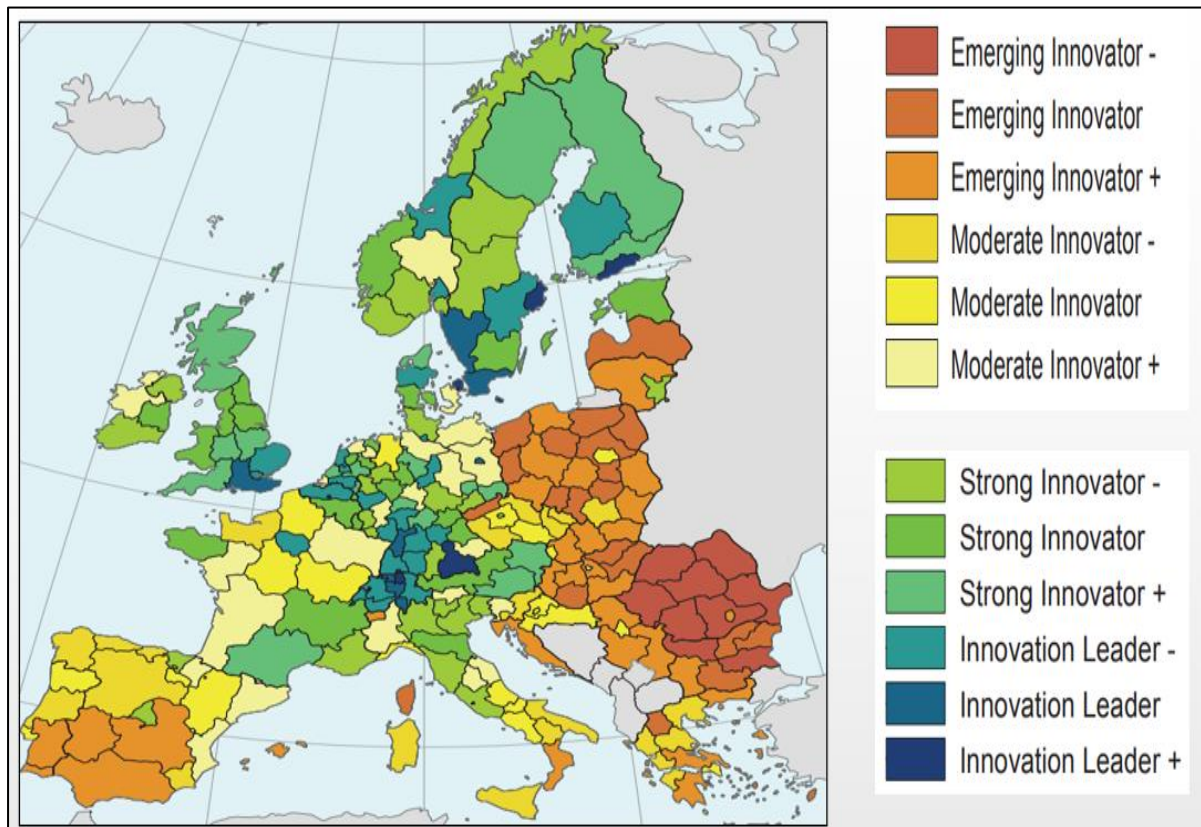
³ <https://ec.europa.eu/eurostat/web/regions/data/database>

⁴ [https://www.europarl.europa.eu/RegData/etudes/STUD/2020/652215/IPOL_STU\(2020\)652215_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2020/652215/IPOL_STU(2020)652215_EN.pdf)

2.3: Moderate Innovator Status

As per the European Commission's "Regional Innovation Scoreboard 2021"⁵, the Northern and Western Region is now the only region in Ireland to be considered a "Moderate Innovator" – which is a region to record a innovation index score between 70% and 100% of the EU average – whereas the Southern and Eastern and Midland Regions are classified as being "Strong Innovators", namely regions with a innovation index score between 100% and 125% of the EU average.

Figure 2: Regional Innovation Scoreboard 2021



Source: European Commission

⁵ [Regional innovation scoreboard | Internal Market, Industry, Entrepreneurship and SMEs \(europa.eu\)](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1)

3: Regional Enterprise Priorities

It is imperative that the White Paper adopts a regional and all-island approach to enterprise development and supports the relevant strategic priorities of the RSES of the Northern and Western Region, which – amongst other things – aims for the region to become “Specialised”, “Smart” and “Green”. Therefore, the White Paper should acknowledge and act beyond the following regional enterprise priorities, which have been categorized by the three relevant strategic priorities of the RSES.

3.1: Specialised Region

1. **Adopt a regional and all-island approach for Ireland’s future enterprise policy.** The White Paper should consider the merits of adopting a regional and all-island approach to enterprise development in Ireland and this can be achieved by:
 - Providing regional and local stakeholders meaningful input into the development of future enterprise policy through continuous stakeholder forums.
 - Utilising research and industrial competitive advantages by capitalising on regional and local knowledge from a wide range of stakeholders.
 - Supporting the high-level sectoral strengths of the Northern and Western Region as per the RSES.
 - Adopting a policy of “Positive Discrimination” towards the region, as a means of regaining its previously held status as a “More Developed Region”.
2. **Encourage continued cross-border collaboration, partnerships and trade between the enterprise base of the Northern and Western Region and Northern Ireland.** The White Paper should examine how the all-island economy can be further developed through collaboration, partnerships and trade.
3. **Provide appropriately sized enterprise infrastructure that will expand the Northern and Western Region’s enterprise base, develop clusters and support the sectoral strengths of the region.** The White Paper should aim to deliver appropriately sized enterprise infrastructure to provide “landing space” for potential companies and provide sufficiently scaled landbanks with appropriate utility infrastructure in the region.
4. **Expand the Northern and Western Region’s network of co-working hubs in line with the spatial objectives of the RSES.** The White paper should acknowledge that co-working hubs – that provide high-speed broadband – should be developed in line with the settlement strategy of the RSES.

3.2: Smart Region

- 5. Support the development of the Higher Education Institutes (HEIs) and the Education and Training Boards (ETBs) of the Northern and Western Region and provide third level education facilities and services in the Cavan/Monaghan and Roscommon/Leitrim sub-regions.** Considering the importance of human capital growth to enterprise development, the White Paper should highlight the importance of the region's ETBs and HEIs in growing the enterprise base of the region.
- 6. Enhance the level of financial assistance available to SMEs that allow their employees to participate on skills development initiatives and employer lead training networks.** Skills shortages and lifelong learning issues remain a significant challenge for enterprises across our region. Training initiatives and networks will be crucial to addressing these issues and the need for support in this regard should be acknowledged in the White Paper.
- 7. Increase the level of funding provided to the Human Capital Initiative (HCI).** The White Paper should seek to increase the resources provided to the HCI in order to teach more students and workers skillsets that will be needed to support our region's transition to a more digital oriented and sustainable economy.
- 8. Improve the grant relief rates on research and development (R&D) funding schemes and provide more direct funding schemes to enterprises that wish to undertake R&D.** It is imperative that the White Paper aims to improve the grant relief rates associated with R&D schemes for enterprises and provide more direct funding sources to enterprises undertaking R&D.
- 9. Enhance the infrastructure and resources of the Northern and Western Region's research assets.** The White Paper should aim to enhance the research facilities of individual HEIs, research centres and technology gateways based in this region while also increasing the number of research and PhD positions in the region's research assets, in order to support high quality and industry relevant research for our enterprise base.
- 10. Enhance the level of ring-fenced funding for research and innovation projects that incorporate an all-island dimension.**

3.3: Green Region

- 11. Reduce high upfront costs of decarbonisation measures:** The White Paper needs to underline the importance of improving grant relief rates for policy instruments that reduce the upfront costs associated with decarbonisation measures for enterprises.
- 12. Create low-carbon economy training centres within the Northern and Western Region:** The White Paper should acknowledge the importance of developing training centres of excellence which shall support the development of skillsets needed to transition to a low carbon economy.

- 13. Expand the renewable energy infrastructure of the Northern and Western Region:** The White Paper should aim to support the development of the onshore and offshore renewables energy sector in the region, as a means of supporting Ireland's transition to a low carbon economy but also to support regional enterprise development.

- 14. Ensure the transition to a low carbon economy supports the economic development of rural communities based in the Northern and Western Region:** The White Paper should aim to support sustainable sectors that are key to the development of rural economies – including but not limited to – sustainable agriculture, wind energy, tidal energy, solar energy, carbon sequestration, afforestation services, environmental engineering, ecosystem services and retrofitting