REPORT OF THE HIGH LEVEL GROUP

To Minister Coveney TD
On the Jobs Initiative for the Killybegs Region

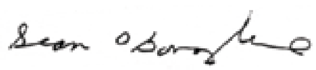
OCTOBER 2011

FOREWORD

The Killybegs jobs initiative was announced by Simon Coveney TD, Minister for Agriculture Food, and the Marine, on 3rd June 2011 following the launch of an economic report for the European Commission, which assessed the status, development and potential diversification of Killybegs as a fisheries dependent community. This report served as a catalyst for a number of the key stakeholders to come together to approach Minister Coveney suggesting that an integrated collaborative approach was required between the private and public sectors to deliver on the jobs potential that existed not only in the seafood sector but also in four other key areas, namely ancillary services, offshore supports, tourism and marine leisure and green economy/renewable energy. It was very heartening that the Minister recognised this potential by establishing an eight member High Level Group consisting of both private and public sector members to be chaired by the private sector. The Minister tasked this Group to draw up a report identifying the potential for job creation in the Killybegs region and the actions required to deliver on that potential.

The Group has set about its task in a very determined and focused fashion over the last three months to deliver on its mandate. This concise report is a culmination of our efforts which clearly identifies the actions required to deliver 250 jobs in the Killybegs region over the next three years in five key areas as requested by Minister Coveney TD Considerable time and effort were invested by the Group to identify the 250 jobs and the Group systematically dealt with a diversity of issues through the collaborative framework, that although not detailed in the text of the report, is implicit in the action items and recommendations set out. The Group also identified additional job opportunities beyond the 250 jobs target that presents significant additional opportunities but are unlikely to come to fruition in the three years time span set for the present jobs initiative. In identifying the jobs opportunities the Group had to deal with a number of issues that are impacting negatively on job creation. I am pleased that the Group has successfully addressed these as outlined within the recommendations of Chapter 3. These recommendations are necessary prerequisites to the job creation initiative.

Finally, I would like to thank my fellow Group members and the BIM secretariat assisted by Donegal County Council for all their time and effort over the last three months in drawing up a concrete set of actions that has identified the real potential for job creation over the next three years in the Killybegs region.



Sean O'Donoghue
Chairman High Level Group

CONTENTS

EXECUTIVE SUMMARY

On the 3rd of June 2011 Simon Coveney TD, Minister for Agriculture Food, and the Marine, announced a pilot jobs initiative following the launch of an economic report for the European Commission, which assessed the status, development and potential diversification of Killybegs as a fisheries dependent community. The aim of this initiative is to create 250 jobs in the Killybegs area by 2014. To facilitate delivery the Minister created a "High Level Group on Job Creation in the Killybegs Region" and requested that the Group, through consultation, identifies, without any increase in public expenditure, the potential actions required to deliver job creation in the following five key areas, through:

1. *Promoting seafood value added activity;*
2. *Enhancing ancillary services;*
3. *Developing offshore supports;*
4. *Promoting tourism and marine leisure;*
5. *Promoting green economy/renewable energy.*

Three Group meetings were held in Killybegs on the 13th of July, 1st of September and 27th of September respectively, in addition to 6 Sub-Group meetings which were held within the same time period, allowed specific focus on elements within each of the five key areas. A number of one to one meetings were also convened and a significant amount of work was carried out by the Group between meetings. The Group also had access to several reports previously produced on the Killybegs region.

250 jobs were identified across the five key areas. In total 130 potential jobs were identified within the seafood sector, of which 75, 30 and 25 were within scaling, diversification and value adding respectively. The increased access to raw material such as blue whiting and boarfish presents the most significant opportunities, along with a concerted focus on value adding opportunities. Within the ancillary services, 24 jobs were identified if collaborative opportunities between various companies can be enhanced and their abilities promoted. The offshore sector could generate 20 jobs, however competitive service provision and appropriate skill resources are deemed fundamental to effect this. Forty seven jobs were identified within tourism/marine leisure, and the development of an appropriate marine tourism infrastructure along with a co-ordinated marketing strategy, were deemed integral to realising this. Linking with established regional tourism initiatives would also have merit within this area. The green economy/ renewable energies area offers the potential to create 39 jobs. Appropriate marketing of Killybegs in this area is essential along with a longer term focus to develop the necessary infrastructure and resources to deliver within this area.

The Group also identified additional job opportunities beyond the 250 jobs target that presents significant additional opportunities but are unlikely to come to fruition in the three year time span set for the present jobs initiative.

The success of the actions that will deliver the job opportunities are predicated on the resolution of a number of constraints, which the Group has addressed within the recommendations chapter.

1 THE KILLYBEGS JOBS INITIATIVE: SETTING THE SCENE

1.1 BACKGROUND

Seafood sector

Killybegs, located in the north-west fringe of Ireland, is recognised as Ireland's premier fishing port. Its long maritime tradition and natural geographic advantages have been instrumental in achieving this. Killybegs is the largest of the six Irish harbour centres and has the largest share of fish landings in Ireland. In 2009 129,000 tonne of fish were landed into the port, with c. 100,000 tonne originating from Irish registered vessels[1].

In 2010 an economic report was published[1] for Killybegs as part of the European Commission's impact assessment of the Review of the Common Fisheries Policy (CFP). This report clearly demonstrated the inextricable link that Killybegs has with seafood, where 82% of the overall €250 million turnover was attributed in 2009[1](Figure 1.1). The main driver within this sector is the pelagic sub-sector, with 19 of Ireland's 23 ultra modern RSW (Refrigerated Sea Water) vessels largely supplying the 7 local pelagic processing plants in Killybegs. The truncated fishing season and the need to automate the onshore processing infrastructure to maintain competitiveness with larger scale international processors has seen the workforce fall by >50% from 435 to 204 between 2003 and 2009. These figures also include c.40 employees from the 3 local whitefish processors, which are generally less seasonal. However, the numbers within this sub-sector also fell as they continue to struggle both with sourcing raw material nationally and internationally, and selling produce in a competitive domestic environment in recessionary times.

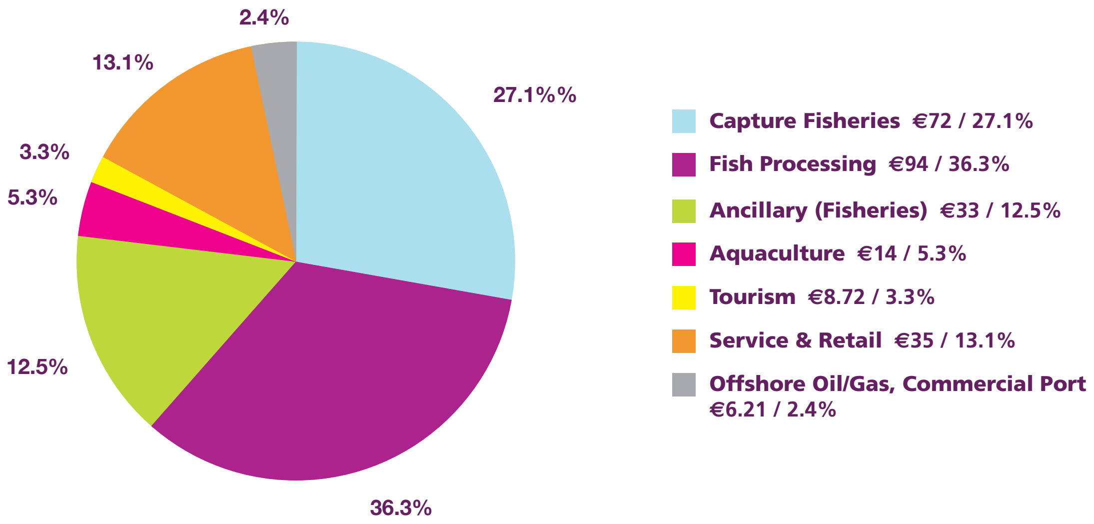
Within the catching sector the 19 larger pelagic RSW vessels (>40m) employ a total of 220, which are sought after jobs due to attractive working conditions. However the average crew number per vessel has fallen from 12-14 to 11-12 as raw material allocations and consequent fishing seasons have become more truncated. Within the whitefish sector, the larger vessels (>24m) have been sold or decommissioned in recent years mainly due to deepwater quota restrictions. Currently, there are 3 medium sized (18-24m) and 7 smaller sized vessels (12-18m) within this sector employing 36 crew. There are also 7 inshore potting vessels (<12m) that participate in day trips employing a total of 9.

The ancillary sector which provides a wide diversity of support services to the seafood sector including net making, electrical/refrigeration, and engineering accounts for 12.5% or €33 million of total turnover in Killybegs. This sector is of particular importance in terms of employment, providing an estimated 350 largely skilled jobs.

The importance of the seafood sector to employment in the Killybegs region cannot be overstated as it accounts for 68% of the workforce[1]. However there is a clear need for a concerted focus on diversification into related complementary sectors of employment to lessen the dependency on this highly seasonal sector within this region.

FIGURE 1.1

Contribution to total turnover by different sectors in Killybegs 2009 (Euro million %)



Non seafood sectors

There is evidence of diversification from a purely seafood focus towards job opportunities in other related sectors[1] (Figure 1.2). Undoubtedly the deep water port of Killybegs, its associated facilities and accessibility to natural resources e.g. Corrib gas field have been pivotal in attracting multinational companies. However, the comprehensive support service provided by the ancillary sub-sector is also a fundamental determinant in site selection for these companies. Although the majority of support service businesses in Killybegs are independently owned and often compete, they have developed the capacity, albeit in an ad hoc manner, to work simultaneously to provide rapid rounded support provision as needs dictate within a tight timeframe[2]. This largely unique inter company clustering dynamic has previously been noted for Killybegs[2] and is a resource that can be capitalised upon.

Large scale offshore exploration and production companies such as Shell, Statoil, Lundin and Eni have been using Killybegs port resources since 1999. The western seaboard of Ireland has one of the greatest wind resources in Western Europe[3], which provides a competitive advantage for the development of the renewable energy sector (wind, tidal and wave) in the Killybegs area. A number of wind farm developers and renewable companies have also more recently selected Killybegs as their port of choice in support of their offshore activities including Enercon, Vestas, Wavebob and GE Wind Energy.

In addition, Killybegs has become a port of call for a number of cruise ships benefitting from modern berthing, quay site facilities and linkages to a suite of tourist attractions in the region. Although tourism only accounted for 3.3% of turnover in Killybegs in 2009[1], the potential growth opportunities are significant if the port and the diversity of tourist attractions adjoining Killybegs e.g. Slieve League, Donegal Town, are marketed appropriately.

Undoubtedly the evolution of Killybegs from primarily a fishing port into a multi-functional port supporting fishing, energy and tourism sectors is evolving. However, it is clearly evident, that to realise its full potential within a reasonable timeframe, a strategic appraisal of the port, its associated resources and relevant drivers must be considered.

FIGURE 1.2

Unloading of wind farm equipment at Killybegs port

1.2 ECONOMIC & SOCIAL CONTEXT

Over the past decade 82% of a total €350 million invested in developing Killybegs stemmed from private sector funds[1]. The recent economic report[1] for Killybegs highlighted the 'entrepreneurial ingenuity of those working in the fishing sector' and their ability and willingness to invest back into the industry'. It is important to acknowledge this, as it demonstrates the vision and energy that key local industry players possess to grow the seafood sector.

The largest publicly funded project in Killybegs has been a €55 million investment to develop a state of the art deep water port. The economic report[1] highlighted that maximising the utilisation of this resource, together with developing the associated infrastructures and optimising the skill sets of the available workforce, are pivotal in leveraging significant synergistic growth opportunities in both seafood and non seafood areas.

To effect growth and associated job creation opportunities it is worth characterising the potential labour resource available. Killybegs, with a resident population of 1280[4], is one of the larger towns[a] in County Donegal. Although the town itself has experienced a population decline over the last four census periods[b], positive population growth has occurred in the surrounding five electoral divisions (EDs) since 2006[5], which are listed in Table 1. With a large number of people commuting to the town

[a] *One of the 15 towns with a population greater than 1000*

[b] *According to the census of population 1991, 1996, 2002, 2006*

from the surrounding area , this provides a key demographic advantage for Killybegs, in terms of an available labour force.

On examination of specific age cohorts and specifically the percentage of the population aged between 15 to 30 years, both Killybegs town at 24.1% and Killybegs Electoral Division at 21.4% have above the County average rate (20.8%). Killybegs town is on par with the national average of 23.7%. Fostering regional growth is required to prevent the loss of this key locational determinant i.e. young and highly motivated potential workforce from the Killybegs area.

In August 2011, there were 1371 people signing on the live register in the Killybegs Local Office of Registration. This represents a yearly increase of 3.71% since August 2010. This increase is one of the highest in the county by Local Office of Registration and is only surpassed by Letterkenny at 4.73% and Ballybofey at 3.98%. Moreover, the greatest increases were highlighted among the over 25 years of age category. These figures emphasize the need to develop regional growth opportunities to mitigate this. Although the numbers signing <25 years of age, experienced a decline over the year, this may be indicative of a combination of emigration and a return to fulltime education within this cohort.

TABLE 1

Population Change by Surrounding Electoral Division 2006-2011

Electoral Division	Population 2006	Population 2011	% Change (06-11)
Killybegs	2325	2343	1%
Corkermore	278	320	15%
Dunkineely	878	933	6%
Crownarad	341	359	5%
Tieveskeelta	102	117	15%
Total	3924	4072	4%

Source – CSO, 2011

1.3 JOBS INITIATIVE IN THE KILLYBEGS REGION

At a regional level, key stakeholders recognised that the production of the economic report focussing on Killybegs provided the ideal catalyst to drive private and public sector collaborations to help realise the growth potential and associated job opportunities for Killybegs. Stakeholders realised that political will was fundamental and met with Minister Coveney TD to outline their perspectives within these food and non seafood-areas. Minister Coveney acknowledged the potential for growth and job creation opportunities and created a "High Level Group on Job Creation in the Killybegs Region" comprising private and public stakeholders (Appendix I) to progress a 'Jobs Initiative' (Appendix II).Minister Coveney requested that the Group, through consultation, identifies, without any increase in public expenditure, the potential actions required to deliver job creation in the following five key areas (Appendix III), through:

1. *Promoting seafood value added activity;*
2. *Enhancing ancillary services;*
3. *Developing offshore supports;*
4. *Promoting tourism and marine leisure;*
5. *Promoting green economy/renewable energy.*

Minster Coveney launched the 'Jobs Initiative on the 3rd of June and asked that the Group revert with a strategy within a three month period. Although the Minister pointed out that Government support was on a cost neutral basis, assurances were provided that various agencies would proactively engage to enable relevant initiatives agreed within the scope of the proposed strategy come to fruition.

In addition to the economic report[1] the Group also had access to various benchmark reports (Appendix IV) that have previously focussed on development opportunities for Killybegs. Intensive consultations took place during three Group meetings held on the 13th of July, 1st of September and 27th of September respectively. In total 6 Sub-Group meetings were also held to allow specific focus on elements within each of the five key areas. Several one to one meetings were also convened and a significant amount of work was carried out by the Group between meetings.

2.1 INTRODUCTION

During the 3 Group and 6 Sub-Group meetings, in depth discussions took place on strategic opportunities within each of the five key areas. Overall, the consensus was that with the correct drivers, effected by appropriate collaborations, Killybegs could capitalise on the available diverse resources to stimulate sustainable growth necessary to realise the target 250 jobs. The context for each of the key areas below provides an overview of growth opportunities. The wide diversity of issues impeding growth was discussed in detail at the various meetings, and although these are not detailed in the text, the tabulated actions outlined below and associated recommendations in the subsequent chapter reflect these implicitly.

2.2 PROMOTING THE SEAFOOD VALUE ADDED ACTIVITY

Context

The globalisation of seafood markets presents an array of challenges. In parallel with these challenges, continually evolving opportunities also exist for correctly positioned producers and processors within this environment. The world's population is set to increase to 9 billion by c. 2050 which will see the demand for seafood increase to an estimated additional 40 million tonnes by 2030[7]. In the global market, there is a growing dichotomy evident. At the commodity level, the increasing demand for cheap protein from developing countries (e.g. Nigeria, Egypt) is already evident, and many of the Irish pelagic processors are currently servicing these growing markets. However, the growth potential for value-added products is also significant.

The opportunities in the market place as outlined above are obvious but the valuable natural resource that exists off the Irish coast is often underestimated. When the Group combined the market opportunity, the natural resource and the contributions from the various industry meetings, it became apparent that job opportunities for the Killybegs seafood sector could be split into three broad sub-headings viz. scaling, diversification and value adding. In total, it is envisaged that 130 additional jobs in the seafood sector can be created by the end of 2014.

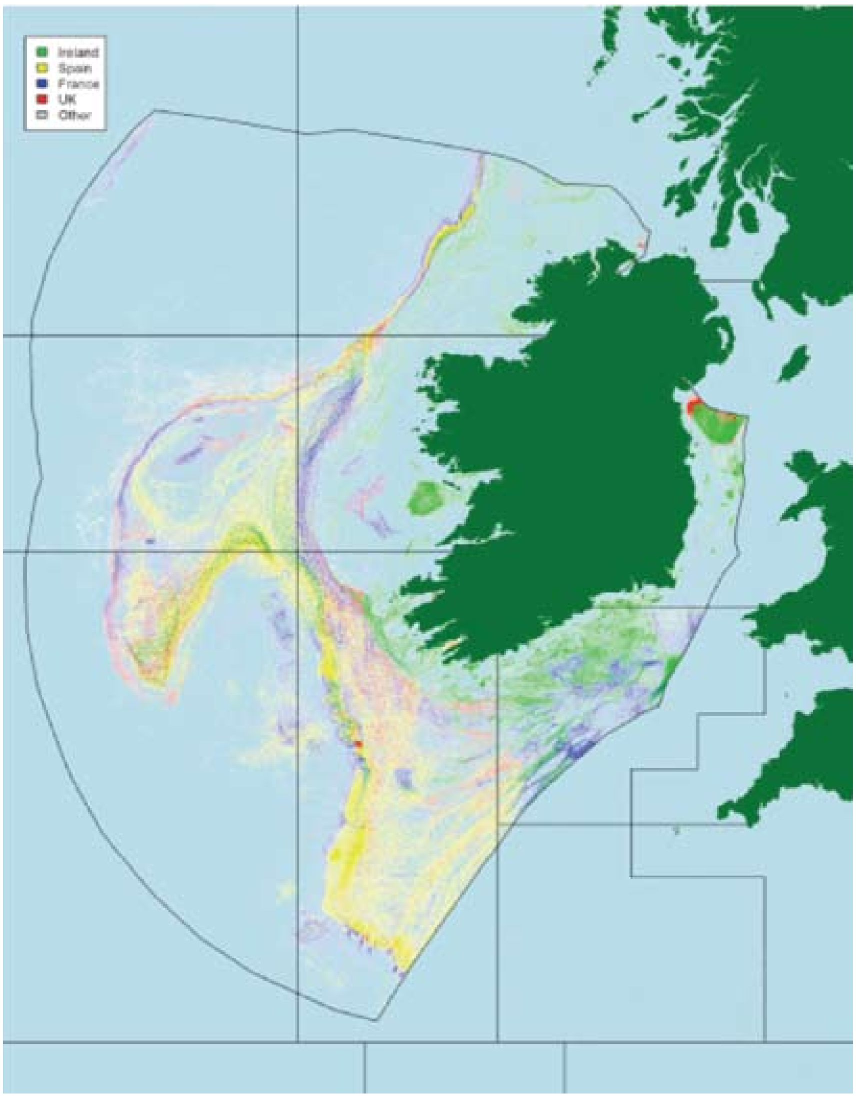
Scaling

The fisheries resources off Ireland's coast (Sub-area VI & VII) are significant[8] (Figure 2.1), with rich fishing grounds along large areas of the continental shelf (<200m) and slopes, and the offshore Porcupine and Rockall banks. The 2010 fishing opportunities (TACs) for all the international fleets, including the Irish Fleet, that operate in the seas around Ireland (ICES Areas VI and VII) were 994,155 tonnes of fish, estimated at a landed value of €1.18 billion, based on average 2009 prices. Ireland's share of these fishing opportunities represents 18% by tonnage[9]. Given its location, it is natural that Killybegs evolved to become Ireland's premier fishing port, particularly for pelagic species, as most of the pelagic species (mackerel, horse mackerel and blue whiting) spawn along the west coast of Ireland.

Atlantic mackerel is Ireland's most valuable fish species, with a first sale value of €34.1million for the 34,116 tonne landed by Irish vessels in Ireland in 2009[1]. It is interesting to note that a westward shift has recently occurred for the highly migratory mackerel stock[10]. This may present increased processing opportunities in the short to medium term for Killybegs processors as Irish and non Irish vessels capitalise on the proximity of Killybegs port.

FIGURE 2.1

The distribution of fishing activity in the Irish exclusive economic zone (EEZ) by boats over 15m in length[8]



In addition, blue whiting catches have become one of the mainstay pelagic species for Killybegs processors over the past decade. A period of low stock recruitment resulted in drastic cuts in international TACs with Ireland receiving a quota of 75,893 tonnes in 2005 reducing to a low of 1,187 tonnes in 2011. The 2011 allocation was based on an acoustic survey that scientists have now accepted missed a significant proportion of the stock and the agreed allocation of 391,000 tonnes for 2012 suggested by ICES somewhat addresses this anomaly. The 2012 TAC offers significant potential, particularly as synergies previously developed between Irish processors and Norwegian vessel owners should see an increase on the 40,000 tonne processed in 2010 for human consumption purposes in Killybegs.

The landed value of Irish whitefish between 2002 and 2009 fell due to reduced TACs and poor prices[1]. As a consequence the number of whitefish vessels has also reduced and this has lead to raw material supply issues for many whitefish processors, including those in Killybegs. However as previously alluded to, many of the internationally exploited fishing grounds are in close proximity to Irish ports along the west coast and given that fuel is a large economic driver, foreign vessel owners are viewing Irish ports including Killybegs, as attractive points to land, grade/process and export their catch rather than steaming back to home ports. BIM is currently working with a number of foreign vessel representatives to assess potential opportunities that exist for Irish processors to provide a service in the area and potentially access additional raw material.

The three factors mentioned above, i.e. the recent westward mackerel migrational shift, the increase in blue whiting TAC and the potential to source additional whitefish provides the bases for recommending the 75 jobs outlined below:

Action	Responsibility for Action	Implementation Timeframe	Jobs potential by 2014
Further private sector and state investment programmes aimed at generating efficiencies in both the catching and processing sectors	Industry with state agencies	Ongoing	75
Develop initiatives to increase foreign vessel landings into Killybegs in addition to pelagic species with a renewed focus on whitefish	Processing industry with BIM	3rd quarter 2011	

Diversification

Over the past 5 years the Irish fleet has pioneered a "new" fishery for boarfish *(Capros aper)*. This small fish appears in large shoals at depths of 40-700m off the south and west coast of Ireland[11]. In recognition of Ireland's fishing track record, the Ireland secured in negotiation 2/3 of the precautionary TAC of 33,000 tonne which was set for the first time in 2011. Industry is currently driving a data collection and assessment initiative in collaboration with the Marine Institute and preliminary indications are that a large stock of boarfish exists off the Irish coast. ICES has for the first time given scientific advice for this species, which suggests that there should be no increase in catches for 2012, using 2008-2010 as the reference period. This translates into a scientific recommended TAC of 82,000 tonne for 2012. The European Commission has proposed a TAC for 2012 of 28,000 tonnes and the final figure will be determined in the EU Fisheries Council in December.

The industry is confident that once a number of acoustic surveys are completed that there will be further increases in the TAC. As with most pelagic fisheries in their infancy, boarfish is currently only being exploited for fishmeal and oil purposes in Ireland, Denmark and the Faeroes. However, BIM with industry is carrying out a project that will seek to assess different product development options for commodity and value add markets and will assess processing technology options for this species. It is hoped that the learnings gleaned from the development of the human consumption blue whiting fishery from 2004 onwards can be applied to "fast track" the development of boarfish in a sustainable manner as one of the mainstay species for the pelagic processors. The previous experiences from blue whiting suggest that this project is feasible and is capable of generating significant numbers of jobs.

Although the human consumption aspect for most fisheries is fundamental, it is also however important to acknowledge the significant role non-human consumption outlets also provide (e.g. fishmeal, bait, pet food). The local fishmeal plant in Killybegs employs c. 20 and is the main outlet for pelagic fish offal in particular, which allows for the total utilisation of fish, including by-products. There are also local companies that distribute both whole fish and fish offal for other non human consumption purposes (e.g. bait, pet food) and provide an important service in addition to creating year round employment in the Killybegs region. It is envisaged that blue whiting and boarfish will be utilised for both human and non human consumption purposes in the future and both these sectors will continue to work in a complementary manner in Killybegs.

As outlined earlier, global demand for seafood is rising rapidly and the growth in the human population alone will require an extra 40 million tonnes of seafood per annum[7]. This significant increase in output will be primarily driven by the aquaculture sector. It is evident that population growth and the growing seafood consumption are having a dramatic impact on the growth in global aquaculture output as production has risen by an average of almost 10% per annum for more than a decade, making it the fastest growing food sector in the world[12]. There are a number of exceptional aquaculture producers in the Killybegs region that are competing at the highest level in the global marketplace. The Group believes that these Killybegs companies are ideally positioned to capitalise on the growing world demand particularly in the salmon and shellfish sectors.

The two factors mentioned above i.e. the development of the boarfish resource and opportunities within aquaculture provide the basis for the following 30 jobs outlined below:

Action	Responsibility for Action	Implementation Timeframe	Jobs potential by 2014
Carry out a developmental project investigating the human consumption possibilities for boarfish including both the Far Eastern and European markets Ensure complementary non human consumption outputs are supported	Processing industry with the support of BIM and Bord Bia	1st Quarter 2012	30
Develop aquaculture & associated processing for Killybegs	Industry with the support of BIM	4th Quarter 2012	

Value added

Killybegs has 7 pelagic processing plants ranging from small to large (50-400 tonne daily processing capacity[13]) and focus on 4 pelagic species for selected established commodity markets. There are also three small whitefish processors that focus on the primary processing and distribution of various whitefish species e.g. haddock & monk for the domestic market. It is evident from the Killybegs economic report[1] that although turnover did not differ between 2003 and 2009, at €94 million, workforce numbers declined during the same period.

The falls in employment are largely due to the focussed drive by pelagic processors to increase efficiencies utilising the latest automated technologies so they can compete with other commodity producers in international markets. The fallout from this is that the pelagic processing plants are working at 30% capacity annually. Although the whitefish processors are much smaller, they provide up to 40 jobs throughout the year. Nonetheless they encounter major challenges trying to source raw material to service extremely competitive markets in recessionary times.

The €12.5 million investment within the processing sector in Killybegs between 2000 and 2010[1] has enabled companies compete in the very competitive commodity pelagic market. It is important, as highlighted in the scaling recommendations, that this approach to commodities be continued. However, the negative consequence of this commodity approach is a seasonal sector that operates below capacity on an annual basis. The availability of raw material produced during the processing season and the ability to develop initiatives during the down time, provides real added-value opportunities for the processing sector, and some have started to progress this avenue.

The Group recognises that not all processors can or will avail of the potential markets for value added products. Nevertheless, it is clear that there is growth potential in these markets. The role that the sector in Killybegs plays in these emerging markets needs to evolve over a period of time. The Group believes that a series of steps, involving the private sector with state assistance, are required to incrementally leverage this potential.

The value-add opportunities mentioned above provide the basis for the following 25 jobs outlined below:

Action	Responsibility for Action	Implementation Timeframe	Jobs potential by 2014
Introduce a Graduate placement programme involving a partnership between BIM and LYIT aimed at food technology and food business graduates	BIM/LYIT with industry	1st quarter 2012	25
Introduce a joint BIM/Donegal Enterprise Board Seafood business programme aimed at generating new business ideas and new entrants for new value added products from the region	BIM/CEB with industry	3rd quarter 2011	
Develop a seafood innovation hub linked to the BIM Seafood Development Centre in Clonakilty to be located within the LYIT School of Tourism at Killybegs with a specific focus on pelagics, salmon and crab	BIM/LYIT with industry	1st quarter 2012	
Implement the Sea Food Standard for the RSW Pelagic vessels. This is in addition to MSC certification already obtained	Industry with the support of BIM	4th quarter 2011	

2.3 ENHANCE ANCILLARY SERVICES

Context

The cluster in Killybegs is based strongly on existing linkages and interdependencies among companies servicing the marine industry in the area. Many of the companies in Killybegs offer services which are complementary to each others businesses and this re-enforces the effectiveness of working collectively.

To fully avail of opportunities for Killybegs, companies must continue working together as a mutually beneficial body which will ensure that all individual member companies act in unison to exploit new business opportunities at all levels and via their own contacts. This will ensure that the "Killybegs brand" is re-enforced at every opportunity thereby raising greater levels of awareness both nationally and internationally.

The lack of the dry/floating dock facility has reduced the opportunities in servicing and new build areas, and such a development is considered by the industry as a key driver to develop new opportunities as well as maintaining existing contracts. The companies in Killybegs have taken the collective initiative to explore the feasibility of a dry/floating dock and have been in discussions with DAFM regarding a suitable site.

The formulation of a cohesive group working through local resources such as the Killybegs Chamber of Commerce to foster collaboration with a view towards attracting and servicing additional business. The progression of a dry-dock development plan should be prioritised as it is seen as critical to support year round work in this sector. Fundamentals such as access to the port for siting of such a dry dock facility need to be considered.

The ancillary services opportunities mentioned above including the fostering of a collaborative framework are the bases for the following 24 jobs outlined below:

Action	Responsibility for Action	Implementation Timeframe	Jobs potential by 2014
Consolidate and develop service provision based on existing skills in Killybegs to support the diversification into areas of skill match	Private Sector with EI DCC	Ongoing	24
Maximise the development of port/cargo activity to capitalise on potential	Private Sector with DCC	Ongoing	
Consolidate and further develop Killybegs as a support centre for all aspects of the Fishing/Marine industries	Private Sector with DCC	Ongoing	

2.4 DEVELOP OFFSHORE SUPPORTS

Context

At present, Donegal has 279 MW[14] of installed wind generated electricity in Ireland making it the largest producer of this form of energy in the State. In recognition of the growing importance of wind energy in the County and indeed the wider country, Letterkenny Institute of Technology (LYIT) has introduced the first Higher Certificate in Wind Energy Technology at its Killybegs Campus. LYIT has developed a Wind Energy Centre at its Killybegs campus, which includes a 27m high Turbine Training Tower. This facility is the first in the country. LYIT also aim to open a new Turbine Repair Workshop, with two 250kW Wind Turbine Nacelles/Generators and a Blade Repair Workshop for use by students. LYIT is the only college in the country to have Accreditation from BZEE (the German Centre for Renewable Technology, specialising in the education and training of wind energy technicians).

Killybegs, due to its location, its excellent physical infrastructure and its service base can further consolidate and develop as a location to service a wide range of offshore industries, e.g. exploration and renewables.A number of the companies based in Killybegs have already undertaken work in this area and feel that with some investment in current infrastructure, there could be significant benefits to Killybegs. This would build on the supports already provided to the existing wave energy pilot sites in Mayo / Galway and the Corrib Gas project.

There is a need to undertake a research study to highlight specific segments of market opportunity in the renewable markets and to clearly identify areas where Killybegs can be competitive. There is also a need to broaden Alternative Engineering Product Service Offering by way of working with local service companies. From a marketing viewpoint and attracting the end user i.e. renewable energy companies, there is a need to develop a database on service availability and skills base.

Significant potential could be leveraged if Killybegs could be promoted as a "pilot site" for green initiatives both for on and off shore along Ireland's Western Seaboard.

There is also a need for research to quantify existing service availability and the existing skills base within the areas and arrangements are required to fill any skills/service gaps identified.

The offshore supports opportunities mentioned above include identifying where Killybegs can be competitive and ensuring the necessary skills resources are available in the renewables sector are the bases for the following 20 jobs outlined below:

Action	Responsibility for Action	Implementation Timeframe	Jobs potential by 2014
Further develop and provide full range of supports for companies involved in offshore exploration activities	DCC with Private Sector	Ongoing	20
Further develop and provide full range of supports for companies involved in development of offshore renewables	DCC with Private Sector	Ongoing	
Consolidate and further develop Killybegs as a key hub for all offshore activity	DCC with Private Sector	Ongoing	
Produce and distribute promotional material to market Killybegs as a key centre for offshore activity	DCC with Private Sector	Ongoing	

2.5 PROMOTE TOURISM AND MARINE LEISURE

Context

Tourism and Marine Leisure is a sector which has substantial potential for Killybegs and surrounding areas. It is intended to build on this potential in Killybegs and its hinterland making maximum use of the region's resources for the benefit of the community. This work will involve project development, product development and marketing/promotion of the area.

There is currently a lack of Marine Tourism Infrastructure in Killybegs and this would need to be addressed to broaden its appeal to the marine leisure user market. There is also a requirement for development of some on-shore tourism facilities. A coordinated tourism marketing strategy with a focus on the marine leisure market is needed to provide direction. The aspect of fresh seafood and port side facilities have to date been under-exploited as an attraction to draw visitors to Killybegs.

It is clear that an integrated approach to the development of a tourism marketing strategy for Killybegs is required. Joint promotion and advertising efforts should be consolidated for the Killybegs area among service providers/deliverers. The work carried out by the Cruise committee should be built upon to increase the numbers of cruise ships and passengers to visit the port in future years.

Initiatives such as the promotion of Killybegs as part of the 'Malin Waters' brand and the overall Sail West Project can only bring positive benefits to the port, with increased business to the area. It is also considered important to ascertain the view of tourism product providers in the Killybegs area, identifying any constraints, and identify a means of developing the tourism /leisure industry in the Killybegs area through product development e.g. "Killybegs seafood experience".

The tourism/marine leisure opportunities mentioned above including the development of a marine tourism infrastructure, development of a co-ordinated marketing strategy, and linking with established regional initiatives are the bases for the following 47 jobs outlined below:

Action	Responsibility for Action	Implementation Timeframe	Jobs potential by 2014
Promote Killybegs as a port of call for cruise ships	Private Sector with DCC & relevant State agencies	Ongoing	47
Promote Killybegs as a port of call for yachts/super yachts	Private Sector with DCC & relevant State agencies	Ongoing	
Promote Killybegs as a base for sea angling	Private Sector with DCC & relevant State agencies	Ongoing	
Promote Killybegs as a base for e.g. dolphin watching, bird watching, etc.	Private Sector with DCC & relevant State agencies	Ongoing	
Promote Killybegs as an accommodation hub and base for exploration of Sliabh Liag and area	Private Sector with DCC & relevant State agencies	Ongoing	
Consolidate and develop LYIT School of Tourism as a key resource for the region	Private Sector with LYIT & relevant State agencies	Ongoing	

2.6 PROMOTE THE GREEN ECONOMY/RENEWABLE ENERGY

Context

Killybegs can be developed as a regional centre with regard to research, education and development in relation to the renewable energy sector. It is intended to build on existing resources in terms of infrastructure and skills to develop the full potential of this sector, with particular emphasis on offshore energy development and on training skills development for the sector as a whole. There has to date been a lack of integrated approach to the development of the renewable energy sector. Some of the weaknesses could be highlighted and exemplified by a lack of research facilities and also of necessary infrastructure. There are also issues regarding ease of access to required skills. Overall there is a need for concerted and ongoing marketing of Killybegs as the premier port capable of facilitating renewable energy projects in terms of port logistics, local expertise and services.

There is a requirement to explore the potential to develop Killybegs as a centre of excellence for research, education and development in relation to the renewable energy sector. Concerted focus on positioning Killybegs as the port of choice for green and offshore energy testing is also required. The installation of an offshore training tower in the outer harbour is considered as an important resource that would provide upskilling resources both nationally and internationally and would position Killybegs an important service provider in this area (this is considered within the Recommendations Chapter).

The green economy/ renewable energies opportunities mentioned above including developing Killybegs as a centre of excellence with a focus on offshore together with appropriate marketing of Killybegs are the bases for the following 39 jobs outlined below:

Action	Responsibility for Action	Implementation Timeframe	Jobs potential by 2014
Establish Killybegs as a Centre of Excellence with regard to the Green Economy / Renewable Energies	Private Sector with DCC & LYIT	Ongoing	39
Exploit the potential of the LYIT Wind Energy Centre for the renewable industry, including the exploration of research opportunities	Private Sector with LYIT	Ongoing	
Provide full range of services of support of renewables sector	DCC LYIT	Ongoing	
Promote manufacturing of products relating to renewables industry	Private Sector with EI	Ongoing	

2.7 ADDITIONAL PRIVATE AND PUBLIC SECTOR PROJECTS UNDER CONSIDERATION

In addition to the jobs identified within the previous sections the Group identified a number of private and public sector projects which are under consideration and have in the view of the Group the potential to provide a minimum of 100 additional jobs over and above the 250 targeted. It was not possible within the timeframe to fully evaluate the specific jobs potential for these projects and in any event it is likely that most will not come to fruition within the 2014 target timeframe set.

Floating dry dock

As alluded to in previous sections, private industry considers a floating dry dock in Killybegs an essential requirement, and not alone would it generate additional jobs, it would also secure a raft of existing jobs within the ancillary services sector. The Group is aware that a local company has met with DAFM on a business proposal in this area and the company is now reflecting further on a number of matters in relation to the proposal.

Construction of 2 support vessels

One of the main marine services and shipping companies in Killybegs is currently assessing various tenders for the construction of two support vessels, which offers significant job potential during construction in addition to crewing requirements during operation. The Group is aware that support mechanisms have been available to financially assist the fishing sector and similar mechanisms would be an important determinant to evolving this project in Ireland.

Offshore training tower

A fixed training tower exists at the LYIT campus in Killybegs. However to provide necessary training to the offshore sector in Ireland and to position Killybegs at the forefront of training provision and research in offshore, the construction of an offshore training tower would be fundamental. This is considered a suitable project for the 7th Framework Funding.

Additional fish processing

The Group is aware that planning has been approved for the development of a pelagic fish processing plant in Killybegs, which will provide employment for 10 full time employees when in operation.

3.1 INTRODUCTION

Chapter 2 has identified the targeted actions that will deliver the 250 jobs. However the success of these actions is dependent on resolving a number of constraints, which the Group has addressed and is making the following recommendations hereunder.

3.2 RECOMMENDATIONS

I. Appointment of a Killybegs Development Co-ordinator

The Group recognised that consistent focussed attention 'at the coal face' is required to take account of the diversity of actions identified and this can only be achieved through the appointment of a Development Co-ordinator. This individual will need to have the requisite experience and skills to drive through the measures necessary to implement the targets identified, to develop and implement the necessary market plans, to communicate with stakeholders and provide tangible updates to relevant fora. The Group has identified a number of avenues to resource this appointment.

II. Harbour Management Advisory Committee

A consistent issue raised by stakeholders was harbour management. The Group held detailed discussions on this with DAFM, who is the owner, and concluded that the best way to address all issues was to call on the Minister to appoint a Harbour Management Advisory Committee with a defined terms of reference,viz.:

a.) The committee should advise on all relevant aspects of harbour management.

b.) The committee should aim to maximise revenue generation in the Fishery Harbour Centre and maintain a focus on job creation, developing new business and economic activity.

c.) The committee should advise on optimum systems to improve service provision for existing business and identify new business opportunities, without increasing public expenditure.

d.) The committee should advise on all activities in the Fishery Harbour Centre including marine leisure and appropriate land use.

III. Continuation of the integrated approach

During the consultation process a significant amount of knowledge and perspectives were gleaned by the Group that are not captured within this report. This private and public sector mix was vital to achieving this dynamic. The Group believes that it is important that the integrated approach remain in place and progress be presented by the proposed Development Co-ordinator twice in the first year and annually for the remaining two years of the strategy.

IV. Funding

Although the Minister pointed out that support would be provided for this initiative on a budget neutral basis, the Group is aware that significant funding resources are available internationally for appropriately focussed projects and that the proposed Development Co-ordinator should be tasked with pursing the available opportunities in this regard.

V. Legislative issues

During the various meetings a significant amount of time was spent discussing issues relating to planning and licencing and it is perceived by industry here and wider industries internationally that Ireland is overly bureaucratic and not commercially focussed in these areas. The Group recommends that:

a.) A root and branch assessment of the planning process be carried out for the various relevant forms of commercial applications to ascertain and mitigate blockages.

b.) The feasibility of a Strategic Development Zone for Killybegs be carried out taking account specific requirements for target developments.

c.) The foreshore licence process be reviewed to clarify how efficiencies can be achieved to enable growth in specific areas.

VI. Costs

Various harbour costs from a fishing (e.g. syncrolift charges) and a commercial perspective (e.g. single cargo movement charges)were raised by several stakeholders as an issue. The Group recommends that these can be addressed in the proposed DAFM review of charges.

VII. Marine Survey Office

The Marine Survey Office (MSO) was raised as a significant recurring issue by several stakeholders. The Group engaged directly with Minister Varadkar regarding these and met specifically with the MSO. The Group is aware that a consultant Group has been appointed to review MSO service provision and the stakeholders will be afforded the opportunity to provide specific input to this process. The Group concluded that for delivery on the jobs potential it is essential that there is an effective, efficient and customer orientated MSO.

VIII. Border Inspection Post

The potential of a Border Inspection Post (BIP) for Killybegs has been mooted for a considerable time. The Group investigated this in some detail, and in addition to specific discussions at the various Group and Sub-Group meetings, a specific meeting was held with the SFPA to review a range of options. Following this process the Group believes that the significant investment required to implement a BIP in Killybegs would need to be justified by a comprehensive business plan. The option of having a smaller BIP for product specific categories was also investigated, however until specific products have been identified and their benefit to Killybegs justified the investment requirements are also deemed too onerous. There are nonetheless opportunities to source further chilled raw material from 3rd country vessels, as has been achieved for Norwegian vessels e.g. blue whiting and that could be progressed to access additional landings e.g. Iceland and the Faeroes. In addition frozen tuna can be landed into Killybegs without the need for a full BIP. There are some seafood companies importing raw material via road networks for value added activities and it is possible that this opportunity could be further investigated to match raw material logistic networks with value add opportunities.

CONCLUSIONS

The Group believes it has delivered, in a very concrete manner, on its mandate to identify 250 jobs in the five key areas set out. Although the Group has completed its work it considers that it would be appropriate if it continued in existence to review progress twice in 2012 and annually thereafter. The Group is of the firm view that the partnership collaboration between the private and public sectors must also be continued.

5 REFERENCES

1. MacFayden, G., Keatinge, M., O'Donoghue, S., and Kavanagh, A. (2010). Assessment of the status, development and diversification of fisheries-dependent communication: Killybegs Case Study Report.

2. Anon. (2008). Killybegs Fishery Harbour Centre Marketing Strategy: Report of Steering Group of Key Officials of State Agencies. World Wide Web Publication. www.agriculture.gov.ie

3. Troen, I. and E.L. Petersen (1989). European Wind Atlas. ISBN 87-550-1482-8. Risø National Laboratory, Roskilde.

4. Anon. 2006. A Profile of the Working Population of Large Towns. Central Statistics Office Ireland. World Wide Web Publication. **http://www.cso.ie/default.htm**

5. Anon. 2011. Census 2011 Preliminary Report. Central Statistics Office Ireland. World Wide Web Publication. **http://www.cso.ie/default.htm**

6. Anon. (2008). Killybegs local area plan 2008-2014. World Wide Web publication. **http://www.donegalcoco.ie/services/planningeconomicdevelopment/Central+Planning+Unit/killybegsLAP.htm**

7. Anon. (2010). BIM Strategy 2010 – 2012: Delivering on the potential of Irish seafood. BIM publication.

8. Nolan, C., Connolly, P., Kelly, E., Dransfeld, L., Slattery, N., Paramor, O.A.L., and Frid, C.L.J. (2011) MEFEPO North Western Waters Atlas 2nd Edition. Marine Institute. ISBN 978-1-902895-29-9

9. Anon. (2011) The Stock Book (Marine Institute) **http://hdl.handle.net/10793/27**

10. Bates, Q. (2010) Mackerel Mayhem. Samudra Report No. 57

11. Froese, R. and D. Pauly. Editors. (2011).FishBase. World Wide Web electronic publication. **www.fishbase.org**

12. Ranninger, N. (2010). Aquaculture remains fastest growing animal protein sector. Bord Bia website. **http://www.bordbia.ie**

13. Morris, J. (2010) 2010 Pelagic Season (Spring & Autumn). Internal BIM report.

14. Anon. (2011). County Wind Map: The Irish Wind Energy Association. World Wide Web Publication. **www.iwea.com**

APPENDIX I

Membership of the Group

Sean O'Donoghue	Chairman	CEO Killybegs Fishermen's Organisation
Seamus Neely	Member	County Manager Donegal County Council
Jason Whooley	Member	CEO BordIascaigh Mhara
Paul Hannigan	Member	President of Letterkenny Institute of Technology
ConorFahy	Member	Regional Director at Enterprise Ireland
Jim Parkinson	Member	Managing Director Sinbad Marine Services, Killybegs, Co. Donegal.
Niall O'Gorman	Member	Donegal Fish Merchants
Cecil Beamish	Member	Department of Agriculture, Food and the Marine
Michael Gallagher	Secretary	Bord Iascaigh Mhara

APPENDIX II

High Level Group on Job Creation in the Killybegs Region
Terms of Reference

Following the launch on 3rd June 2011 by Minister Simon Coveney TD of a jobs initiative for the Killybegs region, the Minister has appointed a high level Group to draw up a Report on the potential for Job Creation in the Killybegs region. The initiative has emerged from the findings of a case study report on the assessment of the status, development and diversification of Killybegs as a fisheries dependent community.

The Terms of Reference of the Group require that the Group will draw up a Report identifying the potential for Job creation, in five identified key areas, and the actions required to deliver on that potential. The Recommendations of the Group will not involve increased public expenditure.

The Report of the Group will:

- Seek to identify a series of actions that will deliver 250 jobs in the Killybegs region over the next three years. These co-ordinated actions will focus on five key areas that taken together have the potential to achieve this job creation.
- Identify and recommend solutions to issues in the five key areas that are impacting negatively on growth and the creation of sustainable jobs.
- Identify a partnership model of co-ordinated activity focused on local resources involving all relevant stakeholders which holds potential to deliver on the Job Creation potential identified across the five areas.
- Identify how the actions required to release the Job Creation potential identified could be delivered on a cost neutral basis from within existing budget allocations through adopting a co-ordinated and collaborative approach.

The following are the five key areas that the Group will focus on in its series of actions to deliver 250 jobs:

1: Actions to Promote Seafood Value Added Activity
2: Actions to Enhance Ancillary Services
3: Actions to Develop Offshore Supports
4: Actions to Promote Tourism and Marine Leisure
5: Actions to Promote Green Economy/Renewable Energy.

APPENDIX III

A list of identified actions in the five key areas

1. **Promote Seafood Value Added Activity:**
   - Develop a seafood innovation hub linked to the BIM Seafood Development Centre in Clonakilty to be located within the College of Catering Killybegs with a specific focus on pelagics, salmon and crab.
   - Develop initiatives to increase foreign vessel landings into Killybegs in addition to pelagic species with a renewed focus on whitefish.
   - Introduce a Graduate placement programme involving a partnership between BIM and LYIT aimed at food technology and food business graduates.
   - Carry out a developmental project investigating the human consumption possibilities for boarfish including both the Far Eastern and European markets.
   - Examine the possibility of developing other new fisheries and in particular the end uses of such fisheries including human consumption markets.
   - Introduce a joint BIM/Donegal Enterprise Board Seafood business programme aimed at generating new business ideas and new entrants for new value added products from the region.
   - Further state investment and programmes aimed at generating efficiencies in both the catching and processing sectors.
   - Implement the Sea Food Standard for the RSW Pelagic vessels. This is in addition to MSC certification already obtained.

2. **Enhance Ancillary Supports**
   - Consolidate and develop service provision based on existing skills in Killybegs to support the diversification into areas of skill match.
   - Maximise the development of port/cargo activity to capitalise on potential.
   - Consolidate and further develop Killybegs as a support centre for all aspects of the Fishing/Marine industries.

3. **Develop Offshore Supports**
   - Further develop and provide full range of supports for companies involved in offshore exploration activities.
   - Further develop and provide full range of supports for companies involved in development of offshore renewables.
   - Consolidate and further develop Killybegs as a key hub for all offshore activity.
   - Produce and distribute promotional material to market Killybegs as a key centre for offshore activity.

4. **Promote Tourism and Marine Leisure**
   - Promote Killybegs as a port of call for cruise ships.
   - Promote Killybegs as a port of call for yachts/super yachts.
   - Promote Killybegs as a base for sea angling.
   - Promote Killybegs as a base for e.g. dolphin watching, bird watching, etc.
   - Promote Killybegs as an accommodation hub and base for exploration of Sliabh Liag.
   - Consolidate and develop College of Tourism as a key resource for the tourism industry.

5. **Promote Green Economy/Renewable Energy**
   - Establish Killybegs as a Centre of Excellence with regard to the Green Economy / Renewable Energies.
   - Develop Killybegs as an educated/training centre with regard to renewables.
   - Provide full range of services of support of renewables sector.
   - Promote manufacturing of products relating to renewables industry.
   - Develop Killybegs as a research base for offshore renewables.

APPENDIX IV

List of Background Documents

1. Anon. (2009). Killybegs Harbour Environmental Report. World Wide Web Publication. **www.agriculture.gov.ie**
2. Anon. (2008). Killybegs local area plan 2008-2014. World Wide Web publication. **http://www.donegalcoco.ie/services/planningeconomicdevelopment/Central+Planning+Unit/killybegsLAP.htm**
3. Anon. (2011). Executive Summary. Lot 4: Impact Assessment Studies related to the CFP. Studies in the Field of the Common Fisheries Policy and Maritime Affairs. European Commission Report.
4. Anon. (2008). Killybegs Fishery Harbour Centre Marketing Strategy: Report of Steering Group of Key Officials of State Agencies. World Wide Web Publication. **www.agriculture.gov.ie**
5. Anon. (2010). BIM Strategy 2010 – 2012: Delivering on the potential of Irish seafood. BIM publication.
6. Anon. (2006). County Development Plan 2006 -2012: Donegal County Council. World Wide Web Publication.**http://www.donegalcoco.ie/services/planningeconomicdevelopment/Central+Planning+Unit/countydevplan.htm**

Design: **Manna** | www.mannadesign.net