LEADER financing Case Study
Ireland

LAGs as animators of commercial and alternative funding - South & East Cork Area Development (SECAD), Ireland

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1. Who developed the tool?

SECAD LAG and a range of partner private sector companies.

2. Why was the tool/mechanism put in place?

Ambitious, inclusive Local Development Strategies (LDS) will often produce challenging objectives that cannot be achieved based on a singular approach or resourced from a singular source or type of fund. From the outset in 1996, SECAD have tried to develop some lasting initiatives from each of the different manifestations of the LEADER/RDP Programmes - to ‘push the boat out’ and seek a more logical and hopefully more sustainable set of supports for the benefit of their communities.

3. What does the tool do?

Four challenging objectives have been delivered. Each has required a complex set of approaches and resources in order to progress; some have almost been achieved and all have been in place since the earliest days of the Company.

(i) Developing a Business Led Peer Support Group fostering the continued development of rural enterprise – resourced through ‘Membership Fees’ from the business participants

In 1996-1997 research undertaken as part of the preparation of their first LDS identified a gap in terms of peer-support for rural enterprise, especially those micro-enterprises being developed and supported through the LEADER approach. However it was also recognised that there was not a ‘critical number’ of these enterprises to form a sustainable movement. In 1997 the LAG supported the establishment of a network of tourism groups to work collectively to promote their tourism products and services and market the area as a tourism destination. This network continued to evolve on its own over the following decade. In parallel the LAG continued to assist the development and expansion of a range of craft, food, tourism and related industry services. In 2007 the LAG was asked to assist the recovery of the tourism network that had become unsustainable. The LAG has since managed the legal, accounting, marketing and social media supports and operations of the network, expanding its membership beyond tourism including food and craft sectors and taking the numbers of ‘members’ to over 100 fee paying businesses. These businesses now contribute between 50-70% of the costs of the network and have endorsed an ambitious plan to further increase the private sector investment through the formation of a new
area-values based brand, ‘Ring of Cork’. The LAG is the main non-industry partner in this project – the aim is to achieve breakeven by 2015/16, providing resources to cover direct employment costs within the LAG to underpin continued provision of expertise for small business development in the future.

(ii) Develop the natural environment as a catalyst for a series of projects, outcomes and benefits and achieve this through a new Corporate Social Responsibility (CSR) Network

From the earliest days of delivering the LEADER methodology it was apparent that the LAG would have to become the central driver of elements of their strategy in order to achieve some of the required activities and outcomes within it. An example of this is a LAG area wide twin-strategy of improving the conservation of key habitats and linking this to the development of an eco-tourism product. Whilst the ‘eco-tourism’ product development would be largely industry led the resources to professionally plan, develop and provide accessible and ‘interpreted’ habitats required the LAG to be the lead agent. This also required a different type of funding arrangement with the LAG developing relationships with a number of large industry leaders to develop a channel of resources, through their CSR initiatives, to become available to the project in order to ‘match’ the EU contributions. This strategy has continued to evolve over the past decade with a growing number of eco-conservation and eco-education initiatives now in place that would not have been developed without this LAG driven CSR Partnership. The LAG has also recently further enhanced this approach by providing a work-place initiative under contract from the Government as part of an employment activation programme for the long term unemployed.

(iii) Develop a Multi-Sectoral and Multi-Disciplinary Rural Development Support Team through the delivery of a range of support contracts for EU and National Investment Programmes

The LDS reflects a series of development priorities from the broader community served by the LAG and is not restricted to those that may be addressed by the RDP alone. In so doing the LAG has also positioned itself to approach a broader range of stakeholders in order to raise the resources to address these unmet local needs. Today SECAD has seven other contracts of delivery coming from a range of sources outside EAFRD. Some of these are multi-annual, others are short term – all are linked to achieving key elements of the organisations integrated Local Development Strategy. All provide direct support to the LDSs target groups and contribute to the sustainability of the LAG.

(iv) Develop a One-Stop-Rural-Development Resource Centre through a private sector-community LAG partnership

In 1997/98 the LAG established a working group for small business that identified a lack of appropriate enterprise space for start-up and expanding micro and small businesses. This team identified land owned by the Local Authority and worked to develop this into multiple centres for small enterprise and negotiated a space for enterprise and community incubation. Since 2000 SECAD has moved its services centre into the ‘Community & Enterprise Centre’ which is in the centre of this hub of entrepreneurship. The building is owned by a not-for-profit company established through a SECAD-Private Sector Partnership with the owners of the newly established neighbouring enterprises, to provide ‘incubation’ space for start-up and developing enterprise including social enterprises. SECAD manages the support services element of this ‘partnership’ and in return has developed 600 square meters of training and mentoring rooms, IT Training space and serviced offices, pays lower than ‘normal’ commercial rental rate per year and developed the SECAD One Stop Rural Development Services Centre which is adjoined by a combination of smaller units dedicated towards the ‘incubation’ of start-up enterprise and within an enterprise and innovation complex which provides space for growing small-medium enterprises – therefore the LAG are very much at the centre of this local private and civic community endeavour. This has evolved through a nearly 20 year old LAG-Private Sector Alliance and Strategy to underpin the sustainability of the LAG, our communities and the small businesses/entrepreneurs that establish in the area. The centre has also become a key part of the landscape for the delivery of a wide range of social, environmental and sustainable development programmes delivered by the LAG.
4. What was the main impact on the financing of LEADER and on which level was this impact achieved?

These initiatives have enabled the LAG to draw in financial resources from a range of different sources to deliver far more ambitious LDSs than would otherwise have been possible. Delivering services which are then paid for by the service users, in this case businesses and working with larger companies to develop a CSR relationship has enabled private sector funding to be secured and utilised by the LAG to fulfill elements of the LDS. The LAG has also explored and secured additional resources through the delivery of a number of other programmes, expanding the aspirations of their LDS and ensuring it has become a fully integrated strategy. The long term relationships built with stakeholders in the LAG area has now also enabled the LAG to lead on the development of a multifaceted facility to support the community and business incubation.

5. What was needed to be able to design and implement the tool?

This activity has required a proactive and long term approach to be adopted by the LAG and its staff. The LAG has always considered its LDS to be a long term, integrated document which is not limited to single funding periods or sole funders. This has enabled a longer term approach to be developed where initiatives can be seen as long term development goals rather than seeking ‘quick wins’ with the funding available. This approach has also meant that local community groups and businesses are able to build and sustain relationships with the LAG.

6. What are the lessons learnt and relevance for LEADER 2014-2020?

The approach has highlighted the opportunities for other LAGs to look beyond EAFRD funding to other funders and other independent financial resources. This does however require dedication and commitment that is strong enough to manage disappointment and rejection before it can ever achieve success, and involve stakeholders not typically involved in the RDP or LEADER approach.

7. Is there any further information on the tool?

www.secad.ie

8. Contact details for further information

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