

# **The Mid-Term Evaluation of the National Development Plan (NDP) AND Community Support Framework (CSF) for Ireland, 2000 to 2006**

**Comhar Comments, November 2003**

## **General Comments**

Comhar welcomes the ESRI Mid-Term Evaluation (MTE) of the National Development Plan and Community Support Framework and in particular the comprehensive analysis. However there are a few comments on selected aspects which we would like to make which we would hope will be brought to bear on the outcomes of the NDP/ CSF Review.

The macro-economic approach to the analysis and to the recommendations takes too little account of qualitative issues. Maintenance of funding is determined largely by cost (p.84), taking account of potential inflationary pressures but other factors also need to be considered if a more sustainable path is to be followed.

There is an emphasis throughout the MTE on the need to make more efficient use of the capital stock across a number of sectors. This emphasis is welcomed on a number of grounds. However in some cases there is an apparent contradiction between this basic recommendation and an associated measure where cuts are recommended, e.g. in the case of main-line rail where efficient use of the existing stock requires further improvements to be made.

## **Horizontal issues**

There are significant difficulties with reporting in respect of horizontal principles, especially environment, rural development and social inclusion. In many cases, as pointed out in the ESRI report, the same stock phrase is used in the OP Managing Authority reports (see MTE, p.170). Hence it is very difficult to gauge real impacts in terms of the measures adopted in the programme, and more importantly the overall impact of the NDP/CSF.

## **Environment**

### ***Greenhouse gas emissions***

It is acknowledged in the Evaluation that the rapid growth in the economy over a sustained period has given rise to a major increase in greenhouse gas emissions pushing Ireland well above the limits set as part of the EU agreement on combating global warming (P.6) and that the NDP/CASF will give rise to further emissions through its contribution to increased output. According to the report, tackling this problem will require additional policy measures including emissions trading and the introduction of a carbon tax. However these options constitute only a partial response to the issue.

Rising greenhouse gas emissions have resulted in particular from rising levels of road transport. Use of motor vehicles is, as the ESRI would agree, not particularly amenable to reduction via carbon tax or similar measures, having a low price elasticity. Further comments in relation to transport are set out below.

### *Nitrogen oxides emissions*

Exactly the same considerations apply to emissions of nitrogen oxides. Rapid increases in emissions from transport are making it impossible for Ireland to meet its target under the National Emissions Ceilings Directive. There is no mention of this in the report.

Development path analysis is needed to identify whether the current path is sustainable and if not, to identify alternative approaches. It is disappointing to note in this context that no reference has been made to principles of sustainable development. The Comhar publication, Principles for Sustainable Development and the National Sustainable Development Strategy would have been useful references in this regard. It is also surprising to find no reference to the report on Performance Indicators produced by NESD.

A number of severe challenges for the environment (p.166) as well as a set of key objectives were identified for the NDP/CSF. It is questionable whether the recommendations put forward as part of the evaluation of the programme to date, will prevent the re-occurrence of similar problems in the future. There is an over-emphasis on end-of-pipe solutions. While the various Operational Programmes make reference to the cross-cutting themes there is little evidence of integration to the point where identified issues have led to different decisions to ensure that similar problems will not arise in the future.

While as already noted, the evaluation makes reference to the issue of greenhouse gases, the overall emphasis in the report and consequently in the recommendations, relates to the extent to which individual measures address environmental concerns such as water quality, waste management and habitat conservation. *However of greater concern is the impact of measures contained within the mainstream Operational Programmes on the environment and the extent to which the drive towards increased competitiveness is creating environmental impacts.*

It is stated in the report that environmental principles have played a key-determining role in the selection of the priorities of the ESIOP (P.167). However this assumption is not consistent with the findings in the report that the investment programme (including infrastructure) has contributed to the significant increase in greenhouse gases.

Further work is needed to develop appropriate indicators for environmental impacts. This issue should be linked to the environmental research programme (see below).

### *Rural Development*

We note that the Evaluation is critical on the success under this Horizontal Principle. This is not surprising given the dearth of research into effective infrastructure provision in rural areas. A priority must be the collection of land ownership, housing type and location and settlement typology data. The relatively poor performance of the BMW region for non-farm based supports and for poor take-up of various infrastructure

measures such as water and sewerage and broadband points to underlying structural problems. The dispersed settlement pattern of much of the BMW region may be the underlying impediment to development of new off farm enterprises and employment opportunities. In other words, much of the BMW area is in need of settlement agglomeration even if on a small scale, to provide a diversity of economic opportunity and social choice. Substantial funds should be prioritised to expand existing small settlements with investment in access roads and sewerage and water schemes to make up current deficits.

***Balanced Regional Development*** is treated as a horizontal issue in the report. The recommendations to target additional resources towards the implementation of the NSS are welcomed. However it is questionable as to whether this can be achieved through the proposed reallocations. While the report does recommend some reallocation under other programmes, the Regional Ops which together account for less than 20% of the total spend, are seen as the main vehicle for driving the NSS forward. Yet at the same time the report states that a greater urgency is needed in incorporating the NSS [into NDP Regional Op Measures]. (p.92) While the need to take account of the NSS objectives in prioritising road developments is acknowledged, including targeting of expenditure for non-national roads, main-line rail is judged to have a much lower priority (p.9). Similarly there is a recommendation to reduce expenditure on environmental infrastructure (waste water and water supply) but without reference to the need to take account of NSS considerations.

The Review needs to take greater account of the distinction made in the ESRI report between the BRD objectives of the NDP/CSF, i.e. reducing disparities between and within regions and the NSS emphasis on developing potential (p.160, 163). This issue highlights the need for differentiated measures between the two Regional OPs (see below).

The conclusions reached in the Evaluation with respect to the impact of the NDP/CSF on BRD are questionable – while the stock of infrastructure has been increased, there has been significant under spend in the BMW region compared to overspend in the S & E region across a number of priorities and measures including national roads.

### **Regional Operational Programmes**

There is a need for differentiation in measures between the two regions. This is acknowledged in the MTE but not followed through in the recommendations (except in the case of recommendations for use of the performance reserve). There has been relatively poor take-up of some of the measures partly because of lack of appropriateness. For example tourism and rural development require very different measures not just at NUTS II but also NUTS III level. A redesigned programme tailored to the needs of particular regions rather than reductions in spending should be the recommended option for both measures.

The references to the second homes issue are welcomed, particularly the concerns expressed about the distorting effect of second homes on local housing markets and the

issue of cost involved in servicing such dwellings (p.194)). However it is unfortunate that the link between the cost factors pursued in the report and other issues of sustainability associated with dispersed rural settlement was not made.

It is noted that a reduction is recommended for the habitat protection and conservation measure but without any rationale given for the recommendation. It is argued that this measure should *not* be cut given the need for significant investment in habitat protection and conservation especially but not only in the BMW region. Any problems with uptake should instead be addressed through redrafting of the measure if that is required.

### **Economic and Social Infrastructure OP**

#### *Transport*

It is noted that while there has been significant overspend on the national roads programme (in the S & E region), physical delivery is behind schedule. The recommendation is for increased expenditure on national roads with no increase for public transport. While expenditure on roads can ultimately assist in the provision of an efficient roads-based public transport service, pro-active measures are required to ensure that this will happen. Consequently there is need for allocation of funds to inter-urban public transport in parallel with road developments to ensure that more efficient and more sustainable movement corridors are put in place using the NSS as the guiding framework.

Cost savings achieved by scaling back road type as recommended in the report should be diverted to public transport (bus and rail) to ensure that practical alternatives to car-based inter-urban journeys are available. Given the potential for existing mainline rail to deliver more sustainable transport option, it is not accepted that investment in rail should be curtailed. Instead the opportunity should be taken to build on the investment already made in track up-grading and to make inter-urban journeys by rail a more attractive option. While overall intercity rail traffic volumes may be relatively low (p.116) improvements to date, i.e., Dublin - Cork, Dublin - Galway and Dublin - Belfast, have shown that where the service is improved, volumes have increased.

We recommend that predictions of future traffic levels and subsequent investment decisions, assume compliance with Ireland's Kyoto target.

Increased greenhouse gas emission levels from transport are arising from a policy of facilitating increased road use for both cars and freight while similar investments are not made in rail. The result has been a decreasing market share for rail for passengers and freight and indeed a net decrease in the total volume of freight being carried by rail.

The value of rail freight has not been considered despite its potential to reduce greenhouse gas emissions, reduce road congestion, and reduce damage to road surfaces by trucks.

The analysis of comparative routes to Galway fails to consider the environmental impacts of the various options. Of these investment or subsidies to road or air traffic has considerably greater environmental impact than rail. While we agree that is it not

necessarily a wise use of resources to fund multiple competing modes, it is not clear why the most environmentally benign mode is the one which should be cut.

Insufficient attention is being given to the need to ensure integration of public transport services across modes and carriers.

We note and support that the lesson was learnt of conducting a full cost-benefit analysis of all major infrastructural projects before commitment. This exercise ought to include the land values created by the proposed investment and the willingness or otherwise of the beneficiaries to contribute part of this uplift to the public purse. This funding option should be explored with as much vigour as public private partnerships that rely on inflationary use charges. Matching capital costs with capital appreciation is a fairer and more appropriate funding mechanism than general taxes or user tolls.

#### *Environmental Infrastructure*

There is a need to continue investment in environmental infrastructure to tackle both the requirements laid down by EU Directives and the particular environmental priorities identified for Ireland. The provision of new infrastructure should take account of the NSS (see BRD above).

#### *Energy*

The uptake in the energy programme has been considerably behind target. This is a very significant priority in terms of tackling serious environmental issues. It is vital that funding levels are maintained not reduced (as recommended for the alternative energy measure) and that necessary steps are taken to ensure a greatly enhanced level of activity in the sector.

The security of energy supplies, particularly non-renewable oil and gas and the implications for Ireland in the medium term are issues that require consideration. More and more evidence is emerging of 'oil peak' within the next 10 years and 'gas shelf' shortly after whereby increased production of oil and gas reaches physical limits. This impending scarcity will have enormous implications for economic growth projections, transport needs and modal splits, spatial strategy and fiscal policy. Although not universally accepted by geologists and the energy industry, 'oil peak' is gaining increasing credence much as 'global warming' grew in acceptance with emerging data (see *Before the Wells Run Dry: Irelands Transition to Renewable Energy*, edited Richard Douthwaite, October 2003, Feasta with Lilliput Press).

#### **Productive Sector OP**

##### *Research Technological Development & Innovation*

Consideration should be given to an increased allocation of funding to environmental RTDI to encourage innovative research to tackle some of the pressing environmental issues and challenges, to research sustainable building systems and energy saving systems for housing (see p.117), to tackle the issue of lack of data which has been

highlighted in the evaluation and to develop improved methodologies for assessing environmental impacts (see p.169).

### *Housing*

We are concerned with an over-emphasis on private sector rented housing as a balance to private ownership. We believe that new developments in not-for-profit rented and shared ownership require greater encouragement. We concur that it makes little economic sense to deplete public housing at below-market prices while struggling to meet demand for social housing but there are other options to tenant purchase and private rental. We would like to see greater competition between housing provision agencies and removal of institutional barriers i.e. movement between rent subsidy, to local authority to housing association to shared housing was not raised by the Evaluators. Better competition between subsidised sectors would result in better use of public moneys and better maintenance and management provision by housing agencies. This might be fostered by a housing benefit system targeted at the beneficiary rather than the provider, as is currently the case.

The importance of tackling the problems concerning inflation in land prices through taxation is included but is insufficiently emphasised. Figures consistently show that the price of building land is the main element of the rising costs in housing. This scarcity is a product of the monopoly nature of land and the absence of penalties for holding zoned land from development in Ireland. Where supply side measures have been tried they have focussed on costly and regressive tax incentives rather than disincentives to hoarding and inefficient land use. Reducing demand pressures for housing is not an acceptable response when there is a growing demand for housing across all sectors.

Comhar fully supports the Evaluators raising of the serious obstacles to the rapid adoption of innovative sustainable construction methods because of under-funding of the Irish Agreement Board (IAB). It is worth emphasising that higher standards in energy performance, including embodied energy, would simply reduce land prices (as they are a residual of the property market system) and not contribute to house price inflation.

### **Supplementary Measures**

A number of key recommendations are made in the section of the evaluation dealing with supplementary measures. The emphasis on the importance of charging for water is welcomed. It is vital that water is treated as a scarce resource and that charges are use-related to the greatest extent possible.

The contention that building motorways to cater for long-distance commuters is an unsustainable use of resources is also strongly supported. Creating sustainable urban environments should be a priority but this will require a more substantial re-allocation of funds to facilitate public transport networks within *and between* cities and major towns.

The recommendation for a smaller number of treatment facilities for waste in place of the current regional waste strategy needs very careful consideration. It would appear that in arriving at this recommendation no account was taken of transport issues for example,

nor the potential impact of larger facilities on incentives for reducing and recycling waste.

The report highlights the issue of making efficient use of the existing stock of infrastructure including suburban rail and urban buses and the failure to introduce integrated ticketing. These issues should be addressed without further delay.

Restrictive zoning is cited as an obstacle to achieving appropriate housing densities. In addressing this issue however account needs to be taken of the need to retain corridors of open space that will facilitate habitat and species conservation as well as the overarching objective of creating more sustainable urban environments where the need to travel is minimised and quality of life is enhanced.

The issue of second homes as mentioned above, is highlighted in the report. We support the contention that there are significant costs associated with second dwellings that are not reflected in the price paid by individual owners. This is an issue that has to be confronted in the interests of creating a more sustainable rural environment and providing for the needs of those who wish to continue to live and work within rural areas.

Public participation in planning process and recourse to the courts per se are not the main cause of the failure to get value for money for infrastructure. Land prices are again an overriding factor coupled with an impact assessment system that does not take full account of environmental and archaeological constraints early enough in the decision-making process.

The report is supportive of recent proposals to introduce a new 'fast-track' planning system for major infrastructural developments. However a number of issues are not taken into account. Participation in the planning process is an important principle for sustainable development not least because participation of civil society in decision-making leads to greater awareness and eventually, changed behaviour. It is essential that a participative process remains in place while at the same time ensuring that unnecessary delays do not occur. Lessons should be learned from cases such as the Glen of the Downs and the Kildare By-Pass. If greater attention had been paid to early interventions regarding the significance of the potential impacts arising from the original proposals, the projects could have been implemented in a much more efficient manner than has been the case. Very often the participation of civil society can pre-empt delays and prevent cost overruns if account is taken of concerns expressed at an early stage in the process. Problems arise when changes are made only on the foot of court orders or directions from Europe. Additionally there is a need for improvements in the consent systems to ensure compliance with EU Directives.

Finally the report highlights the almost unique opportunity which exists in this country to influence the development of more sustainable cities because of the continuing substantial demand for urban dwellings. This is an opportunity which should be seized taking full account of energy, waste, health, and other issues as well as transport.