Rialtas na hÉireann
Government of Ireland

National Reform Programme for the European Semester

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Contents

1. Introduction

The European Semester is central to supporting effective economic policy coordination within the European Union. Each year in the National Reform Programme Ireland outlines the principal economic and employment policies being implemented, while also reflecting on our Country Specific Recommendations, the analysis contained in the Commission's Country Report, and progress towards achieving our Europe 2020 targets.

Following the general election held on 8 February 2020, the formation of a new Government is still underway. In this context the National Reform Programme 2020 must be based on a "no change policy basis" which means that only existing policies in place and agreed by Government are detailed. Prospective future policy developments and ambitions are not included, pending the new Government's formation. The Irish Government stands ready to engage with the European Commission to provide further detail on Ireland's future policy priorities following the formation of a new Government.

This year's National Reform Programme 2020 has also been developed at a hugely challenging time, as the country, and all of our EU partners, respond to the COVID-19 emergency. The National Reform Programme outlines the steps which have been taken to date in response to this emergency, with a particular focus on labour market and economic policy.

The scope and extent of the COVID-19 emergency will clearly have a substantial and lasting impact across a wide range of policy areas. Prospective future policy developments however cannot be examined in line with the "no change policy basis" of this year's Programme.

In addition to outlining our national response to the COVID-19 emergency to date, the National Reform Programme, taking into account the revised guidance issued by the European Commission on 1 April 2020, provides a short summary of Ireland's policy responses to our main socio-economic challenges, including those identified in the European Commission's 2020 Country Report for Ireland and Ireland's Country Specific recommendations for 2020. It should be noted that these policy responses were put in place prior to the onset of the current COVID-19 emergency. Substantive revision and / or reprioritisation may be required as part of the management of the COVID-19 emergency and in the recovery period which will follow.

Ireland welcomes the new elements included in this year’s Semester, the increased focus on environmental sustainability and the integration of the objectives of the United Nations Sustainable Development Goals into the Semester. Both elements are reflected in Ireland’s National Reform Programme 2020.

1.1Ireland's response to COVID-19

The scale of the COVID-19 crisis is such that no nation can successfully tackle it alone. Ireland welcomes the series of measures taken at EU level, including by the European Commission, to address the health and socio-economic consequences of the crisis. We support the prioritisation by the European Council of work across five strands: limiting the spread of the virus; providing medical equipment; promoting research; tackling socio-economic consequences; and repatriating citizens stranded in third countries

Responding to COVID-19, Ireland has taken an unprecedented and extraordinary set of actions. The actions which been taken relating to the labour market and supporting enterprises are outlined below, this is not an exhaustive list. Further actions will be considered as the situation develops.

Employment and income supports

- A Temporary Wage Subsidy Scheme has been established to provide the payment of income supports to employers in respect of eligible employees where the employer's business activities have experienced significant negative disruption due to the COVID-19 pandemic. This allows employers to pay their employees during the current pandemic. Employers will be refunded a significant portion of an employee's wages - up to a maximum of €410. The employer is expected to make their best efforts to maintain net income as close to 100% of normal income as possible for the subsidised period.
- A new COVID-19 Pandemic Unemployment Payment delivers income support to employees and the self-employed who have lost work and income because of COVID-19. The payment has a simple one-page application form and is paid at a flat rate payment of €350 per week.
- The Enhanced Illness Benefit Payment for COVID-19 absences provides assistance of €350 a week to an employee who is told to self-isolate by a doctor or the HSE or has been diagnosed with COVID-19 by a doctor. The existing 6 day 'waiting period' for Illness Benefit has been removed in those circumstances.
- Short Time Work Support Scheme remains available in situations whereby an employer reduces an employee's hours to three days or less a week.

Enterprise Supports

A range of supports for businesses affected by COVID-19 have been made available by the State and State agencies, including:

- Loans from €25,000 to €1.5 million under the Working Capital Loan Scheme, operated by the Strategic Banking Corporation of Ireland (SBCI). Loans are available to viable micro, small and medium sized enterprises and Small MidCap enterprises, who meet the eligibility criteria. Longer term loans from €100,000 to €3,000,000 for SME's under the Future Growth Loan Scheme also operated through the SBCI.
- The Credit Guarantee Scheme, which provides counter guarantees to participating banks, mitigating credit risk or need for collateral. Available to all SMEs to obtain loans to assist changes they need to make to their business in response to COVID-19. Loans of up to €1m for a term of up to 7 years are supported.
- The Future Growth Loan Scheme, which has had its funding increased, provides longer-term loans to COVID-19 impacted businesses. Loan amounts will range from €100,000 to a maximum of up to €3m per applicant. Loan terms range from 8 to 10 years.
- The Sustaining Enterprise Fund for firms with 10 or more employees in the manufacturing and international services sectors to be operated by Enterprise Ireland, providing advances of up to €800,000 which are only repayable when a business returns to good financial health.
- Microenterprise loans of up to €50,000 from MicroFinance Ireland for sole traders, partnerships and limited companies with less than 10 full-time employees and annual turnover of up to €2m.
- A new Business Continuity Voucher, available through Local Enterprise Offices, for businesses that employ up to 50 people. The voucher is worth up to €2,500 in third party consultancy costs and can be used by companies and sole traders to develop short-term and long-term strategies to respond to the COVID-19 emergency.
- A new Trading Online Voucher Scheme, available through Local Enterprise Offices to help small and microenterprises get online. The voucher is worth up to €2,500.
- A COVID-19 Online Retail Scheme open to retailers employing over 10 people. Grants ranging from €10,000 to €40,000 will be awarded under the competitive scheme to retailers seeking to improve their existing online capability.

- The Government has agreed with local authorities that they should defer rates payments due from the most immediately impacted businesses - primarily in the retail, hospitality, leisure and early learning and care and school-age childcare sectors, for three months, until end-May. This measure is to be implemented by each local authority in its own area.
- A temporary Wage Subsidy Childcare Scheme has been introduced to assist the Early Learning and Care and School-Age Childcare sector during COVID-19 closures. The scheme, which supplements support provided under Temporary Wage Subsidy Scheme, provides funding towards a portion of staff wages and a portion of service's overhead costs. The purpose of the scheme is to underpin the sustainability of the Early Learning and Care and School-Age Childcare sector so that it is in a position to reopen after COVID-19; to provide parents with a reassurance that they can retain places for their children in these services and are not required to pay fees during the COVID-19 closures; and to retain Early Learning and Care Educators in the sector.
- The Revenue Commissioners have announced a range of measures including the suspension of interest on late payments for January/February VAT and both February and March PAYE (Employers) liabilities, the suspension of debt enforcement activity, and that current tax clearance status will remain in place for businesses.
- The Department of Employment Affairs and Social Protection and Department of Business, Enterprise and Innovation will provide a joint First Responder support service through the Intreo Offices and development agencies, Enterprise Ireland and IDA Ireland in each region to provide tailored assistance for impacted firms, with the objective of avoiding mass lay-offs and supporting firms to work through the short-term disruptions.

Tenants and Rental

Amendments have been made to the operation of certain provisions of the Residential Tenancies Acts 2004 - 2019 which are aimed at keeping people in their homes during the COVID-19 pandemic.

- Rent increases are not permitted during COVID-19 but rent decreases can be implemented. Outside of the usual rent review cycle, temporary reductions in rent can be implemented on an informal basis by agreement between the two parties.
- No notice of termination can be served and – except in the exceptional circumstances of a breach of tenant obligations with a Residential Tenancies Board (RTB) determination

order in favour of the landlord - those served beforehand cannot take effect until after the emergency has passed.

- For a tenancy of less than 6 months duration, a tenant will now have 28 days, as opposed to 14 days, from receipt of a rent arrears warning from a landlord to pay overdue rent. Where the tenant fails to pay following this warning, the tenant is protected from eviction during the emergency period.
- The Act also recognises that some tenancies have been legally terminated but tenants remain in occupation because, for example, they cannot source alternative accommodation during COVID-19. This Act protects them by allowing their continued occupation, but a termination can proceed if the RTB determines a dispute in favour of the landlord for breach of tenant obligations. The requirement for the RTB to conduct hearings in public is removed for the duration of the emergency period.
- The emergency legislation states that all proposed evictions are prohibited. It is understood that the intent of this provision is to look at arrangements which are often described as Rent-a-Room and "Digs" style accommodation. Landlords and tenants in such circumstances are asked to show forbearance and support for each other during the emergency period and, where possible, and having regard to the precautions necessary to tackle COVID-19, to avoid termination of accommodation arrangements.

Mortgages and loans

After consultations with the Government and the Central Bank of Ireland, the bank and non-bank members of Banking & Payments Federation Ireland announced a coordinated approach to help businesses and personal customers whose personal and business circumstances have been impacted by the COVID-19 crisis. These measures include:

- flexible arrangements, including a payment break of up to 3 months for mortgages and other loans.
- assistance for buy-to-let bank customers with tenants affected by COVID 19. Customers with rental property in which the tenants are adversely impacted by COVID-19 will also be provided with flexibility including with an opportunity to seek a payment break of up to 3 months, which will allow them to exercise due levels of forbearance to their tenants.
- adjourning court proceedings for 3 months.

Education

Education and skills development will play an important part in the national recovery efforts at economic and societal level.

Ireland's National Action Plan in response to COVID-19 sets a range of priorities for the education and training system, which include:

- Providing information and advice to schools and education and training institutions;
- Developing contingency plans to address closure of schools and lost tuition time, prioritising exam years;
- Developing alternative State exam arrangements, if required, and related issues;
- Planning for potential impact on tertiary education, including in respect of assessments;
- Considering the impact of closure of tertiary facilities, including the financial impact, and development of contingency plans.

Teachers and other staff in the education sector continue to work and to engage with their students in order to ensure continuity of educational provision. Schools have been issued with updated guidance to help them operate the school meals programme for children at risk of educational disadvantage. Government is continuing to work with education partners to provide solutions in areas where digital and remote learning options may not be possible.

One of the primary objectives of the tertiary sector has been to minimise disruption to students and staff to the greatest extent possible. This has been achieved through provision of online programme delivery, finalisation of alternative assessment arrangements (with options including online exams, written assignments or rescheduling) and communication of new assessment arrangements to students.

The National Council for Special Education has developed resources for parents of children with additional needs who may benefit from specific advice during the period of school closure. These include supports for children with special needs and ensuring the learning and well-being of children and young people.

2. Macroeconomic Context and Scenario

Despite heightened uncertainty throughout last year associated with the Brexit negotiations and the very real prospect during in the second half of the year of a no-deal crash out exit, the economy once again proved remarkably resilient. GDP grew by 5.5 per cent, with MDD growing at a very solid rate of 3 per cent.

Supported by labour market developments, private consumption recorded solid growth of just shy of 3 per cent, though the household savings rate appeared to tick up during the year in line with a persistent weakness in consumer sentiment in the face of Brexit uncertainty. On the investment side, some 21,000 new dwellings were built last year, more than double the level seen three years prior. However, a continued weakness was seen in private sector investment in (non-aircraft) machinery and equipment, a continuation of a trend not unrelated to Brexit uncertainty. The overall investment numbers were highly distorted due to a surge in acquisitions of on-shored intellectual property assets, which had an equally distortive impact on imports.

On the external side, the level of exports exceeded €440 billion last year, with a recorded quarterly level of €120 billion recorded in the fourth quarter, the fifth successive quarter above €100 billion. Very strong growth was seen on the services side, up 14 per cent in the year, with ICT services growing in value-added terms by almost 20 per cent for the second year in a row.

However, the economic landscape – domestically and elsewhere – has fundamentally changed in the space of a few weeks. The domestic health protocols necessary to suppress the transmission of Covid-19 will undoubtedly result in a sharp contraction of domestic demand in Ireland over the second quarter of this year. Broadly similar protocols in key export markets are having a similar effect, depressing external demand and weighing on Irish exports. In short, all components of GDP, with the notable exception of public consumption, are set to register significant falls in the second quarter; it is beyond doubt that the Irish economy is in the midst of a deep recession.

In Ireland, large swathes of economic activity have temporarily come to an effective stand-still, with non-food retail, entertainment and hospitality among those sectors at the economic front-line. With other sectors also affected – albeit to varying degree – economic activity is now falling sharply in Ireland. The same is true in almost all regions, including all advanced economies with which Ireland conducts the bulk of its trade.

The scenario and assumptions underpinning the outlook for this year and next can largely be described as one in which containment measures are assumed to explicitly remain in place for a full quarter, resulting in a very sharp contraction in the latter weeks of the first quarter of 2020 and most of the second quarter. This is assumed to be followed by a very gradual recovery commencing in the third quarter. This recovery path is a function of a gradual easing of containment measures, uncertainty on the virus path; behavioural change by households and firms; permanent scarring effects, and ongoing supply chain and financial market disruption. Overall the level of output is not expected to return to the pre-pandemic level until at least 2022

As a result of the pandemic, GDP is now expected to contract by as much as 10 ½ per cent this year, with MDD falling by 15 per cent. While net trade is expected to fall this year, the biggest impacts are on the domestic side as a result of the containment measures, with net trade somewhat cushioned by some of the more 'defensive sectors' in Ireland's export portfolio, namely pharmaceuticals, medical devices and ICT services.

Private consumption is expected to fall sharply in 2020 as a consequence of the necessary containment measures introduced to suppress the virus and a level shift in household precautionary savings. Certain high-impacted sectors such as non-food retail, accommodation and food services, and other forms of 'social consumption' are expected to see an almost complete suspension of activity for the duration of the second quarter. The recovery in these sectors is expected to very gradual as behavioural change on the part of households in the face of an uncertain virus path will continue to impact on social consumption until a vaccination is available. On the whole, private consumption is expected to fall by 14 per cent this year.

On the investment side, the majority of construction activity is expected to come to a complete standstill in the second quarter following its designation as a largely 'non-essential' activity, with the recovery in output expected to be very gradual due to a combination of social distancing in the workplace, and uncertainties associated with financing on the supply and demand side. Non-aircraft machinery and equipment investment is also expected to contract sharply with firms initially expected to forego all unnecessary outgoings for liquidity and working capital purposes, and thereafter holding off on investment plans in the face of elevated uncertainty. Overall modified investment (excluding IP assets and aircraft for leasing) in the second quarter is expected to be down by almost 70 per cent on a quarterly basis, and by just under 40 per cent for the year as a whole.

On the external side, growth in Ireland's main trading partners is expected to fall by between 6 and 9 per cent this year, with significant knock-on impacts on demand for Ireland's exports. Certain exports such as tourism and transport services are expected to have a complete suspension of activity in the second quarter with only a marginal pick-up thereafter. Other sectors such as pharmaceuticals and medical devices are expected to benefit from increased demand for their products, though an overall increase in output will be tempered lost hours due to by sickness related absences and caring duties during school and childcare related closures, as well as supply chain issues. Overall exports are expected to fall by 12 percent on a quarterly basis in the second quarter and by 7.7 per cent for the year as a whole.

As regards imports, the fall in final demand will bring down imports thereby softening the net trade impact this year. However, the import content of some of the most affected sectors, particularly social consumption and related services, is typically below average, meaning imports will fall by less than would otherwise be expected. Overall a fall in modified imports (excluding IP assets and aircraft for leasing) of just over 9.3 per is expected for the year.

Of the 10.5 per cent fall in GDP, modified domestic demand is expected to contribute around 8 ¼ per cent, with net trade accounting for 2 ½ per cent.

With severe restrictions on business activity and on movement of persons now in place, large cohorts of the labour force are either unable to attend work or find themselves out of work due to forced closure of their employer. In response, the Government has moved quickly to provide income support to those immediately affected through the Pandemic Unemployment Payment, and to both support incomes and maintain the link between employers and employees through the Temporary Wage Subsidy Scheme. The level of employment is projected to significantly fall this year from 2.3 million at the end of 2019 to 2.1 million, due to the unprecedented impact that the Covid-19 pandemic shock will have on the labour market. This significant drop in employment would represent a loss of 217,000 jobs over the course of 2020, or a 9.3 per cent decrease in the level of employment over the year.

SPU Forecasts	**2019**	**2020**	**2021**
Real GDP	5.5	-10.5	5.8
Real GNP	3.3	-11.7	6.8
Employment	2.9	-9.3	5.5

3. Main policy responses to major economic challenges and CSRs

The following section provides a summary of the main socio-economic challenges which Ireland has faced in the past year, and the policy responses in place, including those policies in place to respond to Ireland's Country Specific Recommendations.

It should be noted that the impact of COVID-19 is not addressed in this section, nor its implications for current policy initiatives. This is in line with the <u>no change policy approach</u> of the National Reform Programme.

3.1 Brexit

The decision of the United Kingdom to leave the European Union presented an unprecedented political and economic challenge for Ireland. The ratification of the Withdrawal Agreement, including the Protocol on Ireland/Northern Ireland, is an important and welcome development. The Protocol allows for a more permanent set of arrangements to meet the challenges of Brexit on the island of Ireland. The Government however is conscious that arrangements for the future relationship between the UK and the EU must now be negotiated, and that pending the finalisation of these negotiations, risks continue to prevail for the Irish economy.

The end of the transition period will bring change, with the UK leaving the Single Market and the Custom Union. For this reason, the Irish Government continues its work to ensure that Ireland is prepared for the end of transition. This includes strengthening the resilience of the economy and maximising opportunities for businesses throughout Ireland. The preparedness measures undertaken to date as part of No Deal contingency planning continue to be valuable. No set of arrangements negotiated as part of the future relationship will be able to replicate the access and benefits of the UK being a member of the EU and within the Single Market and Customs Union. The challenges which this brings for Ireland will be faced with the mutual solidarity and assistance of our EU partners and with the strength that EU membership brings.

3.2 Climate Action

In June 2019, the All of Government Climate Action Plan was published. The plan sets out, for the first time, how Ireland can reach its 2030 targets to reduce greenhouse gas emissions and also places itself on the right trajectory towards net-zero carbon emissions by 2050 in line with the advice of the Intergovernmental Panel on Climate Change. The plan includes initiatives in every relevant sector; electricity, enterprise, housing, heating, transport, agriculture, waste, and the public sector. It also lays out important institutional mechanisms for monitoring and reporting on progress achieved under the plan. It is informed by the work of the Citizens' Assembly on How the State can make Ireland a leader on Climate Change, as well as by the cross-party report of the Oireachtas Joint Committee on Climate Action, published in March 2019.

The Climate Action Plan has a strong focus on implementation and includes over 180 actions, with clear timelines and steps needed to achieve each action, assigning clear lines of responsibility for delivery across 13 Government Departments and 40 Agencies under their remit.

Some of the most important sectoral actions set out in the plan include:

- Increasing the share of renewable electricity from 30% to 70% by 2030;
- Phasing out coal and peat fired electricity generation;
- Putting in place a coherent support scheme for micro-generation combined with provisions for selling power to the grid;
- Setting stricter environmental requirements for new buildings and substantial refurbishments;
- Designing policy to upgrade 500,000 homes to BER B2;
- Building a supply chain and a model for aggregation where home retrofits are grouped together;
- Accelerating the penetration of electric vehicles into sales of cars and vans to at least 800,000 by 2030;
- Making growth less transport intensive through better planning, remote working and modal shift;

- Delivering reductions in greenhouse gas emissions in agriculture by promoting on farm efficiencies creating new, sustainable opportunities for family farms; increasing afforestation rates from 5,000 hectares to 8,000 ha per annum, to reach a forestry land-cover target of 18% by 2050;
- Phasing out peatland production and restoring 22,107 hectares of raised bog habitat;
- Developing coherent Reduction and Circular Strategies for Plastics, Food Waste and Resource Use.
- Introducing clear financial measures to assist transition e.g. a carbon tax trajectory to reach €80/tonne by 2030;
- Establishing in law a system of five-year carbon budgets and sectoral targets, with penalties for non-delivery;
- Facilitating a 'Just Transition' through dedicated provisions for upskilling workers and funds for vulnerable sectors and cohorts; Engaging the public more effectively through enhanced climate-related communications, networking, deliberation and capacity building

The Climate Action Plan sets out a detailed roadmap of actions to implement policies and to accelerate the necessary technological, industrial and behavioural shifts, these actions will be updated annually to ensure we continue on the optimum pathway within each sector.

Reflecting the priority that climate change will have in our political and administrative systems into the future, the Climate Action Plan also sets out new governance arrangements including the carbon-proofing of policies, the establishment of carbon budgets, a strengthened Climate Change Advisory Council, and greater accountability to the Oireachtas.

The Plan also recognises the balanced nature of the social contract which we need to strike with the Irish public. It is built on three principles: pursuing the policies which offer the least burden and greatest opportunity; recognising the need to assist those most exposed and least equipped to meet the challenge; and ensuring every section of society make their fair contribution, while government leads.

Sustainable Development Goal (SDG) 13 calls on countries to integrate effective Climate Action measures into national policies. The Climate Action Plan does that, and places Ireland at the forefront of international efforts to achieve SDG 13.

3.3 Future Jobs Ireland

Future Jobs Ireland, launched in March 2019, is the Government's framework for preparing for the economic challenges of the future. Future Jobs Ireland outlines a set of medium-term ambitions for the Irish economy, taking account of the challenges ahead, with the ultimate goal of increasing the economic and societal resilience.

Future Jobs Ireland focuses on five Pillars namely:

1. Embracing Innovation and Technological Change;
2. Improving SME Productivity;
3. Enhancing Skills and Developing and Attracting Talent;
4. Increasing Participation in the Labour Force; and
5. Transitioning to a Low Carbon Economy.

In 2019 significant first steps were made including:

- The National Economic Social Council developed recommendations as to how the Government should coherently and proactively respond to the workers, enterprises and sectors that are vulnerable to the technological and low carbon transition.
- Cyber Ireland, a cybersecurity cluster, was launched in Cork.
- Three 'Top Teams' were established on Artificial Intelligence, GovTech and Offshore Renewables that will be progressed in 2020.
- The Future Growth Loan Scheme was opened for applications in April 2019 providing loans of up to €3 million with long terms (ranging from 8 to 10 years) to SMEs.
- The Human Capital Initiative has been launched providing needed investment in higher education which will promote innovative and responsive delivery models to respond to changes in both skills requirements and technology.
- The Regional Technology Clustering Fund was launched in July 2019 which provides an initial €2.75 million to build sectoral clusters of Small Medium Enterprises and Institutes of Technology/Technological Universities.
- Ireland's Industry 4.0 Strategy 2020-2025 was launched in December 2019 to assist the digital transformation of the manufacturing sector and its supply chain.

3.4 Regional Development

The National Planning Framework (NPF) was published by the Government in 2018 as a key pillar of Project Ireland 2040 and sets out the long-term Regional Development terrestrial planning strategy for Ireland. Further to publication of the NPF, three Regional Spatial and Economic Strategies (RSESs) were prepared by the three Regional Assemblies, one for each of Ireland's three EU NUTS II level Regions. The last of these were approved in January 2020 and they cover the period to 2031. The Government has prioritised the achievement of balanced regional development, through a strategy that focuses a significant proportion of future growth and investment on Ireland's four 'second-tier' regional cities as well as five regional 'accessible centres of scale'. Several of the latter also fulfil cross-border functions. At a regional and local, county-level scale, these strategies are focused on larger, mainly County-level 'key towns' and the rejuvenation of rural towns and villages, to ensure that economic benefits are equally distributed geographically

All three RSESs deal with matters raised in CSRs, at a regional scale, arranged around the central themes of economic development, incorporating smart specialisation, climate action, healthy placemaking, and also include metropolitan functional area spatial plans for each of the five cities.

The Action Plan for Rural Development was an important vehicle for rural development over the period 2017 - 2019. The Plan provided, for the first time, a fully cross-Governmental approach to the economic and social development of rural Ireland. The objective of the wide range of initiatives contained in the Action Plan was to assist sustainable rural communities, job creation, rural connectivity, culture and tourism. The whole-of-Government approach of the Action Plan provided increased investment right across Government for assisting rural business, rural communities, and rural connectivity. Consideration on the development of a new policy is underway.

The National Broadband Plan (NBP) contract was signed in November 2019, to provide a future-proofed high- speed broadband network to people living and working in nearly 540,000 premises in the intervention area over the next 25 years. The rollout of high-speed broadband for homes, schools, businesses and farms across Ireland means that all of rural Ireland will get the same access to opportunities offered by high speed broadband as those in urban areas and will facilitate more balanced regional development. An early priority is to connect a network of over 300 Broadband Connection Points to provide early access to high-speed broadband for rural communities that are situated in areas that are likely to only be connected towards the end of the rollout.

Alongside the spatial and forward planning initiatives undertaken by Government, Project Ireland 2040 and the National Planning Framework, strengthening the enterprise development potential within weaker performing regions has a strong role to play in reducing regional disparities. In addition to the regional focus of the enterprise agencies and the network of 31 Local Enterprise Offices across Ireland, nine Regional Enterprise Plans for the period to 2020, developed by regional stakeholders, were launched in early 2019. The Plans identify growth potential and new opportunities, recognise vulnerabilities, and in response, strengthen the regional enterprise ecosystem while driving sustainable and quality job creation in the regions.

In addition, a Regional Enterprise Development Fund (REDF) has been in place since 2017, the aim of which is to develop and implement collaborative and innovative projects that can enable and sustain enterprise and employment growth in the regions. There have been three Calls to date under the REDF with 68 projects approved for grant funding of almost €100 million. The Atlantic Economic Corridor (AEC) initiative is a collaborative regional development project involving the public and private sectors and Third Level institutions. Led by the Department of Rural and Community Development, the aim of the AEC initiative is to maximise the assets along Ireland's western seaboard from Kerry to Donegal and connect the economic hubs, clusters and catchments of the region to attract investment, create jobs and contribute to the Government's regional development objectives.

3.5 Project Ireland 2040

Project Ireland 2040, launched in February 2018, is the overarching policy and planning framework for the social, economic and cultural development of Ireland and comprises both the National Planning Framework (NPF) which is a spatial planning and development strategy and the National Development Plan (NDP), a public capital investment plan to 2027. Under Project Ireland 2040, in 2019, public capital investment increased by 24%, up to 3.5% of national income. In 2020 public capital investment will increase by a further 10%, up to 4% of national income compared to the EU average of 2.9%. Under Project Ireland 2040, investment delivered through the National Development Plan, is for the first time robustly aligned with the spatial strategy for Ireland set out in the National Planning Framework. The Project Ireland 2040 Delivery Board monitors and oversees the delivery of the strategy to ensure a co-ordinated and collaborative whole of Government approach to delivery. It will ensure a joined-up approach to ongoing work to continue to strengthen the alignment of investment with the spatial strategy.

The EU Country Report suggests additional investment demand is required in transport, utilities, social infrastructure, digital infrastructure and climate change actions. These are central elements to Project Ireland 2040, progress on which however must be balanced with supply side constraints and associated economic risks. With the aim of delivering efficient investment, a revised Public Spending Code – A Guide to Evaluating, Planning and Managing Public Investment –came into effect on January 1st, 2020. Building on guidance which has been in place since 1994, the Code is designed to assist Ministers and Public Servants in prioritising the best investment options in order to deliver critical public policy objectives. The Code supports provides for improved value for money through detailed evaluation of options and careful management of delivery.

3.6 Childcare

The National Childcare Scheme was launched in November 2019. It has been designed to deliver quality, accessible, affordable early learning and care and school-age childcare to families throughout Ireland. It is projected that 70-80,000 children will be registered with the scheme each year in its initial phases. The aims of the scheme are designed to assist the higher-level objectives of:

- ensuring that access to affordable early learning and care and school-age childcare is not a barrier to labour market participation, including female labour market participation;
- promoting positive child outcomes;
- narrowing the gap in attainment between more and less advantaged children by enabling *all* children to access high quality, affordable early learning and care and school-age childcare;
- driving quality across the sector and, crucially,
- through the above objectives, contributing to poverty reduction in Ireland.

The Scheme removes many of the restrictive eligibility requirements of the existing targeted funding support schemes, greatly increasing the number of families who can access financial support. In line with the principle of progressive universalism, the Scheme provides both universal and income-related subsidies. Under the scheme, the highest levels of subsidy will go to families with the lowest incomes, with the level of subsidy tapering down as income rises towards the maximum net income threshold of €60,000 per annum.

Parents who are working, studying or who meet certain other conditions will qualify for an enhanced-hours subsidy, up to a maximum of 40 hours per week (rising to 45 hours from September 2020) against 15 hours (rising to 20 hours from September 2020) where one parent is not in work or study. This is important to achieve an important objective of the scheme which is labour activation and in particular female labour activation.

The National Childcare Scheme has been designed to be flexible, with income thresholds, maximum hours and subsidy rates which can be adjusted in line with Government decisions and as more investment becomes available.

3.7 Housing and Homelessness

Rebuilding Ireland

Rebuilding Ireland – The Action Plan for Housing and Homelessness aims to achieve significant increases in all types of housing supply. The 6-year Plan, launched in April 2017, looks to meet the social housing needs of over 138,000 households through increasing social housing stock and assisting households through a blend of increasing social housing stock and continuing to assisting households in the rented sector through the Housing Assistance Payment (HAP) and the Rental Accommodation Scheme (RAS). Overall, annual delivery targets were exceeded in 2016, 2017 and 2018 and final data is expected to show delivery targets for 2019 were exceeded. Over 90,000 housing supports were delivered from 2016 to end-Q3 2019, with full year data expected to show this increase to some 100,000.

€2.63 billion is being provided for 2020 to enable more than 27,500 social housing supports and to increase local authority (LA) and approved housing body (AHB) housing by over 11,000 units. Acquisitions and leasing continue to play an important part in delivery and, together with building, are expected to have brought overall addition to the social housing stock in 2019 to 10,000 homes, alongside assisting over 17,000 new tenancies in the private rental sector through HAP. In 2019, there were 21,241 new dwelling completions in Ireland - up 18% on 2018 and almost three times higher than 2015. Planning Permissions for 40,252 new homes were granted, up 38% year on year. Data on commencements shows notices for 26,237 new homes were submitted in 2019, an annual increase of 17%. Data on registrations for Homebond, an insurance scheme that relates primarily to multiple unit schemes, totalled 10,784 in 2019, an annual increase of 5%.

Homelessness

One of the five pillars of Rebuilding Ireland is to reduce homelessness. Rebuilding Ireland includes a range of actions to prevent homelessness; to assist households experiencing homelessness in emergency accommodation; and to assist households in emergency accommodation to exit emergency accommodation to a tenancy.

Rebuilding Ireland recognizes the role of the various Government Departments and Agencies involved in the delivery of homeless services, with actions assigned to the relevant organisations. In 2017, the Homelessness Inter-Agency Group was established to ensure the coordinated implementation of objectives by the various Departments and Agencies involved in providing homeless services.

A National Homelessness Consultative Forum was also established in 2019, comprising representatives of the homeless NGOs and the membership of the Inter-Agency Group. Its first meeting took place in April 2019. This Forum will meet every six months and will provide an important forum for engagement between the Government Departments and State Agencies involved in the delivery of homeless services and the NGOs operating in this area.

Under Rebuilding Ireland, increased funding has been provided to local authorities to deliver homeless services. In 2019, a budget of €146m was made available to local authorities to meet the operational cost of delivering homeless services. This budget increased to €166m in 2020. The Department of Housing, Planning and Local Government has also made significant capital funding available to local authorities for the development of homeless accommodation. Significant new accommodation has been provided for single adults, which has reduced rough sleeping. Family hub facilities have also been developed to provide appropriate emergency accommodation for families experiencing homelessness.

All households experiencing homelessness are assisted by local authorities and their NGO service delivery partners to move from homelessness to an independent tenancy, utilising the various social housing supports available. The Homeless HAP scheme, which assists households in identifying and securing a HAP-supported tenancy in the private rented sector, is managing increased numbers of exits from homelessness to tenancies, following its' national roll-out in 2018. The Homeless HAP Place Finder Service can assist households in emergency accommodation primarily by providing access to deposits and advance rental payments.

Housing First enables people who may have been homeless and who have high levels of complex needs to obtain permanent secure accommodation with the provision of intensive services to help them maintain their tenancies. The National Implementation Plan for Housing First, published in September 2018, includes targets for each local authority, with an overall national target of 663 tenancies to be delivered by 2021. The implementation of the Plan is a joint initiative of the Department of Housing, Planning and Local Government, the Department of Health, the HSE and the local authorities. To the end of 2019, 412 individuals have been housed under the Programme, including 190 individuals housed since the publication of the National Implementation Plan.

Quarterly performance reports submitted by the local authorities to the Department show that increasing numbers of individuals are exiting homelessness to a tenancy each year. In 2019, 5,871 adults exited homelessness, an increase of 16% on 2019. However, there are still significant numbers of people in emergency accommodation. At the end of 2019, there were 9,731 individuals including 3,422 dependants experiencing homelessness and being accommodated in emergency accommodation. Supporting these households to exit from homelessness to a home is a key priority for the Government in 2020.

Private Rented Sector Reforms

The Residential Tenancies (Amendment) Act 2019 was enacted on 24 May 2019 to provide important actions and reforms designed to enhance the enforcement powers of the RTB, provide greater security of tenure for tenants and underpin further the operation of the Rent Pressure Zone (RPZ) arrangements, along with some further targeted priority objectives. The reforms provide new protections for tenants:

- making it a criminal offence to implement rent increases that contravene the law;
- providing powers to the RTB to investigate and sanction landlords who engage in improper conduct including non-compliance with the rent increase restriction in RPZs and the enhanced tenancy termination provisions that apply across all areas of the country;
- allowing the RTB to initiate an investigation without need for a complaint to be made; and
- changes to the criteria for an area to be designated an RPZ.

Since the 2019 Act came into force, an additional 25 LEAs (Local Electoral Areas) have been designated RPZs, resulting in a total of 48 RPZs to date covering approximately 69% of private tenancies where rent increases are limited to a maximum of 4% per annum.

Rental Standards

The Strategy for the Rental Sector, published in December 2016, set out a series of proposals to be introduced to ensure the quality of private rental accommodation by strengthening the applicable standards and improving the inspection and enforcement systems. The Strategy acknowledged the overall low rates of inspection of the private rental stock and low rates of compliance, as well as the need for greater consistency in approach to implementation of the regulations across local authorities.

Under the strategy increased provision was made for €2.5 million of Exchequer funding to be made available to local authorities in 2018 for this purpose, increasing to €4.5 million in 2019 and €6 million in 2020, with the intention of ultimately achieving a targeted inspection rate of 25% of rental properties annually by 2021. Since 2017 the number of inspections has more than doubled from 19,645 to 41,018 in 2019 with a similar increase in the number of properties becoming compliant from 3,329 to 7,145.

Cost Rental

The Government is developing a national policy approach to Cost Rental, in tandem with work on two 'pathfinder' pilot projects in Dublin. In addition, the Department signed an agreement with the European Investment Bank (EIB) for the provision of Cost Rental advisory services and is cooperating with the Land Development Agency's work examining the potential to deliver Cost Rental homes at scale on its land portfolio and the broader State land bank.

Vacant Site Levy

The Vacant Site Levy was introduced as a tool to discourage the hoarding of zoned development land, initially at a rate of 3% of the total market value of sites placed on the Register in each local authority area. This was increased to 7% in 2019. As of March 2020, there were 345 sites listed on LA registers, with 99 of these in Dublin. The sites on the registers have the potential to generate circa 20,000 housing units (at densities of 35-50 units per hectare) with over 8,500 of these in the Dublin area.

Land Development Agency (LDA)

The Land Development Agency (LDA) was established on an interim basis in 2018, to secure the development of surplus public and state land, with a mandate to provide up to 30% affordable housing from its's current and future land portfolio, in addition to at least 10% social housing. The LDA is currently working with a portfolio of ten sites with potential for more than 2,000 new homes, and is subject to published legislative proposals that will establish the Agency on a permanent basis.

It should be noted that the impact of COVID-19 is not addressed in the following section, nor its implications for current policy initiatives. This is in line with the <u>no change policy approach</u> of the National Reform Programme.

3.8 Public Finances including CSR 1

> ***CSR 1: Achieve the medium-term budgetary objective in 2020. Use windfall gains to accelerate the reduction of the general government debt ratio. Limit the scope and the number of tax expenditures, and broaden the tax base. Continue to address features of the tax system that may facilitate aggressive tax planning and focus in particular on outbound payments. Address the expected increase in age-related expenditure by increasing the cost effectiveness of the healthcare system by making the healthcare system more cost-effective and by fully implementing pension reform plans.***

i. Achieve the medium-term budgetary objective in 2020

Given the evolving situation, this information is not available at this time

ii. Use windfall gains to accelerate the reduction of the general government debt ratio.

€0.7 billion was transferred to the Exchequer in 2019 as a result of financial crisis resolutions. A further €3.7 billion is expected over 2020 and 2022 as the National Asset Management Agency is wound-down. The stated position of Government is that these proceeds, along with others arising from the resolution of the financial crisis will be directed towards lowering our elevated stock of debt.

iii. Limit the scope and number of tax expenditures, and broaden the tax base.

Budget 2020 did not change the entry threshold for USC and there were no general increases to income tax credits, so the existing breadth of the income tax and USC bases was maintained. The only changes to income tax were an increase to two targeted income tax credits, the Home Carer Credit and the Earned Income Credit.

The total first year cost of the Budget 2020 income tax reductions will be €27 million and the full year cost will be €43 million. These are relatively limited costs in the context of a projected income tax yield for 2020 of almost €24 billion, and less than the cost of indexing the income tax system in line with inflation, which would have been in the region of €583 million. The non-indexation of income tax credits and rate bands in general was a base-broadening aspect of Budget 2020.

The reduced rate of USC for medical card holders was also extended for a further year, costing €59m in 2020 and €68m per annum thereafter. This is revenue neutral as it is already included in the tax base. Medical card holders whose aggregate income does not exceed €60,000 will continue to pay a maximum USC rate of 2% until 1 January 2021.

The Department's Tax Expenditure Report, published annually alongside the Budget documentation identifies a complete list of all tax expenditures measures in the Irish tax system. There is ongoing evaluation of tax expenditures by the Department, as well as a policy that all new tax expenditures are subject to sunset clauses.

iv. *Continue to address features of the tax system that may facilitate aggressive tax planning and focus in particular on outbound payments*

Ireland continues to take action to implement international tax reform agreements. Finance Act 2019 included the implementation of provisions in the Anti-Tax Avoidance Directive on Anti-hybrid Rules, the transposition of DAC6 (the EU Directive on cross-border tax arrangements). Directive and a revamping of Ireland's transfer pricing rules.

Ireland is also constructively engaged in the ongoing work at the OECD on the tax challenges of the digitalisation of the economy. This is consistent with Ireland's longstanding position that global tax issues, that such aggressive tax planning are best positioned at OECD level.

ATAD implementation

Ireland continues to make progress on the implementation of the Anti-Tax Avoidance Directives (ATADs) in line with the transposition schedule. Following the introduction of Controlled Foreign Company rules and a new Exit Tax in Finance Act 2018, anti-hybrid rules were introduced in Finance Act 2019. The purpose of anti-hybrid rules is to prevent arrangements between associated enterprises that exploit differences in the tax treatment of a financial instrument or an entity under the tax laws of two or more jurisdictions to generate a tax advantage, referred to as a mismatch outcome. Work is ongoing in 2020 towards the transposition of the ATAD interest limitation ratio.

v. Increase the cost effectiveness of the healthcare system

The Government has taken significant decisions to make the healthcare system more cost effective, including the commitment to the Sláintecare Implementation Strategy (Aug 2018), Ireland's vision for healthcare reform over a 10-year period and the commitment to the new Regional Health Areas (July 2019) which will introduce population-based planning with one regional budget for each population.

On the legislation side, the Government enacted the Health Services Executive Act 2019, which legislated for the new HSE Board, this shall result in improved governance within the health system and also compels the HSE CEO to be answerable to said board. The appointment of Mr Paul Reid, in May 2019, as CEO of the Health Service Executive is an important driver of change and improvement for the health service. The establishment of a new HSE Board governance structure was formally established on the 28 June 2019, with strong competencies across key areas, will further contribute to strengthening the oversight and performance of the HSE pending its further reorganisation.

The Health Service Executive is undertaking the rollout of a Single Integrated Financial and Procurement Management System (IFMS) which will greatly enhance the HSE's national oversight of procurement compliance across the system. As part of that project there is a specific sub-group set up regarding the purchase to pay, incorporating procurement. The sub-group will comprise of stakeholders and subject matter experts.

By mid-April 2024 it is anticipated that the IFMS will cover 90% of the public health system, with roll-out prioritised by areas of significant expenditure. In the interim to improve procurement compliance, the HSE has established a Procurement Compliance Unit and is actively working with budget holders to determine their compliance profile. In addition, a corporate procurement planning tool has been developed to match expenditure on the financial systems with known HSE and OGP contracts. This informs the procurement plan with a view to addressing non-compliance over time.

The new CEO and Board of the HSE have placed a strong focus on financial performance. This focus on maintaining activity levels at funded levels is evident across the service, particularly in areas where demand is exceeding funded levels of service. One of the main drivers of growth in spend is acute hospitals however efficiency improvements have meant that more has been achieved with day case discharges increasing by 32% and emergency discharges increasing by 27%, offset by elective discharges falling by 12% and this is not reflected in the report.

During the last year, we have seen a significant shift towards the development of a more integrated health service, centred on a comprehensive community-based care model. This approach is fully aligned with Sláintecare which, at its core, recognises the importance of shifting care to the community to provide care closer to home and allow people to continue living in their communities for as long as possible, and shall also help mitigate the expected increase in age related expenditure.

vi. Address the expected increase in age-related expenditure by fully implement pension reform plans

A new Automatic Enrolment Savings System

The Roadmap for Pensions Reform 2018-2023 contains proposals for the introduction of an 'Automatic Enrolment' (AE) retirement savings system by 2022, During 2019 the Government continued to develop the design of a new Automatic Enrolment (AE) retirement savings system, the implementation of which is being led by the Department of Employment Affairs and Social Protection. The policy objective of AE is to improve the adequacy and sustainability of the pension system by supplementing the first pillar (State Pension) and encouraging long term saving amongst those who may otherwise suffer an unwanted and significant reduction in living standards at retirement. In considering the design of the AE system, the Government took into account the findings from an extensive national consultation on a proposed approach to implementing AE and research conducted by the Economic and Social Research Institute (ESRI) to assess the macroeconomic and microeconomic impact of introducing the new retirement savings system.

In October 2019, the Government approved significant elements of the design of the AE system. These were decisions made on high priority areas such as on the target membership, the contribution rates, the policies for opting-out and re-enrolment, the administrative arrangements and organisational approach, and the investment options. There are five main areas where work is continuing so as to produce design options for Government to consider. These areas are related to the design of:

- the State financial incentive;
- the scope and role of the Central Processing Authority;
- the nature and functions of the Registered Providers;
- the investment framework and funds to be offered by Registered Providers, including the design of the default fund, the financial incentive design, and also the pay-out phase; and
- the phasing of implementation.

In progressing this work, Ireland is being assisted by the European Commission's DG Reform. To date, the technical assistance has focused on scoping out and building an evidence base for the optimal design of a 'Central Processing Authority', which will be tasked with the operational management of the AE system. The project team will also examine wider AE design issues, such as the framework for the participation of Registered Providers in the AE system and the development of appropriate investment, supervisory and regulatory structures.

Total Contributions Approach and IORP II measures

The wide-ranging "A Roadmap for Pensions Reform" was published in February 2018. Its priorities include:

- Reform of the State Pension - The Total Contributions Approach (TCA) will be a fairer and more transparent system where the person's lifetime contribution will be more closely reflected in the benefit received. This approach will eliminate the anomalies inherent in the current Yearly Average system.

- Consultation is a very important part of the development and design of the new pension. In response to this, a public consultation was launched on the design of the TCA on the 28th of May 2018 to which a wide variety of stakeholder groups were invited. Various workshops were also held on the day to elicit views and feedback. Shortly afterwards all Oireachtas members were invited to a detailed briefing by Department officials in Leinster House. The consultation was open for over three months and the Department received almost 300 responses from individuals and organisations. Having carefully examined the outputs of the consultation, officials in the Department of Employment Affairs and Social Protection are designing the scheme. It is anticipated that there will be significant recognition for homecaring periods in the new model.

- The intention is to bring a proposal to Government setting out that design in the near future. When the Government has agreed the approach to be taken, work required to introduce this reform will be initiated including drafting necessary legislation and the development of required administration and ICT systems.

- Improving Governance and Regulation: The IORP II Directive is a recast Directive which sets out additional requirements/obligations on Member States. While many of the provisions of the Directive are already transposed into Irish law the drafting of Regulations is necessary to fully transpose the Directive into Irish law. Work to transpose the Directive is ongoing and at an advanced stage.

3.9 Upskilling, access to childcare including CSR 2

> ***CSR 2: Provide personal active integration support and facilitate upskilling, in particular for vulnerable groups and people living in households with low work intensity.***
>
> ***Increase access to affordable and quality childcare.***

i. *Provide personal active integration support and facilitate upskilling, in particular for vulnerable groups and people living in households with low work intensity.*

The Government's focus on upskilling the working age population is reflected in Budget 2020 and is strengthened by an expanded and reformed National Training Fund

The Department of Education and Skills has established an upskilling pathways multi–agency steering group to identify priority cohorts and appropriate actions to implement the Upskilling Pathways Recommendation. The Steering group continues to monitor the development and delivery of provision across programmes such as adult literacy, community education and *Skills to Advance*, and the integration with assessment, guidance and certification to ensure the greatest impact in raising skills and qualification levels of those who have less than an upper secondary qualification.

The 2019 target for *Skills to Advance,* which has a particular focus on employees who have lower skills levels, was to have 5,000 employees, whose skills level is below Level 5 on the National Framework of Qualifications (NFQ), engaged in state supported skills development. By September 2019, 3,095 workers had been engaged in *Skills to Advance* courses, which was on course to meet the 5,000 target.

Skillnet Ireland is a demand side programme enabling enterprise led training through 65 learning networks across a range of sectors and regions. It operates under a joint investment model where State grants are combined with investments by participating businesses. Skillnet Ireland is funded from Irelands National Training Fund, through the Department of Education and Skills. In 2020 Skillnet Ireland will receive €37m, an increase of roughly €7m over 2019 provision.

The Department of Education and Skills is developing a range of new apprenticeships to meet identified skill needs in different sectors of our economy. These apprenticeships offer employers the opportunity to not only train new staff, but also upskill existing staff to work in new roles. There has been strong growth in apprentice registrations during the period of the existing Action Plan to Expand Apprenticeship and Traineeship in Ireland 2016-2020. In 2019 there was a total of 6,177 registrations, an increase of over 61% since 2016.

As part of the 2020 Further Education and Training (FET) service planning process, funding applications to SOLAS by the 16 Education and Training Boards (ETBs) are required to provide details on existing and new initiatives overcome barriers to FET. SOLAS, working together with ETBs and Education and Training Boards Ireland (ETBI), has set about meeting the range of challenges and barriers faced by those seeking to upskill and re-skill, with a particular focus on those relatively more disadvantaged.

Government has committed to a range of deliverables in Future Jobs Ireland and targets include the following:

- Double Lifelong Learning rates from 8.9% to 18% by 2025 (currently 13%)

- Increase the percentage of the population with at least basic digital skills from 48% to the EU average by 2025 (currently 58%).

- As highlighted by the National Skills Council in its Spring Statement 2019, lifelong learning along with the Future World of Work is a major priority for the education and training system, particularly in the area of responding to future technological and social change. The work plan for the Council for 2020 includes strategic discussions focussing on Climate Actions and the Workplace of the Future.

- The ongoing implementation of the recommendations from the Independent Review of Career Guidance Tools and Information 2019, will ensure that there is a clear communication of what the system can offer in terms of initial education and training and lifelong learning. This includes the provision of quality and timely careers information and guidance for all stakeholders.

- Responding to the skill requirements of the next generation of employees is crucial. This may be seen in the emphasis Springboard+ places on digital skills, transversal skills, management and leadership skills, and skills for the workplace of the future, EXPLORE and Skills to Advance also provide opportunities for upskilling and reskilling people in employment as does Skillnet Ireland.

People who are furthest from the labour market and returns are assisted through programmes such as Youthreach and VTOS, Springboard+ provide training opportunities for returners who wish to participate in the labour market. Women are being actively assisted in the taking up of new apprenticeships in the economy.

Pathways to Work

Pathways to Work (2016-2020) sets out a comprehensive reform of the State's approach to helping unemployed jobseekers and other inactive groups to return to work. Public Employment Services are provided both directly by the State and through contracted services to help match supply and demand of the labour market through information, placement and active support services at local, national and European level.

The strategy includes 86 actions across 11 Departments and agencies and 10 performance metrics against which progress is measured. To date, over 93% of actions are complete or on course for completion.

In order to drive action on household joblessness, and allow for evaluation of performance, the Government set two ambitious targets to be achieved by end of 2020:

- Reducing the proportion of households that are jobless to 13% or less (from 18% in 2015)
- Reducing the share of the 18-59 population resident in such households to less than 8% (from 12% in 2015)

The latest available CSO figures (Q2 2019) show that progress has been made against each of these targets:

- The proportion of persons aged 0-59 living in jobless households fell from 11.7% in 2016 to 10.5% in 2017 and to 9.6% by the second quarter of 2019.
- The share of the 18-59 population residents in Jobless Households has fallen to 8.8 % (Q2 2019) from a figure of 12% in 2015.

Labour Market Advisory Council

A Labour Market Advisory Council has been established to provide advice to the Government on the efficient operation of the labour market with a particular view to increasing participation rates, minimising unemployment levels and reducing average unemployment durations.
The Council which comprises a range of experts from academia, the community and voluntary sector, industry, and trade union organisations will hold its inaugural meeting in 2020.

Digital Skills

In 2019, 53% of the adult population had an overall basic or above basic level of digital skills, still below the EU average (58%). While the share of information and communication technology specialists in the overall workforce (4.3%) is slightly above the EU average (3.9%), more than half of the firms who tried to recruit such specialists experienced difficulties (European Commission, 2019h). In response, the Government is implementing Third ICT Skills Action Plan ("*Technology Skills 2022"*) with the aim of increasing by 65% its number of information and communication technology graduates by 2022 (DES, 2019a). This is expected to contribute to meeting 70% of the annual demand of people with high-level digital skills forecasted in the period. At the same time, Future Jobs Ireland aims to close the gap with the EU in terms of digital skills with a dedicated target by 2025.

In order to ensure the continuing adaptability of the workforce both present and future, in light of the evolving needs of enterprise and the potential impact of digitisation, the Department of Education and Skills has established a range of priority skills initiatives, including: the EXPLORE Programme which aims to improve digital skills of older workers in manufacturing and other low skilled occupations, Skills to Advance, Springboard+, Technology Skills 2022 and the Human Capital Initiative (HCI), where the primary objective is to underpin the provision of additional capacity across the Higher Education Sector to meet priority skill needs for enterprise. In the school sector, the Department of Education and Skills will continue to promote the development of digital literacy skills and the effective use of digital technologies in teaching and learning through the continued implementation of the Digital Strategy for Schools 2015-2020 and future policy development in the area of digital learning.

Further Education and Training provision for the Digital and Climate transition

In February 2020, as part of its 2020 Workplan, the National Skills Council had a strategic discussion on the issue of skills requirements arising from the Government's Climate Action Plan and other matters associated with the implications and opportunities presented by the move to a low carbon and green economy.

In 2019, the Regional Skills Fora (RSF) engaged with over 1,400 enterprises within all regions. This shows an increase in overall activity of 42.4% from the 2018 figure of 1,052. Overall the RSF engages with all enterprises with focus in the main on Small and Medium enterprises. In 2019, 55% of all activity was with SME's; this shows a slight decrease in the figure for 2018, which was at 69%. In 2019, the main sector for engagement was in Manufacturing at 38% followed by Information & Communication at 18%.

The skills initiatives such as EXPLORE, Skills to Advance, HCI, Springboard+, and Skillnet Ireland demonstrate the responsiveness and agility of the current education and training system, responding to skill needs. They also seek to engage with employers in the impacted sectors: for example, the majority of courses offered by Springboard+ offer opportunities for work placement and industry site visits, and all HCI proposals will require a demonstrated meaningful engagement with industry.

In its reports of recent years, the Expert Group on Future Skills Needs has sought to facilitate the Irish economy's forward planning for expected trends, through a range of studies on digital transformation, high level ICT skills, the skills implications arising from Brexit, and design. The EGFSN is also currently engaged is studies on future trends and skills needs within the Construction industry and SME management skills and will shortly be examining the skills needs associated with nascent technologies within international financial services as well as the skills required to deliver on core elements of the Climate Action Plan.

Tackling educational disadvantage at primary and post-primary level

DEIS is the Government's main policy initiative aimed at tackling educational disadvantage. DEIS Plan sets out 5 Goals with associated targets and 108 actions to ensure education becomes a proven pathway to create better opportunities for children and young people at greatest risk of not reaching their full potential by virtue of their socio-economic circumstances. Approximately 90% of the 108 actions in DEIS Plan are either complete or underway.

The underlying principle for inclusion in the DEIS Programme is evidenced by the need to make provision to schools catering for very concentrated levels of disadvantaged pupils. The approach is grounded in international evidence and it is considered that it is the combination of the various interventions under DEIS that have enabled it to succeed.

In the 2019/20 school year there are 890 schools in the DEIS Programme serving in excess of 185,000 pupils, representing approximately 20% of the overall school population. The Department of Education and Skills will invest some €125m in 2020 in DEIS. This investment includes the provision of 418 Home School Community Liaison Coordinators, additional teaching posts for DEIS Band 1 primary schools, DEIS grants to all schools participating in the programme, enhanced book grants, enhanced Guidance Counsellor provision, enhanced access to CPD and services provided by the National Educational Psychological Service (NEPS). DEIS schools also have access to the School Meals Programme. There is also a focus throughout DEIS Plan on facilitating the transition of students across the education continuum and many DEIS schools have developed strong transfer programmes and targeted engagement with those groups with a traditional low level of engagement with education.

These supports are provided to help improve attendance, retention, participation and ultimately educational outcomes in DEIS schools with the overall objective of closing the gap between DEIS and non-DEIS schools.

Schools participating in DEIS have seen retention to Leaving Certificate improve since the introduction of DEIS from 80.1% for the 2006 entry cohort to 84.7% for the 2012 entry cohort (completing Leaving Certificate in 2017/2018). The gap in retention rates between DEIS and non-DEIS schools has narrowed from a gap of 16.8% for the 2001 entry cohort to approx. 8.5% for the 2012 cohort.

Evidence from evaluations to date demonstrates that the DEIS programme is having a positive effect on tackling educational disadvantage. Nevertheless, findings also indicate that while the gap between DEIS and non-DEIS schools is narrowing, a gap still exists. Hence work is ongoing to try to narrow that gap with the development of a refined identification model and a more effective resource allocation model to match resources to identified need.

Actions at primary and post-primary level to facilitate educational outcomes for Travellers and Roma

A major objective of Traveller education policy in recent years has been the phasing out of segregated Traveller provision and the inclusion of Traveller children and young people in mainstream education. Funding for segregated Traveller provision has been incorporated into overall school and other funding streams in order to provide assistance for Traveller pupils in mainstream schools.

In addition, various education related actions are underway as part of the National Traveller Roma Inclusion Strategy (NTRIS) to increase efforts to close existing educational gaps for Travellers and Roma. These include:

- a cross-Departmental funded pilot project (DES, DCYA and DJE) to improve attendance, participation and school retention for Traveller and Roma in 4 pilot areas
- the implementation of actions arising from an audit of the curriculum by the National Council for Curriculum and Assessment in respect of Traveller Culture and History, and,
- research on the effectiveness of anti-bullying strategies on Traveller and Roma in schools.

National Plan for Equity of Access to Higher Education

The progress review of the ***National Plan for Equity of Access to Higher Education 2015-2019*** was published in December 2018. It acknowledged a number of significant positive developments and characterises the first phase of implementation of the NAP as a period of achievement and investment. There have been significant increases in participation rates since work began on implementing the current National Access Plan in December 2015. Participation in higher education across the State has increased from 51.5% to 55.3%.

In response to the lower than anticipated progress for Travellers, an ***Action Plan to Promote Traveller Participation in Higher Education*** was developed and published in late 2019. The plan was developed in consultation with Traveller representative groups, and aims to assist and advance Traveller participation in higher education. It will work within the context of approaches to retention and transitions of Travellers across the education spectrum.

The Progress Review recommended that the term of the National Access Plan be extended by 2 years to 2021, this is necessary to allow for the implementation of the Access Data Plan and to ensure that the targets for the new National Access Plan are based on the new data.

Education for Sustainable Development

The Department of Education and Skills National Strategy on Education for Sustainable Development 2014 – 2020 aims to ensure that education contributes to sustainable development by equipping learners with the relevant knowledge (the "what"), the principal dispositions and skills (the "how") and the values (the "why") that will motivate and empower them throughout their lives to become informed active citizens who take action for a more sustainable future. It covers three central policy areas: environmental, socio-economic (including Gender Equity) and political. This strategy is central to delivery of SDG 4.7 and seen as an enabler for implementation of all the SDGs. High priority actions in the Strategy include:

- Integration of SDG principles into the curriculum and assessment at all levels, where relevant
- Integration of SDG principles into all Initial Teacher Education and teacher CPD programmes
- Integration of SDG principles into the school building programme
- Collaboration with stakeholders regarding the delivery of ESD and related programmes including Development Education (DE) and Global Citizenship Education

Social Inclusion and Community Activation Programme

This is a five year €190m programme, 2018-22, its aim is to reduce poverty, strengthen communities and promote social inclusion. In 2019, €38m was allocated to the Social Inclusion and Community Activation Programme (SICAP) and assisted:

- 30,280 individuals, improving the quality of their lives and developing their personal capacities through the provision of lifelong learning and labour market supports. The majority of individuals were unemployed, while others were employed but belonged to low income workers/households.
- 2,636 community groups. The highest proportion of community groups targeted people living in disadvantaged communities.
- 370 social enterprises were assisted. The enterprises were at varying stages of their lifecycle with the majority trading for 5 years or more, others in the pre-start-up phase, and others trading for less than one year.
- Children and families. There was an increase in the total number of activities provided for children and families in 2019. A total of 34,854 children and parents/guardians participated in activities designed to provide families with education and personal development supports and identify children at risk of early school leaving.

All beneficiaries of the programme must belong to one of the 13 SICAP target groups

Community Services Programme

The Community Services Programme (CSP) assists over 400 community organisations to provide local services through a social enterprise model, through funding contributions to staff. More than €47 million is available to benefit community organisations under the programme in 2020.

The programme focuses on communities where public and private sector services are lacking, either through geographical or social isolation or because of demand deficits. It assists a range of community business and social enterprises to deliver a diverse range of local services and organisations strive to create employment opportunities and sustainable jobs for specific disadvantaged target groups such as, members of the Travelling community, people with disabilities, stabilised and recovering drug misusers and people with convictions who are in contact with the probation service, and other groups as determined by the Programme. Between part-time and full-time positions there are approximately 3,000 people employed through CSP funding.

Child Poverty

The National Policy Framework for Children and Young People (*Better Outcomes, Brighter Futures 2014 - 2020*) includes a target to reduce by two-thirds the number of children in consistent poverty in 2011 by 2020. Meeting this target means Ireland will have to be more than twice as effective as our best ever performance to date, which was in 2008 when there were 68,000 children in consistent poverty.

Under the *Better Outcomes, Brighter Futures Framework*, a whole-of-Government approach to tackling child poverty has been adopted, building on the lifecycle approach in the National Action Plan for Social Inclusion and informed by the European Commission Recommendation on 'Investing in Children: Breaking the Cycle of Disadvantage'.

The Department of Children and Youth Affairs is leading on a cross Government approach to tackling child poverty. Working with the National Advisory Council and the NGO sector, continued efforts have been made to reduce the child poverty rate. The child poverty rate has been reduced from a high of 12.0 % in 2014 to 7.7% in 2018 (latest SILC CSO figures). Efforts are continuing in this regard through targeted responses and research. Initial planning for the successor to Better Outcomes, Brighter Futures has commenced.

Budget 2020 includes the following provisions to alleviate child poverty:

•**Free School Books:** €1 million for a pilot scheme for free books for primary school children in 50 schools

•**Hot School Meals:** €4 million to ensure that over 35,000 children in primary school will get hot school meals in 2020, as well as children in 45 non-profit early learning settings.

•**Medical cards:** Expansion of free GP care to children under eight and free dental care for children under six.

•**Targeted payments:** Working lone parents can earn an extra €15/week and keep their payment, while families on Working Family Payment can earn extra €10/week. Children on welfare payments will get an extra €2/week for under 12s, €3 for over 12s.

•**Early Learning and Care and School-Age Childcare:** Additional €54 million to roll-out the National Childcare Scheme and to provide additional hours of subsidised income-based early learning and care and school-age childcare to ensure that lone parents can keep existing subsidies under older schemes or transfer onto the NCS, whichever is more favourable for them.

The Department of Employment Affairs and Social Protection recently launched the Roadmap for Social Inclusion 2020-2025. The new Roadmap includes the national and European targets around child poverty and the new European 'At Risk of Poverty and Social Exclusion'. A new child poverty target will need to be developed in line with the successor to Better Outcomes, Brighter Futures and the Roadmap will be reviewed in 2022.

ii. Increase access to affordable and quality childcare

State investment in early learning and care and school-age has increased by 141% in the last five years. This funding has been used to remove barriers to access so that children can enrol and meaningfully participate in high-quality, more affordable early learning and care and school-age childcare. As a result of this funding, there has been a doubling in the number of children in receipt of State subsidies who are now enrolling in these services.

First 5, a whole-of-Government strategy for babies, young children and their families (2019-2028), published in November 2018 commits to major initiatives on family leave, children's health services, parenting supports, child-friendly communities and early learning and care and school-age childcare services among a broad range of actions. The First 5 Implementation Plan, published in May 2019, describes the steps that will be taken in the initial implementation phase – from 2019 to 2021 and a First 5 Implementation Office has been established to monitor and report on implementation. Some important First 5 actions regarding early learning and care and school-age childcare progressed in the past year include:

- National Childcare Scheme: First 5 commits to introduce the National Childcare Scheme to subsidise the costs of high-quality early learning and care and school-age childcare to families and, as resources allow, progressively increase the number of families eligible for targeted subsidies. This Scheme was introduced in November 2019 replacing all the existing targeted funding schemes.
- New Funding Model: First 5 commits to doubling investment in early learning and care and school-age childcare from current levels in order to make further progress towards average OECD levels of investment. An important vehicle to ensure that such

significant additional investment delivers for children, families and the State, will be a new funding model to design mechanisms to deliver additional funding to early learning and care and school-age childcare providers to ensure greater levels of affordability, accessibility, quality and inclusion in their services. An independent Expert Group has been convened to progress this work.

- Workforce Development Plan: First 5 commits to introduce a range of provisions so that by 2028 : all regulated childminders and school-age childcare staff will hold a minimum qualification (level to be agreed in 2020); and a graduate-led early learning and care workforce, with at least 50% of staff working directly with children in centre-based settings and coordinators assisting the work of childminders, holding an appropriate degree-level qualification (with an initial target of 30% reached by 2021). First 5 commits to developing a Workforce Development Plan to ensure the achievement of these targets and to raise the profile of careers in early learning and school-age childcare. It commits to establishing a career framework and leadership development opportunities, and will work towards building a more gender-balanced and diverse workforce. A Workforce Development Plan Steering Group has been convened to progress this work.
- Childminding Action Plan: First 5 commits to extending regulation to all paid, non-relative childminders on a phased basis. In line with this commitment, a Draft Childminding Action Plan was published in August 2019, for public consultation. The overall objective of the Draft Action Plan is to improve access to high quality and affordable early learning and care through childminding. School-Age Childcare Regulations: First 5 commits to introducing regulations for school-age childcare. In line with this commitment, regulations on the mandatory registration of school-age services were introduced in 2019.

A range of additional initiatives in recent years have aimed to improve the quality, affordability and accessibility of early learning and care and school-age childcare, including:

- Since September 2018, all children are entitled to two full years of State-funded universal free pre-school and more than 95% of the eligible cohort participate. Data from Growing Up in Ireland reveals that one in three parents experiencing disadvantage would not be able to send their child to pre-school without this assistance.

- Capital investment under the Early Learning and Care and School-Age Childcare Capital Programme has continued its focus on maintaining and extending the supply of publicly subsidised Early Learning and Care and School-Age Childcare. In 2019, 1,321 new places for children under 3 and 2,308 places for school-age childcare were created. In addition, initial preparations were made to develop a strategic capital investment plan to ensure effective allocation of €250 million that has been earmarked for Early Learning and Care and School-Age Childcare in Project 2040.
- Efforts continued to ensure that early learning and care promotes participation, strengthens social inclusion and embraces diversity through the integration of additional benefits and services for children and families with additional needs. In particular, the ongoing implementation and enhancement of the Access and Inclusion Model or AIM (first introduced in 2016) resulted in record numbers of children with a disability, Traveller children and children from the Roma community enrolling in Early Learning and Care and School-Age Childcare services in 2019.
- In addition to regulatory reform, there has also been continued roll-out of training in the curriculum and quality frameworks for early learning and care and additional steps taken to professionalise the workforce.

3.10 Climate, Future Jobs Ireland, Irish SMEs, including CSR 3

> ***CSR 3: Focus investment-related economic policy on low carbon and energy transition, the reduction of greenhouse gas emissions, sustainable transport, water, digital infrastructure and affordable and social housing, taking into account regional disparities. Implement measures, including those in the Future Jobs strategy, to diversify the economy and improve the productivity of Irish Firms – small and medium enterprises in particular – by using more direct funding instruments to stimulate research and innovation and by reducing regulatory barriers to entrepreneurship.***

i. *Focus investment-related economic policy on low carbon and energy transition, the reduction of greenhouse gas emissions, sustainable transport, water, digital infrastructure.*

Project Ireland 2040 prioritizes €21.8 billion for climate action and an additional €8.6 billion for investments in sustainable mobility. It contains important proposals to make Ireland's development more climate friendly and established a Climate Action Fund, which was designed to stimulate innovation and pioneer efforts across Irish society. This provided a solid foundation for Ireland to develop and publish its all of Government Climate Action Plan in 2019, which will deliver a step-change in our emissions performance over the coming decade.

The low-carbon transition will require significant private investment alongside Exchequer expenditure on a sustained basis over a few decades. Through the commercial State sector and other public bodies, we will seek to leverage the significant volumes of private sector capital that is available for well-structured projects, including renewable electricity generation, interconnection, and major transport infrastructure. Furthermore, NewERA will work with the commercial state companies, Ireland Strategic Investment Fund (ISIF), Strategic Banking Corporation of Ireland (SBCI) and other public bodies, to identify priority opportunities in major sectors to mobilise private investment towards assisting in meeting our climate objectives.

Agriculture

The agri-food sector is Ireland's oldest and largest indigenous industry, deeply embedded in the landscape, history and personality of the country. It encompasses everything from primary agriculture, fisheries and forestry, to the processing industry and food & beverage production. Its strengthening global reach (the industry provides quality, safe and nutritious food to consumers in over 180 countries around the world with exports of almost €14billion in 2018) make it a sector unlike any other.

Ireland's agri-food sector has benefited from an approach to strategic planning through the development of ten-year stakeholder-led strategies. The current strategy, "Food Wise 2025", underlines the sector's unique and special position within the Irish economy and illustrates the potential for further development. It has a vision of thriving primary producers and agri-food businesses at the heart of vibrant communities across the country and was built on five cross cutting themes – environmental sustainability, human capital, competitiveness, market development and innovation. The development the next ten-year strategy to 2030 has begun and some themes are emerging, such as: environmental, economic & social sustainability; changing consumer and societal expectations; primary producer viability; and, innovation, technology and the bio economy.

The Department of Agriculture, Food and Marine (DAFM) is a lead Department on five goals: SDGs 2, 12, 14, 15 and 17, which in the main relate to food security; sustainable production; and life under the sea and on the land.

Although DAFM is a lead on these five goals, the SDGs are inextricably linked and intertwined and DAFM makes significant contributions on all the other equally important SDGs. The Department is committed to the alignment of its activities and objectives within the framework of the SDGs. This meaningful interaction and engagement will see the SDGs aligned and integrated with the new agri-food strategy to 2030 and all future reports and strategies.

Reducing greenhouse gas emissions in agriculture

Decarbonising the agriculture sector is challenging but the sector should also be seen as part of the solution to ensure the multiple objectives of agriculture are recognised in a vibrant rural and national bioeconomy. Ireland's long-term policy vision for the agriculture and land use sector is 'an approach to carbon neutrality which does not compromise the capacity for sustainable food production'. The Department of Agriculture, Food and the Marine and its agencies, Teagasc and Bord Bia, are actively involved with the farming sector in assisting actions and initiatives in pursuit of this challenging vision of carbon neutrality. While reducing emissions is a main focus for the agriculture sector, carbon sequestration and displacement of fossil fuels and energy intensive materials are also important pillars in contributing to the decarbonisation of Ireland's economy and society.

This challenge must be met against a backdrop where global population is growing, with a consequential increase in the requirement for food, and furthermore, climate change is impacting productivity and has potential to impact the safety of our food production systems. Irish research by Dwyer (2012) illustrates that Ireland's climate is changing in line with global patterns. It is critical that our approach to carbon neutrality optimises agricultures resilience to climate impacts as well as minimises trade-offs with the protection of biodiversity and water quality.

Sustainable Transport

Investments in critical economic infrastructure, including our transport network, have increased in recent years given Ireland's continuous economic growth and high levels of employment. This positive growth brings challenges to the sector, particularly for emissions production and capacity constraints. These challenges necessitate improved public transport links and increasingly sustainable mobility.

Major sustainable transport projects proposed in Ireland's National Development Plan include MetroLink, BusConnects and the DART Expansion Programme. Investment in these projects will enable more Irish residents and visitors to choose sustainable travel options and greatly enhance our ability to reduce carbon emissions in the sector.

Budget 2020 provides funding of €707 million for capital investment in public transport in 2020, in four main areas: smarter travel and sustainable urban transport; heavy rail safety and development; public transport infrastructure; and walking and cycling. This is an increase of 32% compared to funding provided in 2019. This allocation facilitates continued progress to be made on congestion issues, emissions reduction and emerging capacity constraints across the transport systems.

Between November 2019 and February 2020, the Department of Transport, Tourism and Sport carried out a public consultation to review Ireland's sustainable mobility policy, including both public transport and active travel. This consultation will assist in developing a new policy framework on sustainable mobility.

During 2020, work will continue on our public transport investment priorities including:

- BusConnects programme development, which represents a reimagining of bus transport for Dublin, taking into consideration the consultation undertaken in 2019/2020;
- Continued planning and design work for new urban cycling and walking routes in our main cities. This will pave the way for an increased construction programme which commenced substantially in 2019;
- Continuing Luas network capacity enhancement on the Green line with extensions to the line and new trams entering into service on a rolling basis.
- Maintaining the heavy rail network to protect investment already made in our national railway system by providing 'steady state' level of funding for maintenance and renewal projects;
- Further progressing both the City Centre Re-signalling Project to improve speeds on mainline rail and the new rail Central Traffic Control Centre;
- Continuing the programme of retro-fitting older, existing public transport facilities to improve their accessibility features;
- Traffic management, bus priority and other smarter travel projects in our cities;
- Piloting of emerging low emission technologies and initiatives to encourage the transition of the national taxi fleet towards alternative fuels and technologies;
- MetroLink programme development taking into consideration submissions received during the consultation on a preferred route.

Reduction in Carbon Emissions in Transport

An investment of approximately €7.5 million in carbon reduction actions for transport was provided for in Budget 2020. These actions are focused primarily on promoting emissions savings in the land transport sector through facilitating modal shift from private cars towards public and active transport, making public transport more climate friendly; a transition of the private car fleet to alternative fuels including electric vehicles; and a reduction in emissions from the heavy-duty vehicle and freight sector.

In 2020, investment priorities continue to focus on advancing decarbonisation of the sector, including:

- Continuing to increase the uptake of electric vehicles (EVs) through a range of incentives including accelerating the penetration of electric vehicles into sales of cars and vans to at least 800,000 by 2030. Over 17,700 EVs (including plug-in hybrids) have been registered to date (Feb 2020)
- Work towards 2020 targets under the Climate Action Plan, including:
    - Examining the role of traffic demand management in urban areas;
    - Facilitating public urban bus fleet transition, with the first 100 low-emission public buses to be delivered before end-2020; and
    - Considering banning the sale of from 2030 and the granting of NCTs from 2045 for fossil fuel cars
- Providing financial incentives to ensure more widespread transition to alternative fuels in 2020, including a grant scheme and dedicated infrastructure rollout for the SPSV sector, reduction in toll charges for low-emission fuels and technologies and introducing a vehicle purchase grant scheme for the heavy-duty freight sector
- Examination of ambient air quality and transport-related air pollution in Irish cities, particularly nitrogen oxides (NOx).

Water

The most recent water services investment needs, estimated in 2018, are outlined in Irish Water's Strategic Funding Plan 2019 – 2024 which sets out a medium term multi-annual strategic funding requirement of €11bn to 2024, comprised of a €6.1bn investment in infrastructure. This planned investment consists of €3 billion in water and waste water, €700 million in reducing leakage and protection of the environment and €2.4 billion investment in capacity and resilience and facilitating economic growth.

There are a range of projects underway across Ireland which are the keystone for investment in modern water services infrastructure, as well as underpinning future growth and economic development.

Irish Water has also successfully deployed its Leakage Management System (LMS) to the final 6 of the 31 local authorities in November 2019. The LMS now links to and uses data from Irish Water enterprise systems (suite of programmes that include meter demand management etc.) to produce accurate top down leakage figures at national and local authority levels.

The LMS is an essential tool to help identify, prioritise and focus actions that will reduce water leakage. The data received by the LMS from over 6,500 Distributional Input (DI) and District Meter Area (DMA) meters across 31 local authorities provides signals from each of these meters thus allowing Irish Water to accurately calculate leakage levels. Irish Water is able to use the data to direct operational and capital staff on a prioritised basis to achieve more effective and efficient leakage reduction activities as well as accurately measuring the outputs from those activities. Irish Water indicate that this approach has resulted in an increase in gross leakage savings from targeted activities of 159 Million Litres per Day (MLD) in 2019 (to end of Quarter 3) compared to 79 MLD in 2018. The approach has also resulted in Unaccounted For Water (UFW) savings of 66 MLD in 2019 (end of Quarter 3) compared to a net increase in UFW in 2018 of 26 MLD. It is estimated that approximately 10 MLD of the UFW savings between 2018 and 2019 (to end Quarter 3) can be attributed to data improvements due to deployment of the Leakage Management System.

Skills and the transition to a carbon-neutral economy

The area of Retrofitting/NZEB has been identified as a crucial area for the education and training sectors in terms of future skills needs. The introduction of new NZEB regulations under the Climate Action Plan has led to a significant step forward in ambition. Programmes such as Apprenticeships, Springboard+ and the HCI allow for education and training opportunities in areas such as the Green Agenda.

In February 2020, as part of its 2020 Workplan, the National Skills Council had a strategic discussion on the issue of skills requirements arising from the Governments Climate Action

Plan and other matters associated with the implications and opportunities presented by the move to a low carbon and green economy.

Energy Poverty

The Government is committed to taking action to tackle energy poverty. Since the publication of the Government's Strategy to Combat Energy Poverty 2016 - 2019:

- the level of energy poverty has dropped from 28% to 17.4%. This is a significant improvement.
- the proportion of people who report that they are unable to afford to keep the home adequately warm, a decrease on the 2015 figure of 9% to 4.4%

The Government continues to prioritise the issue of energy poverty in Budget 2020, with a record level of funding allocated to retrofitting homes of people in energy poverty. These increases apply to both privately-owned and Local Authority homes. In 2020, an allocation of €146m (€29m increase on 2019) will be used to upgrade 24,000 homes and businesses. This is almost a three-fold increase on 2016 funding.

Protecting the most vulnerable in our communities is a core part of the commitments set out in the Climate Action Plan. The Plan commits to developing a new delivery model for retrofitting. An important part of this will be to ensure that the new delivery model can continue to assist those on low incomes who are at risk of energy poverty.

An advisory group was established to distinguish the best way to improve the energy efficiency of the rented sector. The objective is to identify the appropriate policy intervention aiming to ensure that the approach taken minimises adverse impacts on the current accommodation shortage and on people living in energy poverty. An analysis of the responses to a public consultation on the options is currently underway. Following this, recommendations will be made to Government.

Energy Poverty arises under the following actions in the Climate Action Plan -

- **Action 52**: Develop and optimise Government funding and grant schemes to drive demand for energy efficiency retrofits that deliver value for money

- **Sub-action**: enhance the delivery model and supports for households with lower incomes to improve the energy efficiency and comfort of their homes

- **Action 173**: Review ways to improve how current energy poverty schemes target those most in need
- **Section 6.3:** We will carefully examine the impacts (of carbon tax) on low-income and rural households and those experiencing fuel poverty, as well as broader distributional impacts. We will also examine the interaction between carbon tax rates with other schemes such as the National Fuel Allowance Scheme, the Diesel Rebate Scheme, and SEAI's energy efficiency schemes. This will include further consideration of how we can balance the objective of upgrading heating systems with fuel subsidisation for low income households that are using high-carbon heating systems.

ii. Affordable and social housing

Social Housing Delivery and Needs Assessment

There was a 185% increase in new build social homes in 2018 when compared to 2017 and the number of new social housing homes built in 2018 was eight times greater than the number built in 2015, the year before Rebuilding Ireland. It is expected that final output for 2019 will show over 6,000 new build homes delivered last year, a significant increase year-on year. The build target will continue to grow, reaching almost 8,000 in 2020, the highest annual rate of new social builds this century, and in 2021 will increase further to almost 9,000.

As outlined in the Planning and Development Act, 2000, each Local Authority is responsible for planning in their area. To assist Local Authorities in developing their Development plans, the Department of Housing, Planning and Local Government provides details on the number of households qualified for social housing assistance in each local authority area in the statutory Summary of Social Housing Assessments (SSHA), on an annual basis.

The purpose of the SSHA is to capture the total number of households qualified for social housing support across the country whose social housing need is not being met, in order to better inform policy and plan for the delivery of the right types of housing support. The most recent summary, conducted in June 2019, shows that 68,693 households were assessed as qualified for and being in need of social housing support. This represents a decrease of 3,165 households or 4.4% on the last assessment in June 2018. Indeed, since the Government's

Rebuilding Ireland Action Plan was launched in 2016, the numbers have decreased from 91,600 to 68,693, a reduction of 25%.

The summary includes breakdowns by each local authority across a range of categories including the "Household Size" category which provides a granular level of detail regarding the number of persons in each household type, allowing local authorities to plan for the size of dwellings required to meet social housing demand.

The assessment is used as the appropriate and objective basis to set targets for social housing delivery under Rebuilding Ireland. This ensures that the right houses are built for the right people in the right places in the coming years.

Affordable Housing for Purchase

€310 million has been committed over the three years 2019 to 2021, under the Serviced Sites Fund (SSF) announced as part of Budget 2019 in October 2018. This is essential for facilitating infrastructure, on public lands, to fund the provision thereafter of affordable homes to buy or rent.

A maximum amount of SSF funding of €50,000 will be made available per affordable home. On this basis, at least 6,200 affordable homes can be facilitated by this action alone. To date funding of €127 million has been approved to provide infrastructural work that will fund 35 projects in 14 local authorities, delivering 3,200 more affordable homes.

Local Infrastructure Housing Activation Fund (LIHAF)

The Local Infrastructure Housing Activation Fund (LIHAF) is designed to activate housing supply by putting in place enabling public infrastructure by unlocking lands to facilitate large-scale development on major sites. Infrastructure being funded under LIHAF includes access roads, distributor roads, link roads, road improvements, roundabouts, bridges and parks.

The total Exchequer provision for LIHAF is €150 million for the 30 approved infrastructure projects from 2018 to 2021. An additional €50m will be provided in matching LA funds giving a total budget availability of €200m.

Housing for People with Disabilities

Housing is highlighted as an economic challenge in the in the 2020 Country Report and in the 2020 NRP Programme template. The National Housing Strategy for People with a Disability (NHSPWD) 2011-2016 which is a joint policy with the Department of Health (DoH) was extended to 2020 under Rebuilding Ireland to enable it to continue to achieve its aims.

The 9 Strategic Aims of the Strategy set out the Government's broad framework for the delivery of housing for people with disabilities through mainstream housing options.

Since 2011 the Strategy has put in place a suite of new actions at national and local level to facilitate the provision of housing for people with disabilities. The Strategy will be reviewed in 2020.

Abhaile

The Government state funded mortgage arrears resolution service, Abhaile, launched in October 2016, gives indebted borrowers access to panels of qualified and regulated financial or legal professionals to give advice and assistance on how to resolve their mortgage arrears on their homes. In September 2019, the Government announced the extension of the Abhaile scheme for a further three years.

iii. *Regional disparities.*

Project Ireland 2040 and Regional Disparities

Project Ireland 2040 is focused on achieving balanced regional development, through a strategy that focuses a significant proportion of future growth and investment on Ireland's four 'second-tier' regional cities i.e. Cork, Limerick, Galway and Waterford, as well as five regional and cross-border 'accessible centres of scale' i.e. Athlone, Drogheda, Dundalk, Letterkenny and Sligo. At a national scale, this strategy delivers a regional distribution to influence growth and development throughout the Country.

At a regional scale, the three Regional Spatial and Economic Strategies (RSESs) that were prepared by the three Regional Assemblies, for each of Ireland's three EU NUTS II level Regions, further to the NPF, are derived from the national strategy, with an additional focus on, on larger, mainly County-level 'key towns' in each Region.

Both the NPF and NDP aim to achieve ten shared national strategic outcomes, which include more compact growth and enhanced regional connectivity, sustainable urban mobility. They are resourced by a €2bn Urban Regeneration and Development Fund (URDF) to 2027, as an important element of Project Ireland 2040.

The URDF is a competitive bid-based investment fund for transformational urban development proposals to achieve more compact and sustainable development in cities and towns of more than 10,000 people. Up to 75% exchequer grant funding is available, with the remainder to be matched. Bids must be led by local authorities (EU municipalities) and may include other public and private development partners to leverage sustainable forms of development that would not otherwise occur in the same timescale.

To date, more than €170m has been committed to 87 urban development projects throughout Ireland under the first national call for proposals (2018). A second call is currently underway, with a greater emphasis on a smaller number of larger, city-focused urban projects. The call submission date has been extended to 29 May 2020 at the time of writing.

Both the NPF and NDP also include an emphasis on rural development. One of the 10 National Strategic Outcomes (or objectives) of Project Ireland 2040 is to achieve Strengthened Rural Economies and Communities.

A complementary element of Project Ireland 2040 is the investment of €1 billion over the next 10 years through the Rural Regeneration and Development Fund. This Fund is focused on projects of scale that aim to revitalise rural towns and villages with a population of less than 10,000 people, and outlying areas.

The €1 billion Rural Regeneration and Development Fund is an important element of achieving the objectives of Project Ireland 2040 in particular the National Strategic Outcome - Strengthened Rural Economies and Communities. Initial funding of €315 million has been allocated to the Fund over the period 2019 to 2022.

The focus of the Rural Regeneration and Development Fund is the regeneration of rural towns, villages and their outlying areas with a view to generating economic and social activity to ensure that they are vibrant places for people to work and live in and can attract outside investment and visitors.

Proposals to the Rural Regeneration and Development Fund are not limited in terms of sector and included enterprise development, tourism development, digital and co-working initiatives, libraries, arts and cultural facilities and sports and recreation facilities.

To date the Rural Regeneration Fund has allocated €148 million to assist 110 projects worth a total of €212 million and a further call for applications to the Fund and announcement of funding will take place in 2020.

iv. *Implement measures, including those in the Future Jobs strategy, to diversify the economy and improve the productivity of Irish Firms – small and medium enterprises in particular – by using more direct funding instruments to stimulate research and innovation and by reducing regulatory barriers to entrepreneurship.*

National Social Enterprise Policy 2019-2022

Fostering growth and diversification of the enterprise base as well as enhancing productivity across sectors are consistent priorities for Ireland, as is recognised in the European Commission's Country Report on Ireland. In July 2019, Ireland published its first ever National Social Enterprise Policy (2019 – 2022). This Policy is transversal in nature, cutting across numerous sectors within the social and circular economies. Social Enterprises create employment while also fulfilling many Government policy objectives in areas such as labour market activation, circular economy, health care, childcare and the environment.

The National Social Enterprise Policy recognises that social enterprises are playing an increasingly prominent role in some of the major challenges currently facing Ireland/Europe, particularly the need to foster sustainable and socially inclusive economic growth. At the same time, they deal with more targeted objectives, such as access to employment for those most distant from it, social cohesion, environmental degradation and the need to promote greater equality.

In recognition of the value of social enterprise to European societies and economies, the European Commission has committed to producing a European Action Plan for the Social Economy to enhance social innovation in 2021. In the context of the Government's commitment to Social Enterprise, Ireland is poised to align closely with this process and to play its part in developing and delivering on the Action Plan's ambitions. Aligning future funding priorities such as ESF+ in Ireland to assist social impact focused organisations such as social enterprises would significantly reinforce these efforts.

Research and Innovation

Innovation 2020 is Ireland's research and development, science and technology strategy. It sets out actions to increase enterprise engagement in RDI. Public expenditure on RDI increased from €765.7m in 2018 to an estimated €808.1m in 2019, the highest amount invested since 2010.

Disruptive Technologies Innovation Fund

In establishing the Disruptive Technologies Innovation Fund (DTIF), a €500 million National Development Plan fund (2018-2027), Ireland is driving collaboration between its industry and academic base. The DTIF is a game-changing public investment in Irish Research, Development and Innovation (RDI). Projects are applying industrial research under the six themes of the revised Research Priority Areas (2018-2027), in areas such as health (e.g. cell and gene therapy, healthtech), climate action (e.g. decarbonisation technology, marinetech), food (e.g. blockchain for food tracing), ICT (e.g. Quantum Computing, Artificial Intelligence) and manufacturing (e.g. photonics, 3D printing) .To date, €140 million has been allocated to 43 projects involving collaborative partnerships (comprised of 159 organisations) between SMEs, large companies and public research bodies. SME participation is mandatory for a DTIF project to be eligible for funding as the DTIF seeks to enhance SME engagement in and capacity for large-scale Research, Development and Innovation (RDI) projects. SMEs and High Potential Start Ups (HPSUs) are leading 27 of the successful projects.

Science Foundation Ireland

SFI has delivered significant investments in 2019 including: new initiatives to deliver the skills needed for the future of the economy; continued facilitation of the network of world leading SFI Research Centres, a focus on re-establishing programmes to assist excellent independent researchers to conduct highly innovative research; the introduction of dynamic funding models designed for national and global challenges; building strategic partnerships to assist research projects of scale in strategically important areas and funding essential equipment to enable research in Higher Education Institutes

185 new multiannual awards were approved in 2019 across 26 programmes with a total commitment value of €404,554,177. Total payments to research bodies and organisations in 2019 were €188m.

In May 2019, six SFI Research Centres were awarded a second phase of funding representing €230m investment by the Government through the SFI Research Centres Programme. It is estimated that more than 170 industry partners are involved in these Centres to date. These partners come from a huge variety of sectors and industries and have committed to providing over €200 million of cash and in-kind contributions.

Also, the new SFI Centres for Research Training (CRT) initiative was launched in March 2019. This initiative will see an investment of over €100 million from the Government of Ireland over the 8-year period. The first cohort of Research Masters will graduate in 2021 (taking 2 years to do so) while the first cohort of 4-year PhD’s will graduate in 2023 and the last cohort of PhD’s will graduate in 2027.

The Centres will train 700 postgraduate students in areas of nationally and internationally identified future skills needs of digital, data and ICT. The first student intake on 126 students took place in September 2019.

SFI launched the first call for proposals under the new SFI Frontiers for the Future Programme, in collaboration with the Geological Survey of Ireland (GSI) and the Environmental Protection Agency (EPA). SFI Frontiers for the Future Programme assists excellent independent researchers to conduct highly innovative, collaborative research with the potential to deliver impact, whilst also providing opportunities for high-risk, high-reward research projects.

In the area of challenge-based funding, two themed SFI Future Innovator Prize calls for proposal were launched in 2019: the ‘Zero Emissions Challenge’ and the ‘Artificial Intelligence (AI) for Societal Good Challenge’. Both of these incorporate a partnership with the DFAT (Irish Aid) to facilitate research collaboration between Irish researchers and research institutes in Irish Aid target countries in the Global South.

The SFI Industry Fellowship programme continues to succeed in developing industry/academic partnerships. 43 awards totalling SFI investment of €2.7m were awarded in 2019.

Enterprise Ireland

Enterprise Ireland (EI) continues to provide direct assistance to companies for RDI in the form of RDI Equity funding, RDI Grants and the Small Business Innovation Research (SBIR) Programme. SBIR is funded in partnership with public sector bodies. EI has allocated €50.87 million in 2020 to facilitate transforming R&D activity in enterprise, which includes the RDI Equity, RDI Grants and SBIR programmes.

EI has also allocated €49.15 million in 2020 to facilitate industry collaboration with the third level sector. This includes funding for Technology Gateways, EI/IDA Ireland Technology Centres, Innovation Partnerships, Innovation Vouchers, New Frontiers Collaboration, International Collaboration and Industry Graduate Development Programmes. EI has further launched the Career-Fit Plus programme, co-funded by Horizon 2020, to recruit international highly-skilled researchers to work on collaborative projects in Ireland and it is expected that 50 researchers will be placed in 2020.

Enterprise Ireland funded Technology Centres (Competence Centres) will continue in 2020 to deliver strategic collaborations between foreign owned MNCs, indigenous SMEs and the publicly funded research system.

SMEs qualify for all of EI's funding programmes and a small number of these programmes are also open to FDI companies. This funding helps companies to develop new and improved products and services which serve as the basis for sustainable economic growth.

Skills (EGFSN)

The Expert Group on Future Skills Needs (EGFSN) is the independent body that advises the Irish Government on the current and future skills needs of the economy. It is a central component of the Government's skills planning architecture. As part of its 2020 work programme, the EGFSN will be undertaking a study later in the year on the skills required to deliver important elements of the Climate Action Plan. The study will focus on the additional skills demands that will emerge from the plan's commitments around retrofitting, the installation of heat pumps, the mainstreaming of electric vehicle charger infrastructure and the significant increase in offshore wind energy.

It will focus on the specific technical, engineering and other associated professional skills required to deliver on these commitments and will include skills demand forecast scenarios based on implementation scenarios for the Climate Action Plan. The study is scheduled for completion in early 2021.

In 2020 the EGFSN will also be completing a study to assess the current state of management capacity and practices in SMEs in Ireland, identify where weaknesses may exist and how these can be remedied. By examining and recommending on the channels available for improving performance, productivity, innovation and competitiveness within Irish SMEs, this study is directly contributing to the activation of the SME productivity pillar of Future Jobs Ireland. The report will be published in Q3 2020, with its recommendations being carried forward by relevant stakeholders.

SME

Following the conclusion in late 2019 of the OECD's Review of SME and Entrepreneurship Policy in Ireland, it is anticipated that work will commence during 2020 with a view to the adoption of a national SME strategic document.

Research and Development tax credit

Changes to the Research and Development tax credit announced in Budget 2020 will provide enhanced assistance to micro and small companies. The 25 per cent R&D credit will be increased to 30 per cent and existing limits on the payable credit will be enhanced for micro and small companies, subject to State aid approval.

A new provision will also be introduced, again subject to State aid approval, to allow micro and small companies conducting pre-trading R&D to claim the credit before trading commences, limited to offset against VAT and payroll tax liabilities only.

Finally, in respect of all claimants, the current limit on outsourcing to third level institutes of education was increased from 5 per cent to 15 per cent.

4 Progress towards UN Sustainable Development Goals (SDGs)

Ireland welcomes that the data included in Annex E of the European Commission's Country Report which indicates that Ireland is making consistent progress across the 17 SDGs towards achieving the Goals by 2030.

Ireland has adopted a 'whole-of-Government' approach to the SDGs and adopted its first SDG National Implementation Plan in March 2018. The SDG National Implementation Plan includes an ambitious '2030 Vision' for Ireland to fully achieve the SDGs at home and to facilitate their implementation around the world. The SDG National Implementation Plan built on Ireland's then national Sustainable Development strategy and policy for International Development and committed Ireland to mainstreaming the SDGs across national policy.

Ireland presented its first SDG Voluntary National Review to the UN High-Level Political Forum on Sustainable Development in July 2018 and has committed to reporting at HLPF-level every four years thereafter, with the next VNR due to be presented in 2022. In addition, at the national level Ireland will report on progress towards achieving the SDGs every two years, with the next such report due for publication by end-2020.

In reporting at both HLPF and national levels, Ireland will continue to use the official EU SDG indicator set to assess its SDG progress, while also presenting the national policies and frameworks through which Ireland is implementing these SDGs.

The data included in Annex E indicates that while Ireland continues to make significant progress towards achieving many of the economic and social SDGs, further work is needed on the environmental Goals in particular. This is consistent with the results of Ireland's 2018 VNR which highlighted that Ireland was performing well regarding to SDG 1: No Poverty, SDG 2: Zero Hunger, SDG 3: Good Health and Well-being, SDG 4: Quality Education, SDG 8: Decent Work and Economic Growth, SDG 9: Industry, Innovation and Infrastructure, and SDG 16: Peace, Justice and Strong Institutions, while specific challenges exist regarding to housing, levels of obesity, achieving sustainable consumption and production, biodiversity and habitat destruction, mitigating and adapting to climate change, addressing entrenched inequalities and mainstreaming a gender perspective into policy.

While Ireland expects that its 2020 national SDG report will indicate further progress, based on more recent data (i.e. post-2018) than has been included in Annex E, concerted effort will continue to be required in order to fully achieve the SDGs by 2030.

5. EU Funds

Ireland has been allocated €3.36 billion in European Structural and Investment Fund (ESIF) for the 2014 – 2020 programming period comprising of approximately €2.19 billion for the European Agricultural Fund for Rural Development (EAFRD), €147 million for the European Maritime and Fisheries Fund (EMFF) and just over €1.2 billion for the Structural Funds i.e. the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the European Territorial Co-operation (ETC) programmes.

Of the €1.2 billion (in current prices) for Structural Funds (ERDF (including ETC) and ESF), €411 million is for the two ERDF co-funded Regional Programmes and €545 million is for ESF co-funded programmes. There is also an additional €68 million provided for the Youth Employment Initiative which is programmed through the ESF programme. The balance (€169 million) is for European Territorial Co-operation programmes including; the PEACE Programme, the Ireland/Northern-Ireland/Scotland Interreg Programme, the Ireland/Wales cross border Programme; and other transnational programmes.

Consistency between ESIF spending priorities and CSRs/Europe 2020 targets

In accordance with the regulations governing the ESIF, Ireland prepared a Partnership Agreement which assessed its development needs and defined national priorities to assist in its National Reform Programme and the achievement of national targets for delivering the Europe 2020 Strategy for Smart, Sustainable and Inclusive Growth. On 18 November 2014 the Government and the European Commission both approved Ireland's Partnership Agreement for the European Structural & Investment Funds for the period 2014-2020.

The funding priorities identified for Ireland's ESIF programmes take account of the Europe 2020 Strategy, the National Reform Programme and our national consultation. In line with these, Ireland has decided the following funding priorities for the 2014-2020 period:

- Promoting jobs and growth;
- Combating unemployment and social exclusion;
- Promoting R&D and ICT investment and the competitiveness of the business sector; and

- Promoting an environmentally-friendly and resource efficient economy.

With regard to CSR 3, and the findings in the 2020 Country Report on focusing on low carbon and energy transition, the reduction of greenhouse gas emissions, digital infrastructure taking into account regional disparities: Implement measures to diversify the economy and improve the productivity of Irish firms in particular small and medium enterprises (Box 2.1), Digitisation and Ultrafast Broadband (4.4.3), Regional Disparities (4.4.6) and Transition to a Climate Neutral Economy (4.5.1), it should be noted that for ERDF at least 80% of resources at national level have been allocated to:

- Research and innovation;
- Information and communication technologies (ICT);
- The improvement of the competitiveness of Small and Medium-sized Enterprises (SMEs); and
- The shift towards a low-carbon economy (energy efficiency).

At least 20% of ERDF resources had to be allocated to the low carbon economy priority. In addition, at least 5% of ERDF resources had to be allocated for integrated programmes relating to sustainable urban development. In fact, Ireland chose to devote 20.6% of its ERDF resources to the low carbon economy, and almost 10% for Sustainable Urban Development.

With regard to CSR 2, and the findings in the 2020 Country Report on Labour Market (4.3.1) and Education and Skills (4.3.2), for the ESF at least 80% of resources at national level have been allocated to:

- Promoting sustainable and quality employment and labour mobility;
- Education, training and life-long learning; and
- Promoting social inclusion and combating poverty and discrimination.

25.7% of the total ESF allocation has been directed to promoting social inclusion and combating poverty and discrimination. Ireland's ESF Programme for Employability, Inclusion and Learning 2014-2020 emphasises skills development for active participation in the labour market, particularly among the unemployed. Specific projects assist business women and those wishing to re-enter the labour market, while the Ability programme targets young people with disabilities. The Youth Employment Support Scheme is a new work experience programme targeted exclusively at young jobseekers. There is also a strong focus on social inclusion plans. The Social Inclusion and Community Activation Programme aims to reduce poverty and promote social inclusion and equality, by assisting Programme Implementers that work with the most disadvantaged and the hardest to reach in communities. The ESF priorities are closely aligned with the employment and tertiary education EU 2020 targets. While Ireland's early school leaving rate is among the lowest in Europe, the ESF/YEI co-financed Youthreach Programme assists those who left school early.

With regard to the findings in the 2020 Country Report on EU funds contribution to fostering growth and competitiveness in Ireland (Country Report Ireland Box 2.1), under Ireland's Rural Development Programme (RDP) for the period 2014-2020, a fund of over €4 billion (including €2.19 billion of EAFRD funding) will be spent on a range of solutions designed to enhance the competitiveness of agriculture and the sustainable development of the rural economy. The ranges of solutions in the RDP include:

- Significant investment in implementing in an integrated manner a range of environmental, biodiversity and climate change objectives;
- Targeted investment in developing the knowledge base in the sector and promoting innovative approaches and techniques;
- Broad based assistance for a range of capital investments designed to underpin the efficiency and competitiveness of the sector; and
- Continued assistance for delivery via the LEADER model of a range of plans to fulfil wider rural development objectives.

Moreover, the Operational Programme financed by the European Maritime and Fisheries Fund (EMFF) in Ireland aims at achieving its national development priorities along with the EU's Europe 2020 objectives. The Programme will assist with the general reform of the EU's Common Fisheries Policy and the development of its Integrated Maritime Policy in Ireland. Almost €240 million will be spent through the Programme over the period 2014-2020 including €147 million in EU Funding.

Post 2020 Programming

Ireland is currently preparing a Partnership Agreement and operational programmes for the European Structural and Investment Funds (ESIF) for 2021-27. The Partnership Agreement will set out the strategic orientation for programming and the arrangements for using the relevant ESIF to assist in its National Reform Programme and to assist in delivering the Sustainable Europe 2030 Agenda in the 2021-27 programming period.

Annex D of the 2019 Country Report for Ireland provided guidance around investments for the Cohesion Policy Funds for 2021-27. These priority investment areas are derived from the broader context of investment bottlenecks, investment needs and regional disparities assessed in the report. The post 2020 programmes will take this guidance into account along with the findings of the 2020 Country Report. These reports provide the basis for a dialogue between Ireland and the Commission in view of the programming of the cohesion policy funds (European Regional Development Fund, European Social Fund Plus). Furthermore, the cohesion policy programmes will ensure complementarities between National Strategies and particularly in the case of the ERDF, the Regional Spatial and Economic Strategies (RSESs).

Support from the cohesion policy funds will be programmed around sound policy objectives in line with the outcome of the final ESIF regulations and the Multiannual-Financial Framework. The cohesion funds shall facilitate the following policy objectives subject to the adoption of the ESIF regulations: a more competitive and smarter Europe by promoting innovative and smart economic transformation; a greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation and risk prevention and management; a more social and inclusive Europe implementing the European Pillar of Social Rights; and a Europe closer to citizens by fostering the sustainable and integrated development of all types of territories and local initiatives.

In the context of the first policy objective on a more competitive and smarter Europe, consideration is currently being given to the development of Ireland’s next Smart Specialisation Strategy/strategies, in the context of the next ERDF and following a study carried out by the Commission on Ireland’s Smart Specialisation Strategy and future needs.

5.1Annex D - Investment Guidance on Just Transition Fund

Annex D of the European Commission's Country Report provided initial guidance on the proposed new EU Just Transition Fund, a proposal for which was published by the European Commission in January 2020. The Just Transition Fund, as part of a wider Just Transition Mechanism being established at EU level, seeks to facilitate the economic diversification of territories most affected by the climate transition and the reskilling and active inclusion of their workers and jobseekers.

In Annex D of the Country Report the Commission highlighted the midlands region of Ireland as a priority area for consideration. A Just Transition Commissioner was appointed in November 2019 to help ensure a co-ordinated and effective approach to Just Transition and make recommendations on the essential elements of a Just Transition with an initial focus on the Midlands region. The Commissioner will report quarterly to Government through the Minister for Communications, Climate Action and Environment.

The proposed Just Transition Fund, which continues to be subject to the outcome of the negotiations on the Multi Annual Financial Framework 2021-27, complements the Government's policy on just transition, as set out in the 2019 Climate Action Plan, and as subsequently articulated in the Government's just transition plan for the Midlands Region.

Annex D provides the basis for a dialogue between Ireland and the Commission as consideration is given to the preparation of territorial just transition plans, which form the basis for programming of the proposed Just Transition Fund.

6. Institutional issues and the role of stakeholders

Preparation of the National Reform Programme was coordinated by the Department of the Taoiseach in close partnership with all relevant Departments.

Reflecting its all of Government nature, the National Reform Programme was considered by Cabinet on 21 April 2020.

As part of the preparation of the National Reform Programme the Oireachtas (Irish parliament) is consulted through the Joint Oireachtas Committee on European Affairs. This Committee is invited to discuss the EU Semester and to share its views on the EU Country Report. The work of this Committee ceased with the dissolution of the 32nd Dáil. Following the general election held on 8 February 2020, a new Committee has not yet been formed. As such it has not been possible to have engagement on the National Reform Programme with the Oireachtas this year. Engagement will however take place on the formation of a new Committee.

Stakeholder engagement is an important part of the development of the Nation Reform Programme. The Department of the Taoiseach undertook engagement with a range of stakeholders following publication by the European Commission of the Country Report on Ireland in February 2020.

Stakeholders consulted as part of preparation of the National Reform Programme included regional representatives, representatives of employers, trade unions, the farming community, community and voluntary organisations, and environmental organisations. Previous feedback indicated that some organisations would welcome enhanced consultation between publication of the EU's Country Report and submission of the Programme. Reflecting upon these concerns, the Department hosted a briefing session on the Semester and the National Reform Programme for interested stakeholders. The seminar took place on 9 March 2020 and featured representatives from 12 stakeholder bodies, six government departments and the European Commission.

Formal submissions for the National Reform Programme were received from 16 groups, a summary of which is included in Annex 1: Stakeholder Submissions

- Better Europe Alliance
- Coalition 2030
- Community and Voluntary Pillar
- Eastern and Midland Regional Assembly
- Environmental Pillar
- European Anti-Poverty Network Ireland Policy Group
- Irish Business & Employer Confederation
- Irish Congress of Trade Unions
- Irish Cooperative Organisation Society
- Irish Creamery Milk Suppliers Association
- Irish Human Rights and Equality Commission
- Irish Delegation to the EU Committee of the Regions
- Irish Development Education Association
- Social Justice Ireland
- Southern Regional Assembly
- The Northern & Western Regional Assembly

Each of the submissions was considered in the preparation of the Programme. A draft NRP was circulated to stakeholders for their views 08 April 2020.

While stakeholder engagement in the National Reform Programme itself is highly valued, the Programme itself reflects a broad range of Government policy, the development of which is actively informed through stakeholder engagement, through standing formal groups and through open public submissions and consultation processes.

Some examples of such engagement include:

The **National Economic Dialogue** held annually is an important element of Ireland's budgetary framework. The objective of the dialogue is to facilitate an open and inclusive exchange on the competing economic and social priorities facing the Government as part of the preparations for the Budget. Representatives of community, voluntary and environmental groups as well as the Oireachtas, business, unions, research institutes, the academic community and the diaspora attend.

The **Brexit Stakeholder Forum** which has met every 4-6 weeks, brings together stakeholders with a view to regularly updating members on the progress of Brexit negotiations, facilitating the sharing of sectoral concerns to enable wider understanding of Ireland's overall priorities for negotiations and providing a platform for sectoral and EU expertise to underpin the Government's comprehensive and cohesive approach to Brexit.

The **National Future Jobs Ireland Summit** has been held annually since 2018. The purpose of the Summit is to bring together stakeholders from academia, Government, industry, representative bodies, semi-State bodies and other interested parties with a view to exchanging ideas about the design of, and to provide input, to the annual iterations of Future Jobs Ireland.

The **National Dialogue on Climate Actions**, a community engagement system to build public support for Climate Action, has been in place since 2017. The Dialogue provides the opportunity to engage people with the challenge of climate change, motivate changes in behaviour, and create structures at local, regional and national levels to assist the generation of ideas and their translation into appropriate cost-effective actions.

The **National Economic and Social Council (NESC)** advises the Taoiseach on strategic policy issues relating to economic, social, and sustainable development. The NESC provides a forum for multilateral dialogue on the economic, social and environmental challenges facing the country and plays an important role in developing a shared understanding between Government and stakeholders on important policy challenges. Members include representatives from business and employer interests, ICTU, farming and agricultural interests, community and voluntary sector, environmental sector, public servants and independent experts.

The **National Competitiveness Council** (now also Ireland's National Productivity Board) reports to the Taoiseach and the Government, through the Minister for Business, Enterprise and Innovation, on significant competitiveness issues facing the Irish economy and offers recommendations on policy actions required to enhance Ireland's competitive position.

Members include representatives of the employer and trade union social partnership pillars, people with relevant expertise in competitiveness and a representative of the Department of Business, Enterprise and Innovation. Representatives from other Government Departments attend Council meetings in an advisory capacity.

The **Expert Group on Future Skills Needs** is the independent, non-statutory body, which advises the Irish Government on the current and future skills needs of the Irish economy. It includes representatives from business, the trade union movement, Ireland's education and training agencies, enterprise development agencies and Government Departments. The Group undertakes research, analysis and horizon scanning for emerging skills requirements at thematic and sector levels and presents its findings to the National Skills Council, which works to enhance the response to the education and training system to the provision and delivery of identified skills needs.

The Government established nine **Regional Steering Committees** to take lead on the implementation of the Regional Enterprise Plans. Each Committee, all of which are led by a chairperson from the private sector whom is nominated by the Minister for Business, Enterprise and Innovation, comprises of regional representatives from enterprise agencies, Local Enterprise Offices, Higher Education Institutions, Regional Skills Forum, Local Authorities, Education and Training Boards, and Tourism Bodies. Engagement is expected to continue throughout 2020 with the Committees meeting twice per year. The Committees have formed Working Groups tasked with driving specific actions under the Regional Enterprise Plans.

The Government established the **Labour Employer Economic Forum (LEEF)** in July 2016 as a formal structure for dialogue with representatives of employers and of labour on economic and social policies as they affect employment and the workplace. The Forum is sponsored by the Minister for Finance and Public Expenditure and Reform, the Minister for Business Enterprise and Innovation and the Minister for Employment Affairs and Social Protection. The LEEF meets on a quarterly basis.

The **National Skills Council** and the **Regional Skills Fora** were established by the Department of Education and Skills as part of the *National Skills Strategy 2025* and *Action Plan for Education 2016-2019* commitment to develop a new skills architecture. Established in

2017, the National Skills Council is made up of members from the public and private sector who advise on the existing and future skills needs of our economy and society. The nine *Regional Skills Fora* were established in 2016 and provide a structure for enterprise, employers and the education and training system to work together to respond to the identified skills needs of their regions.

6.1 Annex 1 Stakeholder Submissions

A summary of stakeholders' submissions is provided below. The full submissions are available on the Gov.ie website. These submissions were also circulated to the relevant Government departments and will be considered in the context of future policy development.

Organisation	Summary of Issues raised	Summary of Proposals
Irish Delegation to the EU Committee of the Regions	● This submission is provided in the context of the 2020 Country Report and refers to policy areas directly addressed by the RSES. ● The Delegation would like to stress the need to consider regional and local levels, as their challenges and opportunities vary greatly to those at national level. ● The three Regional Assemblies have compiled and published their Regional Spatial and Economic Strategies (RSESs). **Skills** ● Skills shortages exist across most sectors in the Irish economy, with the problem particularly notable in science, engineering, tech and IT. ● Shortages in skilled labour continue to pose problems for sustainable growth in the economy.	● The NRP should seek to address skills shortages with enhanced investment in innovative schemes, including skills conversion courses. ● Specific funding models are required to support R&D through the whole lifecycle and to address existing funding gaps. ● The RSESs recognise the lack of adequate housing supply and are the mechanisms by which housing targets will be allocated. ● The RSESs provide policy frameworks to ensure housing is optimally located and addresses demand. ● The CoR calls on the National Reform Programme 2020 to commit to providing investment for the low-carbon transition. ● More progress is needed in this area as the transition will take place locally and every village, town, city or region must be part of the political action to achieve it. ● The Government must invest in water management, sustainable transport and affordable social housing as part of a transition to a carbon neutral economy.

	Research and Innovation ● In the wider European Innovation Scoreboard 2019, Ireland was in 10th place, having fallen from 9th place in 2018. ● Irish regions are strong innovators according to the Regional Innovation Scoreboard, with the Southern Region and the Eastern and Midland regions considered Strong+ Innovators. **Housing** ● The Country Report takes note of Ireland's social housing policy and the provision of houses in Ireland. Adequate housing supply is required to meet population growth, ensure affordability and tackle homelessness. **Climate** ● The three RSESs commit to delivering on a climate agenda. ● Local and regional authorities need to be involved at the national and EU level to ensure effective multilateral governance. **Just Transition** ● The NRP provides technical and practical opportunities for regional authorities to exchange information and expertise with the national government to further understand the financial support programmes for Just Transition.	● The Irish Delegation calls on the NRP to include measures to ensure the structured involvement of Regional Assemblies in preparations for the Just Transition Fund. ● A strong budget for cohesion policy must remain the main priority to support climate action at territorial level. ● The RSESs provide an investment framework to address the regional imbalances highlighted by the Country Report. ● The NRP should provide guidance on the necessary measures and resources, which would address the SDGs that focus on climate and housing affordability. ● A package of support to be put in place to fully implement the RSESs. ● Calls on the NRP to ensure that measures are put in place to address climate related SDGs and housing affordability.

	• RSESs place a strong emphasis on sustainable and inclusive growth in Irish regions. • The Delegation acknowledges that managed, large-scale restoration and rewetting of the Midlands peatlands can be an effective mechanism for regional economic and environmental activity. **Regional Disparities** • The difference between the richest and poorest region in Ireland has doubled between 2000 and 2016.	
Coalition 2030	• This submission is provided in the context of the 2020 Country Report and focuses on aspects of the Reform Programme within the context of Agenda 2030, the UN's overarching global framework for the SDGs. • Leave No One Behind is the overarching theme of the Irish Government's SDG National Implementation Plan. • Strengthening engagement with all stakeholders in the Semester process at national level will help to build meaningful social dialogue on the development and implementation of national policy. • Strong leadership from the highest level of government is required to ensure Local Authorities across Ireland integrate SDG targets and indicators into city/ countywide planning. • Greater coherence between EU policy and the European Semester by integrating the social	• Coalition 2030 calls on the Government to take a systemic approach to mainstreaming the SDGs across all policies across all departments. • Government must strengthen asylum and immigration systems, protections and supports to ensure fair and efficient procedures. It should introduce a regularisation scheme for undocumented migrants; similar to the scheme that Ireland has called for in the US. • Vulnerable groups must be the priority in development processes. • Ensure that all internal and external policies are embedded within the SDGs framework across all sectoral policies and programmes at global, national and local levels. • Develop a comprehensive, transparent, well-resourced Policy Coherence for Sustainable

	objectives of the Europe 2020 strategy and the European Pillar of Social Rights. ● As part of the Semester process, Coalition 2030 strongly recommend a full review of their 2018 Report which clearly identifies the list of priorities and recommendations to be adopted for the successful delivery of Ireland's SDGs commitments ● Ireland is slipping down global rankings with regard to the gender pay gap, falling from fifth place in 2015 to eighth in 2017 according to the World Economic Forum's global gender index. ● Women are starkly overrepresented in low-paid employment. ● Overproduction and wasteful practices exist across the agriculture sector, which remains the largest contributor to water pollution in Ireland. ● Increased use of pesticides and fertilisers, together with phosphorous losses from agriculture, has been the major driver of a collapse in water quality in the country. ● The dependence of agriculture on dairy and beef, which drives unsustainable levels of GHG emissions, makes it vulnerable to changes in dietary trends and price volatility. ● European subsidies, known as direct payments, accounted for 65 percent of farm income in 2015. The continued flow of European resources to Irish farmers is particularly marked in dairy farming.	Development framework to identify and tackle inconsistencies to all policy-making up to 2030. ● The Government should design workable strategies that address social, environmental, agricultural and economic challenges and deliver on Ireland's SDGs targets. ● Ireland must deliver an ambitious and holistic plan for rapid transformation of the agriculture sector. This must include robust measures to tackle overproduction, and to reduce emissions from the beef and dairy sector. ● An urgent need for a major transformation of the agriculture sector in Ireland, moving away from the dominance of beef and dairy whilst also promoting small- scale agriculture and finding alternatives via the circular and green economies. ● Coalition 2030 calls for the creation of a dedicated Oireachtas Committee to monitor the implementation, progress and performance each year of the SDGs at national, regional and local levels. ● High priority needs to be given to address the significant challenges in achieving the target objectives of the SDGs which Ireland scores in the bottom third of EU15 countries. ● The Multi-annual Financial Framework (MFF) post 2020 provides a unique opportunity to match policies and funding. ● Policy Coherence for Sustainable Development is a fundamental requirement to realize the transformative

	● The Sustainable Progress Index 2020 Report notes that Ireland scores in the bottom third of EU15 in the SDGs pertaining to gender equality, affordable & clean energy, Industry, Innovation & Infrastructure, Reduced Inequalities, Responsible Consumption & Production, Climate Action, Partnerships for the Goals. ● Compared to the other EU15 countries, Ireland is lowest in terms of environment. ● Ireland’s fiscal commitment to ODA stood at just 0.31 percent of GNI in 2018, which is less than half of the 0.7 percent target agreed to by OECD nations in 2000.	nature of the 2030 Agenda and to implement the SDGs. ● The Government should consider the “Five Ps” of Sustainable Development to ensure the Sustainable Development Goals (SDGs) are at the core of all policymaking. ● Coalition 2030 calls on the Government to ensure full stakeholder participation, so that Ireland delivers fully on its Agenda 2030 commitments and targets.
Better Europe Alliance	● The Oireachtas and Government Departments, including the D/Taoiseach continue to have very limited engagement with stakeholders on the Semester process. ● On the European Semester, much deeper face to face engagement in the process is needed involving different stakeholders, and recognising the integrated economic, social and environmental nature of the Semester process. ● We are concerned that the concept of a Just Transition is too narrowly defined. ● The Climate Action Plan does not include enough detail of how low-income households could upgrade and retrofit their homes. ● It is estimated that more than 55% of private rented dwellings have poor energy efficiency.	● Continue to ensure balance between economic, social and environmental policy and recognise their interdependence so as to bring about a better and more sustainable quality of life for everyone. This includes more effective social and environmental impact assessment of all relevant policy. ● Strengthen engagement with all stakeholders in the semester process at national level and build meaningful social dialogue on the development and implementation of national policy. ● Consider the latest scientific advice on remaining global carbon budgets and how the current licensing regimes for oil and gas exploration may result in ‘locking-in’ reliance on fossil fuel infrastructure. ● Urgently act to address biodiversity loss through policy coherence and increased funding to protect nature in Ireland.

	● Currently, there are insufficient incentives and obligations for private landlords to consider upgrading and retrofitting their properties. ● Ireland has the fourth most expensive electricity among EU 28 countries. ● Consistent under-investment in public infrastructure by successive Governments has created a deficit in essential services. ● The effects of inadequate investment can be seen in the current crisis in housing, as well as in our dilapidated water infrastructure, the lack of an adequate rural broadband network, inadequate public transport, and the insufficient flood defences in towns and communities across the country. ● The erosion of the National Pension Reserve Fund (NPRF) through using it to fund various bank rescues has transferred the liability for future public sector pensions onto future exchequer expenditure. ● Ireland's overall level of taxation will have to rise significantly in the years to come. ● The use by corporations of Ireland's tax rules for aggressive tax planning is a cause for concern. ● Ireland has a housing and homelessness crisis, a struggling healthcare system, an under-funded education system, the most expensive childcare in the EU, and inadequate public services. ● Population increases and changing demographics means that Ireland will face significant pressures across the population lifecycle in the coming years.	● End overfishing by following scientific advice, protecting our natural resources while ensuring sustainable livelihoods for coastal communities. ● Set an ambitious target to reduce and eliminate energy poverty by 2030. ● Publish a strategy for introducing minimum energy efficiency standards in the private rented sector. ● Begin by delivering SEAI grants to enable landlords who provide their properties for HAP tenants to avail of energy efficiency upgrades. ● Ensure that Ireland's fiscal commitments under the Fiscal Compact and the Growth and Stability Pact do not inhibit Ireland's investment strategy. ● Ireland must maximise its fiscal space as much as possible as afforded by the fiscal rules. ● Amend the fiscal rules to better accommodate shift level increases in social and physical investment spending. ● Publish the annual review and analysis of tax expenditures (by type). ● Ensure all D/Finance expenditure and revenue projections incorporate CSO demographic projections. ● The National Reform Programme and Country Report should all include specific mention of policies and legislation which are key to implementing the UN CRPD as well as the relevant provisions of the UN CRPD, under each relevant section.

	● There is no real mainstreaming of the Pillar of Social Rights across the Country Report. ● The section on the Pillar highlights the high gender employment gap, the low employment rate for people with disabilities, the falling but still high number of people living in low-work intensity households and high levels of child poverty. ● Strengthening the role of the Country Reports and the European Semester overall in monitoring the implementation of the Pillar of Social Rights needs to be addressed by the European Commission. ● The at risk of poverty and social exclusion rates remain extremely high. ● People with disabilities live with a higher cost of living as a result of the numerous extra costs associated with having a disability. ● Ireland has one of the highest levels of market income inequality in the EU. ● Those who experience discrimination due to their socio-economic status are not protected under Irish equality legislation. ● Issues exist such as rising rates of homelessness, house price and rental inflation, concerns regarding social housing, the potential impact of housing shortages on our economic competitiveness, and the lack of capacity in the construction sector as a result of the Global Financial Crisis. ● Policy measures being taken to tackle homelessness remain insufficient.	● The European Semester should collect and reference disability specific data insofar as possible. ● The new Roadmap for Social Inclusion 2020-2025 must be implemented in an integrated manner ensuring an adequate income for all, whether in or out of work, access to quality services and access to decent jobs. ● Under the poverty target introduce ambitious sub-targets across the different measures for groups with high levels of poverty. ● Benchmark all social welfare rates at a level which is adequate to both lift people above the poverty line and provide them with a Minimum Essential Standard of Living. ● Address the extra cost of disability and the interconnected impact this has on poverty and employment rates for people with disabilities. ● The Irish Government should focus on the provision of housing over housing subsidies. ● The Irish Government should explore affordable rental options both on and off-balance sheet. ● The Irish Government should increase the proportion of social housing to 20% of all housing stock. ● The Irish Government should conduct a full review of late stage mortgage arrears options. ● Cognisance should be taken of the particular needs of Travellers in all employment policy.

	● Children born into, or at risk of, homelessness are presenting to services unable to crawl or walk due to lack of space. ● The number of people aged 65 and above who are homeless has almost doubled since the introduction of Rebuilding Ireland. ● Only 9% of all housing stock in Ireland is social housing. ● The upfront costs associated with accessing sustainable energy grants can act as a barrier for those on low incomes. ● Irish childcare fees are the highest in the EU. ● Ireland suffers from high levels of childcare fees, extremely low pay among employees in the childcare sector, a high staff turnover rate and emerging labour shortages. ● Women continue to have lower labour force participation rates than men. ● The European Commission does not fully appreciate some of the dynamics underpinning exclusion in Ireland's labour market. ● There is discrimination in Ireland's labour market. ● For many people distanced from the labour market the only opportunities that are open to them are in community provision. ● Travellers are amongst the most socially and economically excluded groups in Ireland.	● Under the employment target introduce sub-targets to address the structural inequalities in the labour market. ● Run a campaign to properly address discrimination and other barriers in the labour market. ● Ensure that policy developments, like Future Jobs Ireland, spell out how they will support the delivery of an inclusive labour market. ● Work to address the cost of disability and the extra barriers to employment this creates for people with disabilities. ● Enhance supports under the DEIS programme to close the gap with non-DEIS schools. ● Commit to publicly funded higher education including a commitment to annual increases to SUSI grants. ● Extend the SUSI grant for part-time students studying in publicly funded further and higher education and training institutions. ● The National Reform Programme should set an adult literacy and numeracy target. ● The Government must prioritise the furthest behind first by identifying the groups and putting in adequate resources to support their literacy, numeracy and digital skills. ● The D/Education and Skills should develop a framework for Community and second-chance education and increase resources to these initiatives.

	● Low pay is a gendered issue with an estimated 60-65% of minimum wage workers being women. ● There are many adults living in poverty despite having a job. ● Schools remain underfunded. ● One in six Irish adults, aged 16-64, scored at the lowest level of literacy on a 5-point scale. ● Health inequality impacts on many people in Irish society. ● The ageing of the population is not being properly planned for. It is expected that in thirty years the number of people in Ireland over the age of 65 will double. ● Ireland is the only EU health system that does not offer universal coverage of primary care. ● The speed of access to specialist healthcare continues to be an issue and leads to inequalities based on income. ● Irish citizens continue to pay much higher prices for medication than other Member States.	● The Government should develop a Whole-of-Government Strategy for literacy, numeracy and digital skills over the next 10 years. ● A health system with equal access for all and based on need rather than ability to pay needs to be a priority in healthcare. The two-tier system that currently exists should be removed. ● Resources – both Budget and Staff should be made available for the full implementation of Sláintecare. ● The government should in particular plan for, and make available, funding to address the health needs of vulnerable groups in society. ● The implementation of a Statutory Homecare Scheme which will help alleviate the problem of delayed discharge from hospital. ● The budget for Exceptional Needs Payments must be increased. ● Continue to introduce measures which will lead to a reduction in prescription costs. ● Staffing issues in the health system must be addressed and retaining new graduates must become a key objective for Government.
Community and Voluntary Pillar	● Ireland is still experiencing several significant crises – particularly in the areas of housing and healthcare. ● Housing, healthcare, education, demographic changes, employment patterns and climate change	● Investment in one-off infrastructural projects would pay dividends in the long run by redressing some of the damage caused during the years of austerity. ● An integrated approach to meeting our country’s challenges, national and international commitments on

	are all continuous features of Ireland's annual National Risk Assessment. ● The 'Brexit' effect will be felt most acutely in areas outside of Dublin, which may be equally compounded by Covid-19. ● The CVP welcomes the inclusion of social risks associated with Brexit in the Nation Risk Assessment. ● Ireland's total tax-take is one of the lowest in the European Union. ● Ireland's overall level of taxation will have to rise significantly in the years to come in order to address the challenges in terms of infrastructure and services deficits. This can be achieved by broadening the tax-base. ● Government decisions on taxation need to be linked to the demands on its resources, including current infrastructure and service deficits. ● No evidence that the Roadmap for Pension Reform has been gender- or equality-proofed. ● Many community and voluntary organisation are central to the delivery of health services and supports in Ireland. **Childcare** ● The launch of the National Childcare Scheme is welcome but concern remains that the Scheme will disadvantage some low-income families	social and environmental issues and developing a coherent framework for Ireland in 2040 is essential. ● A guiding vision of where Ireland could be in a ten to fifteen-year timeframe, with clear outlines provided of how policies can be linked to this ambition. ● A long-term socio-economic strategy to move Ireland towards meeting its commitments under the Sustainable Development Goals (SDGs). ● Economic, social and cultural rights must also be a cornerstone of the negotiations over the post-Brexit agreement. ● Ensure protection of the vulnerable, the right of everyone to an adequate standard of living and the promotion of equality are at the core of all decisions made. To this end all relevant policies and strategies should be subjected to a transparent social impact assessment at design and planning stage. ● Social inclusion should be an integral part of active labour market policy and provision. ● Bring Ireland's total tax-take up to European average levels. ● Prioritise investment in infrastructure and services to meet the needs of Ireland's growing and ageing population. ● Ensure long-term goals and policy coherence guide prioritisation of resources when addressing the major deficits in economic and social infrastructure.

	transitioning from the Community Childcare Subvention Scheme. ● CVP believes the Country Report provides an overly positive assessment of Ireland's progress on childcare. ● Ireland has the most expensive childcare in the EU and investment in childcare and investment, at 0.2% of GDP, is well below both the EU average of 0.8% and the UNICEF recommended 1% of GDP. **Employment** ● Considerable challenges remain regarding an inclusive labour market. ● Community education and second-chance education initiatives are run by the principal employers for the cohort of society furthest from the labour market. ● The Country Report must note the intensive nature of the resources required to engage with people who are long-term unemployed. ● CVP is disappointed that the Country Report merely provides a descriptive piece on the Action Plan for Jobless Households. A review of this policy is needed. ● The Community Employment Scheme enables community services to be delivered in areas that would otherwise not have crucial services available to them. ● No structured scheme exists to support young Travellers access apprenticeships. Educational	● Any windfall gains in taxation should be invested in one off infrastructure expenditure. ● Conduct in-depth analysis on the likely impact of policy and budget decisions on vulnerable groups and identify the consequences of choices made and the resources required to ensure service delivery. ● A national action plan to mainstream Traveller employment across all facets of the public service. ● Funding for education, training and employment supports for people with disabilities, including the additional costs placed upon someone due to their disability. ● Protect and invest in social infrastructure that has been under severe pressure. ● All policies should reflect the commitments made to achieving the Sustainable Development Goals (SDGs) by 2030. ● When considering environmental taxation measures to support sustainable development and the environment, and to broaden the tax base. ● Real, effective, on-going engagement with Government on the key economic, social and sustainability challenges currently facing Irish society. ● Welfare rates should be benchmarked at a level that is adequate to both lift people above the 60% poverty line and provide them with a Minimum Essential Standard of Living (MESL). ● When addressing the challenges presented by Covid-19, remember that the most vulnerable are likely to

	attainment levels amongst Travellers remain low, with over 80% of Travellers unemployed. ● Few strategies within the National Traveller and Roma Inclusion Strategy have yet to gain any real traction or deliver any tangible results. ● Pillar members are also concerned that just 31% of working age people with a disability are at work compared to 71% of the general population. ● With the exception of the Social Inclusion and Community Activation Programme SICAP, no national strategy names Travellers as a target group. ● The Country Report needs to recognise that intensive resources are required to engage with the long-term unemployed and others distanced from the labour market. ● Community-based organisations provide crucial local services and offer the only point of access to the labour market for those on the Community Employment Scheme. ● Further to the Country Report, a strategy to promote equal opportunities must address the over-representation of women among minimum wage workers. ● Much of the development, particularly within transport, under Project Ireland 2040 has concentrated on the main urban centres and did little to address rural development and socio-economic inclusion.	experience the greatest impact from this disease; that social protections systems must be strengthened to protect the most vulnerable, including those not in work; and ensure that measures taken to address the potentially very negative economic impact of the Covid- 19 crisis do not result in austerity measures. ● Increased resourcing for community and voluntary organisations could assist in improving the efficiency and the outcomes of Ireland’s health service in the long term. ● Government should measure the work carried out by community and voluntary organisations in a way that captures real value in order to accurately measure progress and the vital work being carried out in communities every day. ● Government should ensure that commissioning models fully support the community-based non-profit approach in order to achieve optimum societal outcomes. ● The State requires a multi-faceted, inter-Departmental strategy to address the many interconnected infrastructural and societal deficits.

	• The Report of the Joint Committee on Climate Action is groundwork with more required for the integration of SDGs. Community-based organisations can play an important role in their delivery. • Insurance costs are having a detrimental on charities, community and voluntary groups, and social enterprise sectors. • The 2020 Country Report uses a different measure for combined poverty. Whilst it reduced from 6.7% in 2017 to 5.6%, or approximately 280,000 people, in 2018, this is well above its lowest levels of 4.2% achieved in 2008. • Further to the Country Report's reference to high incidence of 'low work intensity households, work can be a route out of poverty for some, however, it will only be a solution for those who can work and access employment. • Data on long-term unemployment do not capture other groups with high poverty levels such as Travellers, migrants or among the high number of people who are homeless. • CVP welcomes the Roadmap for Social Inclusion but remains concerned that it lacks the necessary ambition to properly reduce poverty. • The Government committed to benchmarking pensions at 35% of average weekly earnings in the National Pensions Framework, however action in implementing this approach continues to be deferred.	

	● Budget 2020 saw no inflation-based increase in welfare payments. ● The Country report fails to note that income inadequacy for single people. ● Ireland has high rates of volunteering, but doesn't compare so favourably in our participation in democratic decision-making processes. ● The CVP is concerned that previous choices to cut public expenditure had a disproportionate effect on poorer areas. ● The development and meeting of sub-targets for the Social Scoreboard would be particularly important.	
European Anti-Poverty Network	● Families with children, in particular one parent families, experience the widest gaps between income and what they need to fulfil the Minimum Essential Standard of Living. ● Though consultation took place between members of the Community and Voluntary sector and D/EASP around benchmarking social welfare rates, EAPN Ireland disputes any notion that this process has resulted in ensured adequacy for all recipients. ● There has been no commitment from the Government to benchmarking social welfare to the Minimum Essential Standard of Living. ● Many groups within the population have not reaped the benefits of the economic growth.	● Meaningfully and purposefully integrate anti-poverty and socially inclusive commitments, such as the SDG goals and the European Pillar of Social Rights, into social policy development over the next decade. ● Social welfare rates in Ireland should be benchmarked against a level which is adequate to lift people above the poverty line and provide them with a Minimum Essential Standard of Living. ● Improving access to affordable public services will reduce the cost of living and therefore the levels of social welfare needed to live with dignity. ● Government labour activation policies must be directed at groups struggling to obtain secure and long-term employment due to the absence of dedicated supports and services.

	● Particular groups remain in consistent poverty, such as people with disabilities and lone parent families. ● Despite Government activation measures, Ireland has the lowest rates of employment for people with disabilities in Europe. ● Ireland has one of the highest rates of people living in low work intensity households and one of the lowest labour participation rates for women across the EU. ● EAPN believes that any negative ramifications as a result of Brexit will inevitably have a greater impact upon those in society who are already marginalised. ● Ireland has an aging population which will require investment in robust healthcare services and essential public services. ● Ireland is in the midst of a housing and homelessness crisis. ● Ireland has become one of the top 5 most expensive cities in Europe for rent. ● The Housing Assistance Payment is competing against a rental market which has seen the average rents nationally reach an all-time high in the last quarter of 2019. ● Recent research indicates that use of hotels as emergency accommodation is having a detrimental impact on the ability of infants and young children to meet developmental milestones. ● It is not possible for Ireland to meet its anti-poverty targets unless the housing crisis is addressed	● Within the new Pathways to Work strategy 2020-2024, priority should be given to: ○ Access to adequate income- whether in or out of work ○ Access to quality services- such as employment services, housing, care, transport, training and education ● The Pathways to Work Strategy must actively acknowledge the barriers that those distant from the employment market encounter. ● The move to raise Ireland's tax intake and broaden the tax base should occur incrementally over the next 10 years, in order to align Ireland's taxation system with other countries within the EU. ● Any measures that increase tax revenue must adopt an approach that sees those with the highest incomes and wealth paying the greatest amount in tax. ● An emergency response must be enacted with increased investment from the State directed towards the construction of dedicated public housing, including the utilisation of State land for the purpose of social and affordable housing. ● In order to encourage active participation within disadvantaged communities, the EAPN believes it is vital to support autonomous community development organisations at local level as a means of empowering and encouraging activation participation from marginalised communities within Irish society.

	through a substantial public housing programme whereby the construction of apartments and housing is for the purposes of social inclusion and addressing homelessness and not for private market investment and profit. ● Ireland’s two-tiered healthcare system remains an anomaly in Western Europe. ● Difficulties in budget management around healthcare has led to recurrent overspending.	● The implementation of core funding for an autonomous Community Development Sector should be a high-level priority for the next Government.
Eastern & Midland Regional Assembly		● Allocating additional resources to Regional Spatial and Economic Strategy (RSES) implementation would allow for even greater progress to be made on the CSRs.
Environmental Pillar	● The continued use of GDP as a metric is one that is inconsistent with sustainable development and should be reconsidered by the European Commission. ● We must again express disappointment in the lack of consideration given to the loss of biodiversity, which is at crisis point in Ireland and must be included in the country report and Ireland’s NRP. ● Current policies and measures on climate change are not working. ● A key failure of the Climate Action Plan 2019 is the lack of any real commitment to the scale of emissions reductions over the coming decade. ● By focusing on the cheapest mitigation options now to reach short term targets, the Government runs the risk of furthering carbon-intensive lock-in, and	● The Government must ratchet up ambition on the 2050 target and specify in detail, the manner that it proposes to follow to put Ireland on an emissions pathway aligned with the Paris Agreement. ● We urge the Government to: ○ ensure that the preparation of the first carbon budget by the Climate Council proceeds with the urgency specified in the JOCCA report and is presented within 12 months as proposed; ○ commit to bringing legislation before the Dáil immediately to enshrine the enhanced governance and accountability framework recommended by the JOCCA and included in the Plan; ○ commit to building upon the full package of JOCCA recommendations through the

	over-investing in measures with limited mitigation potential. ● The Climate Action Plan 2019 ignores, does not adopt, or weakens some of the recommendations and timelines proposed for policy delivery by the Joint Oireachtas Committee on Climate Action (JOCCA). ● We see a significant missed opportunity for Government to: ○ fulfil the public mandate of the Citizens' Assembly and respond to the unprecedented public concern about climate change, ○ respect the cross-party support and political impetus that now exists to enable Ireland move beyond a business-as-usual approach to tackling climate change, and ○ drive forward sustained emissions reductions. ● Progress has been too slow and has stagnated since the reform of the Common Fisheries Policy, with the proportion of overexploited fish stocks remaining close to 40%. ● Though progress has been made in the management of some commercially important fish stocks of relevance to Ireland, the speed and scale of progress has been insufficient. ● Overfishing has severely impacted marine biodiversity in Irish waters.	retained flexibility in the proposed governance arrangements; ○ specify how it intends to fully reflect and build upon the weaknesses identified here in a redrafted National Energy and Climate Plan and in the Long-Term Strategy. ● Europe needs a more joined up approach that considers the impacts of fishing on marine ecosystems. ● Significant policy reforms at national and EU level, together with investment, are required to reverse the mostly downward declines and trends of habitats and species. ● Prepare a national hedgerow conservation strategy that recognises the climate benefits of our national hedgerow resource. ● Prioritise a forestry model of native trees and biodiversity-rich woodlands in the right place. ● Reward farmers for active maintenance of ecosystems, and carbon storage and land diversification with a focus on planting native trees. ● Commission an independent review of Coillte to ensure that the commercial semi-state body manages its large public land bank in a climate resilient manner. ● Review the Forestry Act 1988 to ensure that policy is consistent with the objective of environmental, social and economic sustainability in this sector.

	● The collapse of breeding colonies of seabirds is becoming increasingly common in the North Atlantic. ● Ireland is failing to decouple economic growth from biodiversity loss and loss of habitat. ● Ireland is failing year on year to achieve any progress relating to SDG 15 - Life on Land. ● A quarter of farmland birds, such as Stock Dove, Swift, Greenfinch, Stonechat and Kestrel are exhibiting serious declines. ● The number of waterbirds wintering in Ireland has declined by 15% over the past five years and by 40% since the mid-1990s. ● Ireland's biodiversity was worth €2.9 billion to the Irish economy yet this biodiversity is being depleted year on year to an almost irreparable state. ● Our biodiversity is being liquidated for economic benefit, and agriculture is the most significant threat. ● Afforestation, or new planting, has been in decline since 2010.	● An Irish Circular Economy strategy should build on the job opportunities identified through repair, reuse and recycling to ensure a just transition in Ireland. ● Allow the right to reuse. Currently, some supermarkets and food outlets will not allow shoppers to bring their own containers ● Encourage mainstay supermarkets/shops to offer bulk buying of goods and cleaning products with refillable containers. ● Address the liability concern around repair and reuse. ● Remove liability for food donation to organisations such as FoodCloud to encourage supermarkets to donate excess food. ● Reduce the cost of an item when an individual brings their own container. ● Reduce VAT rate to 0% for reuse or repair actions to bolster this service-based business.
Irish Business and Employers' Confederation	● The economic outlook for the country has changed dramatically since the start of 2020 and the NRP must reflect this development. ● The Government needs to enhance the affordability and supply of housing and address infrastructural deficits in telecoms, public transport and water services.	● Irish Business and Employers' Confederation recommends a new model of economic and social dialogue to allow businesses and employees a more meaningful role in employment and social protection policy development. ● Agile policy formation is required in view of the recent economic and health crisis. Comprehensive

	● The taxation regime needs to be reviewed to nurture indigenous business with a particular focus on up-skilling and the low carbon transition. ● Covid-19 will have several implications for the Government's spending plans, fiscal policy and its international commitments, which shape this Report. ● Large regional disparities in average household income persist despite the economy approaching full employment. ● Business investment continues to be driven mainly by large multinationals. ● New lending to SMEs has reached a plateau since 2017. ● Unemployment is expected to rise in view of the recent health crisis. **Infrastructure and Public Services** ● Ireland has performed well in attracting mobile talent and inward investment. ● There is an increasing strain on the country's existing infrastructure due to growth in population and demand. ● Other regions in the EU are beginning to overtake Ireland in essential public services. ● Ireland is 2nd in the EU28 regarding advanced digital skills. For basic digital skills, Ireland is ranked 23rd in the EU28.	stakeholder engagement must be at the centre of this response. ● Government must work with the EU and international agencies to deliver an ambitious and far-reaching fiscal stimulus across multiple areas of public policy. ● The Stability and Growth Pact rules will need to be suspended. **Infrastructure and Public Services** ● Irish Business and Employers' Confederation calls for sustained investment, as envisaged in the National Development Plan, with targeted support from European Regional Development Fund. ● Continued investment in modern energy, water, sewage, telecoms and transport infrastructure is required as noted in Irish Business and Employers' Confederation's recent reports on Better Housing and Better Planning, ● An Bord Pleanála may need additional resources to rule quickly on multiple planning applications in view of the ongoing health crisis. ● Policy and resources for education must focus on delivery a sustainable higher education funding model, a new approach to funding innovation capacity, enabling the technological higher education sector to engage more deeply in research and development projects, building international networks and developing dedicated knowledge and skills exchange programmes.

	• Demand for advanced digital skills remains a key priority for both SMEs and large firms throughout Ireland. • The past four years have been hugely positive for the development of apprenticeship programmes. • The lack of core funding for education providers over the past decade has reduced the competitive edge of Ireland's education sector. • Demand for advanced digital skills remains a key priority for both SMEs and large firms across Ireland. • The last four years have been hugely positive for development of apprenticeship programmes, with new programmes across a range of industries. **Housing** • The State continues to spend heavily on Housing Assistance Payments, an inefficient use of resources. • Only 45% of the cost of delivering a new home is accounted for by the build cost. • The establishment of the Land Development Agency in 2018 is welcome but is yet to take a comprehensive strategic development approach to the delivery of housing. • Between 2012 and 2018, over 39,000 landlords left the rental market. Tax and regulatory changes must ensure viable and affordable rents for every stage of life.	• The Government should create high-level awareness within the business community of lifelong learning. • A co-ordinated and targeted digital skills strategy by The Government should be implemented. • The introduction of a National Training Voucher Scheme for demand-driven education and employee development. • Apprenticeship schemes should shift focus towards businesses without capacity to participate in Generation Apprenticeship. • The Government must continue to build capacity in higher education and skills development, to meet the needs highlighted in the 2020 Country Report. **Housing** • A new national housing strategy should be implemented as a long-term successor to Rebuilding Ireland. • Increased direct building by the local authority sector would deliver much better value-for-money. • Government should support innovation in the sector by using modern construction methods as part of social housing public procurement. • More state land should be made available for private development and increasing the supply of social housing. • The introduction of a state-backed shared equity scheme and bridging finance scheme will be required.

	Tax Reform ● Indigenous firms face existential threat in view of the recent economic climate. ● In the absence of policy certainty over Ireland's 12.5% corporation tax rate, there is significant potential to undermine our model for attracting FDI. ● Irish Business and Employers' Confederation will continue to engage constructively with stakeholders regarding corporate taxation policy and potential tax windfalls. **Low Carbon Society** ● A cost-effective low carbon transition presents a no regrets opportunity for Ireland to improve its competitiveness, boost energy security, and create sustainable jobs. ● Ireland faces additional challenges to decarbonise and certain sectors/industries are at a high risk of carbon leakage. Ireland's unique challenges need to be recognised when setting long-term targets. ● The Climate Action Plan is a good basis for dialogue. ● "Circular design" principles will have major implications for entire production supply chains. **Labour Market** ● Attracting the necessary human capital and skills remains an ongoing problem for SMEs.	● Reforms, including tax and regulatory changes, are needed to ensure a sustainable rental market for landlords and tenants. **Tax Reform** ● Irish Business and Employers' Confederation calls on the Government to provide short-term relief measures to SMEs where appropriate in view of current health crisis. ● Government should support innovation and growth by indigenous businesses through beneficial reforms to the CGT regime and the Employment Incentive and Investment Scheme ● Government should convene a new Commission on Taxation tasked with ensuring future policy coherence and sustainability. ● Irish Business and Employers' Confederation continues to call for a portion of the windfall income arising from potential policy developments on corporate taxation to be ring-fenced. ● The Government should establish of a meaningful social dialogue to help develop a national consensus on climate action and the just transition. **Low Carbon Society** ● Irish Business and Employers' Confederation recommends the establishment of a meaningful social dialogue to help develop a national consensus on climate action and the just transition.

	● The law-making process needs to be more reflective of Ireland’s culture as an agile, pro-business nation. ● Ireland has had the third largest increase in prime age (25-54 years) female participation rates over the last two years. However, Ireland is the fifth lowest country for the proportion of women at work. ● The National Childcare Scheme has brought about a substantial fall in childcare costs. ● Net childcare costs remain among the highest for middle-and higher-income households. ● Ireland’s aging population continues to grow. ● By 2030, one in five people will be in a family caring role. ● The provision of necessary supports for family carers is key, including for people juggling employment with caring responsibilities. ● Gender pay gap reporting is one part of a much-needed “whole of society” strategy to address female participation rates. ● The employment rate gap between people with and without disabilities in Ireland is the highest in the EU. ● Cost-effective provision of childcare and related services is contingent on a marketplace comprised of thousands of private enterprises.	● Enhanced supports and funds to leverage private investment. ● A separate action plan will shortly be required to incentivise the adoption of circular economy transition. **Labour Market** ● The Government should institute a responsive model of economic and social dialogue that allows businesses and their staff to play a meaningful role in relevant policy formation. ● Social protection and pensions regimes need to be more conducive to people staying in employment, moving between jobs, or returning to the labour market. ● Enhance female participation by supporting career returner programmes, flexible working and continuing to look at issues around care. ● Irish Business and Employers’ Confederation recommends means-testing of child benefit payments, increasing budget allocation for early childcare learning to least 1% of GDP in the next five years, the abolition of commercial rates for all early childhood care and learning services/providers, extend the Early Childhood Care and Education Scheme to include children aged one to three years and increasing the duration to four hours to facilitate parents, increase the bands in the National Childcare Scheme to benefit more parents. ● Irish Business and Employers’ Confederation would like to see a review of all aspects of the care sector

		to ensure the various parts are working in tandem. ● Lowering the cost of quality care and increasing the availability of suitable supports can help increase labour participation for employees with caring responsibilities. ● Irish Business and Employers' Confederation is engaging with D/EASP to examine the grants schemes around disability and employment available to enable them to be more fit for purpose.
Irish Creamery and Milk Suppliers Association	● This submission is provided in the context of the 2020 Country Report and underlines existing risks to the agriculture sector, apart from Covid-19. ● The Irish economy continues to perform well, however, the macroeconomic shock from Covid-19 will result in uncertainty. ● Due to an expected budget deficit and the challenges from the macroeconomic shock, the response to CSRs will be very different to those outlined in the Country Report. ● Brexit risks remain front and centre. Protecting Irish interests during the ongoing EU-UK trade talks are key and must not end in a no deal situation in December 2020. ● Irish Agri-food and drink exports increased by 7 percent to approximately €13 billion in 2019 supporting 7.7% of total employing in our economy.	● ICMSA calls for reforms, which mitigate risks to Irish agriculture, particularly in a post-Brexit scenario. ● It would be prudent to reduce the overall debt to GDP (or GNI*) ratio and the total debt deficit of our economy in the medium term without reducing the level of capital investment. ● Taxation reforms must be approved by economic and taxation experts, inhibiting political decisions to override policy so that the tax base can shift from year to year. ● A taxation policy for the agri-food sector needs to take the high level of volatility for the industry into account and introduce a scheme that allows farmers to survive bad years with income accrued from good years. ● The banking sector is an area that ICMSA feel needs a root and branch review.

	● The Food Wise Report 2025 sets out a ten-year strategy, currently under review, which share the ambition of a new roadmap for Irish agriculture that should be recognised in the CSRs. ● The recent target of at least 19 Mt CO_2 equivalent in 2030 set out in the Climate Action Plan will require farmers to change substantially. ● ICMSA feels there is a disjoint in the policy development process and action towards the 2030 emission targets. ● ICMSA believes that CAP Post-2020 proposals will result in significant reductions in direct payments to Irish farmers in real terms, which could have a detrimental effect on the fabric of rural Ireland. ● The nominal reduction in the CAP budget of 5% will reduce farmers' incomes substantially. ● The objectives of budgetary recommendations are likely to be very different than the objectives set out in the Country Report due to Covid-19. ● The climate transition and up-skilling of workers must proceed without objection. ● The transition to a reduced carbon environment must be implemented with full recognition of the special nature of Irish farms. Irish agriculture remains one of the most carbon-efficient in Europe and this should be reflected in future policy.	● Adopting a regional focus is key for economic policy formation, noting the implementation of broadband across the country. ● ICMSA believe environmental issues are critically important within the context of national legislation to accommodate the changes that will be required for Ireland to meet its internationally binding commitments. Climate mitigation policies and actions should not undermine sustainable food production. ● Balancing the environmental objective of reducing greenhouse gas emissions with the economic and social objective of promoting the sustainable development of the rural economy is critical. ● An emphasis on micro-generation is required, noting that options for renewable energy can only be adopted if appropriate incentives are in place.

Irish Congress of **Trade Unions (ICTU)**	● This submission is provided in the context of the 2020 Country Report and focuses on aspects that relate to current ICTU priorities. ● ICTU recognise that many of the assumptions and projections in the country report 2020 are no longer valid and would be changed due to Covid-19 if the report were still being prepared. ● ICTU stress the importance of genuine social dialogue and negotiation between employers and workers in order to ensure the success and effectiveness of a European-style short-time work scheme. ● The general tone and balance of the Country Report is at odds with the concerns of Irish citizens in 2020. ● The Country Report's reference to investment in infrastructure, low skilled and members of the population with disabilities is over-stated. ● The Report provides little acknowledgement to the fact that the scale of the infrastructural and other challenges facing Ireland requires the strengthening of public services. **Social Dialogue and Collective Bargaining** ● ICTU believes the Commission could have referenced other recent Eurofound reports, such its Annual Report of Working Life, as opposed to a draft Eurofound report in relation to social dialogue and collective bargaining in Ireland. ● Despite the NRP timetable, government should make every possible effort to ensure that ICTU and	● Urge government and the Commission to now examine ways of improving, where possible, the EU's framework against cross-border health threats and Ireland's involvement in that framework. ● Re-examine implementation of the 2013 EU Decision on serious cross-border threats to health. ● The implications of the UK's exit from the EU for responding to cross-border health threats across Europe should be examined. ● ICTU has proposed the introduction of a European-style short-time work scheme. **Social Dialogue and Collective Bargaining** ● The challenges facing Irish society would best be addressed through better social dialogue than currently in existence, including in the way the European semester process operates. ● The NRP should set out how Ireland will follow through on the commitments to strengthen social dialogue and collective bargaining. The CSRs should also include a specific recommendation on the same. ● Refers government and the Commission to ICTU's 2019 paper 'Realising the Transformative Effect of Social Dialogue and Collective Bargaining in Ireland. ● ICTU strongly endorses the call for an integrated strategy to promote equal opportunities for all and would like see a comprehensive response to this call in the National Reform Programme and in the draft CSRs, particularly in view of Ireland's widening gender employment and gender pay gaps.

	other civil society organisations have time to make a meaningful response. ● Reforms to enhance social dialogue and to promote collective bargaining in Ireland are needed not only to ensure fairer outcomes for workers and their families but also to address challenges facing the Irish economy. **Public Finances and Taxation** ● In 2019, pay across the economy was growing at three times the rate as that in the public sector. ● CSO figures in late 2019 suggested that pay across the economy was growing at three times the rate as that in the public sector. **Decent Work** ● The Country Report should have included a much deeper examination of precarious employment including low pay in Ireland. ● The Report appears to identify 'labour market regulations' as a barrier to investment without specifying what is meant. ● Future Jobs Ireland 2019 is not clear on what is meant by quality jobs. There is no discussion for example on the potential of social dialogue and collective bargaining to improve job quality. ● ICTU queries the Country Report on SDG8. There are a limited range of indicators used to assess decent work in Annex D.	**Public Finances and Taxation** ● ICTU urges the government to implement reforms to capital taxation and to the system of tax expenditures, such as the introduction of a net wealth tax. ● Discussions on a new public service pay deal this year must ensure a departure from emergency legislation, a significant increase in real terms, and a reversal of the more odious measures introduced in the emergency climate. **Decent Work** ● ICTU endorses a comprehensive response to the call for an integrated strategy to promote equal opportunities for all, with reference in the National Reform Programme and in the draft CSRs. **Education** ● Restoration of School Completion Programme funding to pre-crisis levels could have a further beneficial impact on communities leaving schooling early. ● ICTU is hopeful that the forthcoming advisory report to the Minister for Education and Skills will make positive recommendations about how to improve vocational pathways in a revised Senior Cycle curriculum. ● Teacher unions have outlined evidence of the chronic shortage of teachers for some time. **Climate**

	- ICTU note their wish to see the Commission's proposed additional benchmarking frameworks leading relatively quickly to EU indicators on SDG.8.8.2. - Comments about the need to ensure adequate social protection for the self-employed should have been accompanied by an emphasis on the need to ensure the financial sustainability of Ireland's Social Insurance Fund. **Health** - ICTU highlights issues using GDP for measurement of per capita spending on health in Ireland. Increases in expenditure attributed to demographic factors. - Ireland has a low supply of hospital beds. - Health spending would be better compared with other high-income EU member states. - Public funding accounts for 73% of all health spending in Ireland, a lower share than the EU average. **Housing** - Questions the Country Report's comment that 'some progress' has been made on affordable and social housing. **Early Childhood Care and Education**	- ICTU note the importance of social dialogue in meeting the challenge of transitioning to a climate-neutral economy. - ICTU refers to their 2019 proposals for a just transition for workers in Ireland, which includes specific proposals to achieve a just transition

	● ICTU are critical the reference to affordable and quality childcare, noting the terminology is inappropriate. **Education** ● The Report still does not address the need to improve the terms and conditions of early childhood care and education workers. ● Low level of early school leaving in Ireland but high rates within certain groups, including Irish Travellers. ● The Report accurately assesses the extent of child poverty and homelessness. ● Ireland spends well below the per-pupil norm for advance high-income economies, with numbers of students rising dramatically.	
Irish Human Rights and Equality Council	● This submission is provided in the context of the 2020 Country Report with a specific focus on social policy, the labour market, and training and education. **Social Policy** ● Despite welcome measures to address deficiencies in recent years, there remains a high level of unmet need for formal childcare supports. ● Current childcare and care work policy in Ireland continues to negatively and disproportionately affect women.	● An urgent need exists for effective and transformative policy in Ireland to address the gendered division of care work. ● An approach to reform of state policy on care work should place a more holistic emphasis on these interrelated elements of recognition of rights, provision of services, work-care reconciliation and financial supports ● Address the high costs of childcare in Ireland with a view to providing adequate financial supports, and state-delivered subsidies that ensure quality and accessible childcare, particularly for lone parents,

	Housing and Homelessness ● The Country Report notes slow progress in dealing with the current housing crisis in Ireland and the growing phenomenon of family homelessness. ● The decision to withdraw from building social housing and to instead provide rent supplement for private renters has made low-income households extremely vulnerable to shocks in the housing market. ● The impact of homelessness on families and children is a particular concern. ● Certain groups within society are at greater risk of homelessness, such as migrants, ethnic minorities, travellers and members of the Roma community. **Child Poverty** ● The State has failed to meet its own targets on poverty and deprivation including the reduction of child poverty ● Measures to combat child poverty need to address the needs of specific groups that are disproportionately affected; noting that the State has failed to meets its own targets on poverty. ● Child poverty decreased slightly from 8.8 per cent in 2017 to 7.5 per cent in 2018. **Labour Market**	parents with limited financial resources, unemployed parents and parents pursuing full-time education. ● The provision of social housing is central to the solution to the homelessness crisis. ● Realises the State's obligations regarding the human right to adequate housing by adopting a policy approach that commits to social housing and public housing provision. ● Review the Housing Acts and associated policy instruments to reflect the changing and increasingly diverse nature of the population in need of social housing and homelessness supports, and to address the discrimination and inequalities faced by minority ethnic groups. ● Introduce dissuasive sanctions for local authorities that fail to provide Traveller-specific and culturally appropriate accommodation in areas where there is a stated need. ● Implement an action plan to ensure that anti-poverty and social inclusion targets established by the Roadmap for Social Inclusion 2020 – 2025 are met. ● The Commission is of the view that integrating reasonable accommodation into routine recruitment, selection and employment processes is essential to address the employment gap for people with disabilities. ● A variety of legislative and policy measures need to be undertaken to tackle these inequalities, including in the areas of equal pay and wage transparency;

	• The employment rate gap between people with and without disabilities in Ireland is the highest in the EU (42.2 % compared to 24.2 % in the EU). • Persons with disabilities are less likely to be in employment compared to those without disabilities and, once in the labour market, are more likely to be unemployed. • IHREC is preparing a statutory code of practice to promote greater employment of people with disabilities. It also welcomes the recent launch of the Workplace Passport scheme by the ICTU and IRISH BUSINESS AND EMPLOYERS' CONFEDERATION. • Gender inequality remains an ongoing issue in Ireland, including occupational and hierarchical segregation, and the intersectional experience of discrimination. • Ongoing evidence exists from Its Your Rights service that international protection applicants are facing continuing barriers in effectively accessing employment. **Training and Education** • IHREC is concerned about the practical barriers faced by certain groups within society wishing to access education opportunities. • IHREC notes that the Government does not collect national data on the participation of minority ethnic groups in apprenticeships	promotion of family friendly work practices; and strengthening legislation. • Applicants for international protection should be granted access to the labour market no later than six months after the date of lodging an application. • The State should conduct a review of the scheme for labour market access for asylum seekers to identify and address the ongoing administrative barriers. • The Government should facilitate access to vocational education, English language training and tuition support be provided to asylum seekers and those recently granted refugee status or subsidiary protection. • IHREC recommends that the State introduce practical supports to increase the accessibility of apprenticeships to people from minority ethnic groups, including the adoption of specific measures for women.

Irish Development Education Association	● This submission is provided in the context of the 2020 Country Report and focuses on aspects of the Reform Programme within the context of Sustainable Development Goals Target 4.7 – Development Education. ● Development Education, as envisaged by SDG Target 4.7, is a life-long learning process and a public good, the successful implementation of which is fundamental to the achievement of all SDGs. ● In Ireland, Development Education involves addressing global issues directly linked to our local context.	● The Government must be an international forerunner in adopting and implementing the SDGs and a policy agenda, which respects human rights and addresses key global challenges of the 21st century. ● Make Development Education a strategic priority in the next Government's policy agenda. ● Identify Development Education in Irish Aid's management and strategic approaches with clear actions associated with this prioritization. ● Increase funding for Development Education to at least 3% of Official Development Assistance (ODA) by 2025. This in line with the European benchmark for Development Education funding. ● Implement a coherent, integrated government approach to Development Education. ● Make a long-term commitment to the Development Education sector by establishing strategic partnerships and developing multiannual funding approaches. ● Fulfil Ireland's international commitments by increasing ODA to 0.7% of GNI. ● Implement a 'whole of government' approach to implementation of the SDGs, including a specific line in future budgets with dedicated resources for the implementation of SDGs.
Northern & Western Regional Assembly	● This submission is provided in the context of the 2020 Country Report with regard to regional variation, noting the NWRA's recent publication 'A	● Ensure incentives allow the region to develop urban centres of sufficient scale, particularly the region's

	Region in Transition: The Way Forward' as reference to the submission. ● NWRA notes its disappointment that not one recommendation was recorded to address the competitive disadvantage but also the factors of economic inclusion, particularly in the context of Brexit. ● The Country Report makes no acute recommendations to address regional imbalance. ● The Report does not provide recommendations regarding the re-classification of NWRA from being 'Developed' to a 'Region in Transition'. ● Inward regional investment should be viewed as strong value for money, particularly in terms of cost competitiveness. **Regional Classification** ● The region's GDP per capita was between 75% and 100% of the EU average and below that of the Southern and Eastern & Midlands. ● Activities of a small set of Multinational companies (MNC) within the State have significantly inflated the Southern regions and the Eastern & Midland region's GDP figures from 2015 onwards. ● EU Funding for a "Transition Region" is more favourable relative to "More Developed Regions", in terms of 1) higher co-financing rates, 2) allocations calculations and 3) relatively flexible funding opportunities.	designated "Regional Growth Centres" and "Key towns". ● Enhance investment and support for the Northern & Western region's Higher Education Institutes, to improve the region's overall human capital levels. ● Support the region's Higher Education Institutes in improving their R&D capabilities to attract greater funding levels, increasing the possibility of innovation. ● Ensure the delivery of the National Broadband Plan allowing for continued improvement in the region's digital infrastructure. ● Highlight and maintain the region's cost competitiveness for both workers and employers. ● Ensure continued support and investment into the region's Airport infrastructure, with the view of improving and connectivity to global markets ● Encourage employers and firms within the region to embrace the concept of remote working. ● Support SMEs within small towns and villages, particularly in geographical areas that suffer from deprivation, depopulation or high vacancy rates. ● Ensure continued development of current industrial clusters, particularly in high value industries operating in the "Technology and Knowledge Intensive" economy. ● Provide transport infrastructure and services that ensure relatively lower commuting times and allow for a transition to low carbon economy.

	● Such a reclassification shows that the Northern & Western region has not prospered economically compared to the other regions of Ireland and the EU27 in recent years. **Regional Economy** ● Commercial vacancy rates within the Northern & Western region are quite high relative to State average. ● Disposable income per head of population remains quite low within the region, and is falling behind relative to the State average. ● Northern & Western region is not capturing as much high skilled employment relative to the EU28 and State averages. ● In recent years, Productivity within the region has fallen back, relative to the State average. Multiple factors are likely to have caused the region's GDP to fall relative to the EU average, however poor performances in these indicators are likely to have contributed. **Growth Enablers** ● Government investment in national, regional and local infrastructure – per km of road – has been behind the State average in recent years. ● Capital investment in the region's Higher Education Institutes – per undergraduate student enrolled – has been behind the State average over the past number of years.	● Ensure the provision of high-quality social infrastructure and services, particularly in the areas of health, housing and childcare.

	• Capital investment in health infrastructure – per head of population – has been below the State average in 8 out of the last 11 inclusive years. • Capital investment for postgraduate and research facilities in the region's Higher Education Institutes – per head of population – has been behind the State average in 8 out of the last 11 inclusive years. • Higher Education Institutes operating in the region received Science Foundation Ireland funding - per head of population – below the State average in each of the last 11 inclusive years. • Rent as a proportion of a disposable income is considered to be affordable in all of the counties of the region. • All of the Local Authorities within the region registered Childcare costs – both full time and part time – below the State average. • Labour costs for businesses located within the region are lower relative to the Southern region and the Eastern & Midlands region. • From a cost of living perspective, the region offers strong value for money.	
Social Justice Ireland	**Employment** • Challenges remain, not least in the areas of the working poor, underemployment and precarious employment and the potential impact of the changing nature of employment.	**Employment** • Social Justice Ireland believes that major emphasis should be placed on those who are trapped in long term unemployment.

	• It remains a policy challenge that Ireland's level of long-term unemployment, equivalent to one in four of the unemployed, remains high and that it is a policy area which receives limited attention. • Experiences of unemployment, and in particular long-term unemployment, alongside an inability to access any work, training or education, tends to leave a 'scarring effect' on young people. • There are many adults living in poverty despite having a job. • The growth in the number of individuals with less work hours than ideal, as well as those with persistent uncertainties concerning the number and times of hours required for work, is a major labour market challenge. **Education** • The poor labour market status of early school leavers points to the need for a continued focus on this cohort and on addressing educational disadvantage. • According to the latest figures from the CSO, an early school leaver is three times as likely to be unemployed than the general population aged 18-24. • Capitation grants for schools have been cut by more than 10 per cent following the economic crisis in 2008 and subsequent Budgets have restored the value of these cuts.	• Resource the up-skilling of those who are unemployed and at risk of becoming unemployed through integrating training and labour market programmes. • Adopt policies to address the worrying issue of youth unemployment. • Recognise the challenges of long-term unemployment and of precarious employment and adopt targeted policies to address these. • Recognise that the term "work" is not synonymous with the concept of "paid employment". Everybody has a right to work. • Establish a new programme targeting those who are very long-term unemployed (i.e. 5+ years). • Ensure that at all times policy seeks to ensure that new jobs have reasonable pay rates. • Adopt policies to address the working poor issue including a reform the taxation system to make the two main income tax credits refundable. • Support the widespread adoption of the Living Wage so that low paid workers receive an adequate income and can afford a minimum, but decent, standard of living. • Reduce the level of long-term unemployment to 1.3% of the labour force. • Reduce in-work poverty by making income tax credits refundable. • Training opportunities need to be life-long.

	• Ireland still faces challenges in the area of early school leaving and young people not engaged in employment, education or training (NEETs) in disadvantaged areas. **<u>Poverty</u>** • High rates of poverty and income inequality have been the norm in Irish society for some time. • No anti-poverty strategy can possibly be successful without an effective approach to addressing low incomes. • 14 out of every 100 people in Ireland were living in poverty in 2018. • Looking over the past 25 years, despite a reduction in the headline poverty rate (from 15.6 per cent to 14 per cent) there are over 120,000 more people in poverty. • In 2018, the largest group of the population who were poor, accounting for 23.7% of the total, were children. • Social Justice Ireland has expressed serious reservations about the overall range of measures employed in the SILC survey and believes a whole new approach to measuring deprivation should be developed. • Despite various Governments establishing and revising poverty targets on several occasions over the past decade, none of these have been achieved.	**<u>Education</u>** • Governments should remove barriers to adult learning and implement policies supporting informed learning choices, new techniques such as distance learning, financing of life-long learning and developing systems of skills validation. • Governments should review education and training systems to improve the accessibility, quality and equity of education for young people. • Foundational skills (e.g. literacy, numeracy) for all should be promoted by improving the recognition of skills acquired after initial education. • Incorporate the latest OECD recommendations on training and lifelong learning into the National Skills Strategy and revise our target to reach 15% by 2021. • Make the improvement of educational outcomes for pupils from disadvantaged backgrounds and disadvantaged communities a policy priority. • Set a more ambitious national target of 4% for reduction of early school leaving. • Adopt a more ambitious adult literacy target to reduce the proportion of the population aged 16-64 with restricted literacy to 5% by 2020; and to 3% by 2025. • Adopt a 15% target for participation in lifelong learning. **<u>Poverty</u>**

	● Children are one of the most vulnerable groups in Irish society. In 2018, the largest group of the population who are poor, accounting for 23.7% of the total, were children. ● Despite an increase in average incomes, increased employment and very high levels of economic growth, a significant proportion of the population is still living in very difficult circumstances. ● Ireland is a very long way away from its Europe 2020 poverty target, and indeed from its newer sub-target relative to childhood poverty; and while trends have improved, there remains a lot of ground to be made up to reverse the damage following the 2008 crisis.	● Reduce by 2023 the consistent poverty rate to 2%; the at-risk-of-poverty rate anchored in time to 7%; and the at-risk-of-poverty (only) rate to 6%. ● Adopt targets aimed at reducing poverty among particular vulnerable groups. ● Carry out in-depth social impact assessments prior to implementing proposed policy initiatives that impact on the income and public services that many low-income households depend on. This should include the poverty-proofing of all public policy initiatives. ● Recognise the problem of the 'working poor'. Make tax credits refundable. ● Support the widespread adoption of the Living Wage. ● Introduce a cost of disability allowance to address the poverty and social exclusion of people with a disability. ● Recognise the reality of poverty among migrants and adopt policies to assist this group. Replace direct provision with a fairer system. ● Move towards introducing a Basic Income system. **European Pillar of Social Rights** ● A process should be established involving social partners and civil society partners to implement the European Pillar of Social Rights in ways that are legally binding. ● Social Justice Ireland recommends that there is coherence between European Policy and the European Semester by integrating the social objectives of the Europe 2020 strategy and the

		European Pillar of Social Rights in the economic processes of the European Semester.
Southern Regional Assembly	● This submission is provided in context of 2020 Country Report and highlights the issue of regional disparities. ● Region disparities are amongst the highest in Ireland compared with other EU countries. ● Disparities at sub-regional levels can be masked by indicators featured in the County Report, which are at NUTS-2 level. ● The timely implementation of the National Reform Programme and National Planning Framework remains key. ● Many of the issues and policy issues identified in the Country are directly addressed by the RSESs.	● NRP must be linked to the Government objectives as set out in the National Planning Framework and the RSESs. ● The Regional Spatial and Economic Strategies (RSESs) serve as frameworks through which the NPF's vision and related Government policies will be delivered at regional level. It sets out a 12-year strategic development framework and should be reflected in the NRP.
Irish Cooperative Organisation Society **(ICOS)**	● The contribution of the agri-food industry to the economy, particularly to our rural economies, is noticeably missing from the 2020 Country Report for Ireland ● Our exposure to the UK's withdrawal from the EU poses a significant threat, but so too do other international trade tensions, notably at the moment with the US, as well as the disruptions to trade flows resulting from the global outbreak of COVID19.	● Continued investment in agricultural education. ● As a means of supporting the sector the Irish tax system must accommodate strategic risk management tools for primary producers, ideally enabling farmers to create a "rainy day" fund during periods of high market return. ● The €200 million Investment Scheme for Irish agri-food processing and marketing businesses, developed for the 2020-2025 period must:

	• Income volatility is a particular challenge for farmers. • If a sustainable Biogas industry is to properly take root in Ireland, further financial supports will be necessary. • Increasing the share of renewable energy consumed is highlighted as a particular challenge to be addressed by Ireland, with levels currently well below EU average. • Low levels of investment in R&D measured by spend per turnover is holding the sector back when competing in the global marketplace. • More must be done over the coming decade within national policy to ensure research is converted into commercial applications.	○ Be made available to all agri-food processors and marketers across the country, who will, during the five-year period, begin or are already in the process of investing in their facilities. ○ Provide funding rates of 40%. • Funding is required to support new research into new technologies that will reduce greenhouse gas and ammonia emission on farm level. • Further investment and government policy are needed to support the adoption of renewable, clean, green heat and electricity technology by larger business across the country. • The mart co-op structure could be used to complement their existing business interests through operating trading centres for biomass. • ICOS proposes the following schemes and incentives to be included within Ireland’s tax and planning system: ○ Introduce a tariff system for community based renewable projects. ○ Prioritise community based renewable projects for planning and grid access. ○ Restructure planning requirements for community renewable projects.

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