



ICOS Submission

To

THE COMMISSION FOR THE ECONOMIC DEVELOPMENT OF RURAL AREAS

On

**A jobs strategy that will allow rural areas to benefit from and contribute to
national economic recovery**

June 2013

On Behalf of the ICOS Rural Business Development Committee

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The Irish Co-operative Organisation Society (ICOS) is a co-operative umbrella organisation that serves and promotes commercial co-operative businesses and enterprise, across multiple sections of the Irish economy.

Who We Represent

ICOS member co-operatives and their associated companies collectively have over 150,000 individual members, employ >12,000 people in Ireland (a further 24,000 abroad) and have a combined turnover of €11 billion. Starting from agriculture co-op roots, and the vision of our founding President, Sir Horace Plunkett in 1894, ICOS today has evolved to serve the co-operative sector in seven core categories, namely:

- Multipurpose dairy co-ops
- Livestock sector co-ops
- Store, trade and wholesale co-ops
- Service-related co-ops
- Community-oriented, culture and leisure co-ops
- Food, fishing and beverage co-ops
- Advisory and education-related co-ops

Our Mission

Generating leadership, competitiveness and value through stronger co-operation and world class service.

Purpose & Vision

As a representative umbrella organisation for the co-operative movement in Ireland, ICOS is focused on driving the evolution of the Irish co-operative sector through the promotion of best practice, change and helping to enhance the sustainability of our member co-ops. We endeavour to:

- Advocate greater engagement with our member co-ops and foster greater interaction between ICOS and our member co-ops.
- Effectively use our collective voice and lobbying capabilities.
- Challenge our members to promote continuous improvement and competitive change, and be open for challenge ourselves within ICOS.
- Promote the principles of the co-operative movement to ensure stronger governance, education, and cooperation.
- Develop our membership base through the training and education of our grass-roots membership.
- Promote greater member participation within co-operatives, particularly with younger generations of members.
- Deliver tangible value to our members in the services we provide, the initiatives we lead and the programs we promote.

Governance and people

ICOS is governed by an elected board, presided over by an elected president. This board is assisted in 3 expert committees in the areas of Dairy, Livestock and Rural Business Development.

ICOS currently has a staff of 13 operating from offices in Dublin, Cork and Brussels.

This Submission is made on behalf of the ICOS Rural Business Development Expert Committee which is comprised of the following*:

Chairman

Seumas	O'Brien	IFAC Ltd
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Members

Jim	Russell	Centenary Thurles Co-operative Society Ltd
Liam	Williams	Clare Marts Ltd
Oliver	Manley	Cork Co-operative Marts Ltd
Paddy	Ward	NFGWS Ltd (Group Water Schemes)
Pat	Murphy	IFAC Ltd (Agri Accountants)
Michael John	O'Donovan	Drinagh Co-operative Ltd
James	O'Donnell	NCFRS Ltd (Farm Relief Services)
Brendan	O'Mahony	NFGWS Ltd (Group Water Schemes)
John	Ahern	North Cork Co-operative Creameries Ltd
Gerry	Reilly	Monaghan Mushroom Producers
Michael	Spellman	Roscommon Mart

*National elections for 3 of the positions that are up for renewal are going to be conducted over the summer

CEO of ICOS: Seamus O'Donohoe

Secretary of Rural Business Committee: Conor Mulvihill

Comments of Committee to CEDRA:

- Firstly we welcome CEDRA's initiative to engage with stakeholders in this vital process to identify potential to create opportunities for rural employment in Ireland.
- We as the umbrella body representing rural co-operative structures feel that it is time that Governmental policy re-evaluate and support the co-operative business model as a cost effective and sustainable model for the rejuvenation and maintenance of employment in rural Ireland.
- In an associated official evidence document the ICOS Rural Business Development (RBD) Committee has been submitted as per CEDRA recommendation and this submission is for augmentation of that, and to give a comprehensive description of ICOS and the goals and objectives of our national democratically elected Rural Business Development Committee who share many of the same goals of CEDRA.
- A key motivating tenet of ICOS and in particular the RBD is the 'educate to cooperate' philosophy. We think it is fundamental that training and knowledge of the potential of the co-operative model can give to rural communities to create employment that is self-financing and sustainable with a proven rule and governance ethos to help it survive and prosper, where the model is appropriate.
- In Ireland we associate the co-op model with business such as the big dairies and livestock marts, but it is much more than this, with successful co-operative models providing vibrant rural services and businesses in areas such as;
 - Group Water Schemes
 - The Credit Union Movement
 - Co-operative Housing initiatives
 - Rural Accountancy Services
 - Genetic Breeding Services
 - Wind Energy Co-ops
 - Tourism Co-ops
 - Forestry Co-ops
 - Organic Co-ops
- These are to name but a few areas, and ICOS is attempting to champion new development sectors where co-ops can address new rural societal issues such as;

- Co-op Community Shops
 - Co-op District Heating Schemes
 - Co-op Biomass provision
 - Community Pubs
 - Artisan food Co-ops
 - Rural Transport Initiatives
- See the experience of the Loughmore Community co-op Shop and Tea Rooms, in Mid-Tipperary as a recent case study in these new forms of co-op ideas in arresting rural decline are working.
 - We are not advocating the co-op model as the silver bullet that will solve all rural developmental ills, we only advocate it when the model is the correct business fit for the project. But we very much argue it is a model that has been neglected in recent years by policy makers and that CEDRA's work will be a perfect opportunity to remedy this.

CAP Reform Opportunity for Rural Job Creation:

- Within the context of the on-going CAP reform the ICOS Rural Business Development (RBD) Committee have been watching developments closely to identify opportunities, using the presence of a full time ICOS office in Brussels to influence and engage with the process.
- ICOS would feel that while CEDRA has given attention to the reform in its national conference, it has not been looked at enough as a potential source of funding and policy reform to drive rural employment opportunities.
- The Chair of the RBD committee now also works with COPA COGECA the main umbrella lobby group for farmers and co-operatives as a member of their Working Party on Rural Development.
- He has also been recently appointed since the end of 2012 as the representative of European Co-ops on the LEADER advisory sub-committee to the European Commission.
- We have also met the chairs of many of the LEADER Companies in early January in Brussels, many of whom have co-op origins to discuss strategy.
- Within the proposed text of the CAP itself we are very interested in opportunities that could possibly be presented by Article 36- The 'Co-operation' Article of Pillar II of the CAP within the regulation of the European

Parliament and on support for rural development by the European Agricultural Fund for Rural Development (EAFRD).

- In a meeting we had in early 2012 with Josefine Loriz-Hoffmann (head of unit G1 DG AGRI Rural Development), as well as some of her unit staff on the definition of Article 36 above and other matters relating to the EAFRD.

Regarding what she termed as the 'Co-operation measure'. She made the following observations:

- The article was deliberately framed to have a broad scope.
- That scope could then be used by individual MS to implement projects suited to the specific national structures.
- The features outlined in Art 36, will be further defined in delegated acts.
- She said she would be advocating the creation of 'Pilot Project Clusters.'
- The commission position is that they need to show the types of projects they want pursued in Art 36 but not define the rules so tightly as to limit the possibilities of MS to come up with innovative projects and schemes suited to their needs.
- Loriz-Hoffmann- '[Commission] wants member States to use this article to have programmes tailored to local needs.'

On this the ICOS Rural Business Committee would add to CEDRA:

- Article 36 gives plenty of scope for the development of co-operative models across a range of rural business and services.
- ICOS whole heartedly agrees that the co-operative model is a perfect tool to help farmers and members of the rural community to combat economic, environmental and other disadvantages of fragmentation. To create sustainable employment opportunities and functional long term commercial businesses and services.
- These would be aimed to give individuals more power in the production/food chains using the strength inherent in the co-operative collective.
- These models would be designed to be self-governing, financing, and would need few, if any, resources from the state to keep them going if the model was applied rigorously and effectively.

- From a rural community point of view, the article would provide a funding gateway for ICOS and the Department to rollout projects that will facility in the arrest of rural recline. Our sister organisation in the UK- The Plunkett Foundation <http://www.plunkett.co.uk/aboutus/index.cfm> , already operates in this sphere and has already established best practice and long term successful models with funding from the UK national lottery.
- We would feel that there are opportunities also to dovetail in with Article 15 & 16 of the proposal, regarding advisory services and knowledge transfer, so funding can be given to farmers and other rural citizens to access training and supports to ensure the success of the projects.
- In the spheres of Rural Renewable Energy initiatives (Article 20), the Co-operation Measures of Article 36 could be used to develop small local rural energy co-ops around Bio-Mass and Bio-Energy that have the capacity to create community owned and supported local rural jobs and money for rural economies throughout Ireland. There are models in this line currently operating in Austrian using Pillar II funds from the current CAP.
- Using the same idea The provisions of Article 22 & 27 could be used to further develop Irish forestry under a co-operative model and if these were used correctly, Coillte, the Department and ICOS could work together to drive a new wave of development in the sector, driven by finance from the new CAP.
- Regarding the pieces in the article regarding the concept of European Innovation Partnerships (EIP). ICOS Brussels already has a leak of the communication the Commission plans to release next month to the Parliament and the Council on the EIP and 'Agricultural Productivity & Sustainability'. We also have driven the creation of a Working Party in COPA COGECA (the umbrella European farming and agri-cooperative lobby group that we are the Irish members of along with IFA on the farmer side) on Research and Innovation. We want to link the possibilities for rural businesses with the EIP and the Horizon2020 programme for research and innovation. Commissioner Maire Geoghegan-Quinn has already announced that she is going to ring fence €4.5 billion of this programme for Agri food initiatives.

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