Rialtas na hÉireann
Government of Ireland

National Reform Programme for the European Semester

April 2023

Contents

1. Introduction

Ireland's National Reform Programme (NRP) is produced annually as part of the European Semester Process. In line with guidance provided by the European Commission the NRP provides context and information in relation to both reform and investment implementation, and policy initiatives currently underway, in Ireland.

Ireland's NRP for 2023 outlines progress on key Government policies, including the National Development Plan, the Climate Action Plan, and Housing for All. Following an introduction, part 1, outlines the national context, and Ireland's main reform and investment priorities, part 2 of the NRP provides the macroeconomic context, in line with Ireland's Stability Programme Update 2023. This is followed in part 3 with further details on the key policy responses to major economic, employment and societal developments. Part 4 outlines and updates on Ireland's policy approach and response to the UN's Sustainable Development Goals (SDGs). Part 5 provides an update on Ireland's use of EU Funds. Part 6 provides details on the institutional processes and stakeholder involvement in the development of the NRP.

In line with guidance from the Commission, this year's NRP also provides an update on the steps taken by Ireland to address Country Specific Recommendations (CSRs), detailed in Annex 1, and updated information on implementation of Ireland's National Recovery and Resilience Plan (NRRP), fulfilling the biannual reporting requirement of the Recovery and Resilience Facility (RRF) Regulation, detailed in Annex 2. Ireland's implementation of the European Pillar of Social Rights is addressed throughout the Programme.

1.1 Economic Outlook and Managing Cost of Living Challenges

Following the full easing of pandemic-related restrictions in early 2022, economic activity rebounded strongly with little, if any, evidence of permanent 'scarring' to the economy.

The most recent evidence indicates that the labour market has exceeded its pre-pandemic performance in key areas. By the end of Q4 2022, the number of people in employment in Ireland surpassed 2.57 million, which is the highest level of employment recorded in the State, with growth in employment stronger for men than for women. Employment increased by 40,500 (3.0%) for males in the year to Q4 2022, as compared to an increase of 28,100 (2.4%) for females in the same period. The Q4 2022 employment rate was 83.9% for males and 72.2% for females. The seasonally adjusted monthly unemployment rate for February 2023 was lower than the pre-pandemic level of 4.8% recorded in February 2020. Similarly, the seasonally adjusted youth unemployment rate, of 10.2% in February 2023, is below the equivalent pre-pandemic figure of 11.4% in February 2020.

The strength of the Irish economy and labour market in the wake of the lifting of restrictions allowed pandemic income support schemes to be wound down without any major adverse effects being observed. Throughout the pandemic period, Ireland had two major income support schemes in place, the Pandemic Unemployment Payment (PUP) and the Temporary Wage Subsidy Scheme (TWSS) which was later replaced by the Employment Wage Subsidy Scheme (EWSS). Both of these programmes were progressively wound down from late 2021 by reducing payment rates and supporting people in their transition to normal jobseeker terms, if appropriate. PUP closed for all recipients in March 2022 and EWSS was fully wound down by the end of May. In addition, the Government put in place a Debt Warehousing scheme allowing for the deferral of the payment of VAT, PAYE (Employer) and certain self-assessed income tax liabilities, including TWSS and EWSS overpayments. This scheme provided a vital liquidity support to businesses during the COVID pandemic and continues to support businesses as they recover from the impacts of the pandemic and the current energy crisis. A significant extension to the scheme was announced in October 2022 with the commencement date for repayment of the debt extended to May 2024 from the original repayment date of January 2023. As of end February 2023, almost 93% of the warehoused debt has been paid, however a balance of €2,257m remains in the warehouse for almost 65,000 individual entities.

The number of people in receipt of unemployment benefit supports in Ireland is very close to pre-pandemic levels. While around 184,000 people were on the Live Register (LR) in both January 2023 and January 2020, the January 2023 figure also includes over 20,000 beneficiaries of Temporary Protection for Ukraine. In addition, the percentage of long-term claimants is substantially lower in January 2023 than January 2020. Thus, the underlying trend of unemployment, as indicated by LR figures, appears to be in a stronger position than pre-pandemic.

The Russian invasion of Ukraine in February 2022 triggered a large energy price shock and undermined global economic prospects. As a result, Ireland is currently facing many of the same economic headwinds as the wider European economy. The world is facing into a period of lower economic growth, with many of Ireland's key trading partners likely to see sluggish if not negative growth in the coming quarters. Russia's invasion of Ukraine and the restriction on energy supplies, has led to multi-decade high inflation rates in Ireland and the euro-area more broadly.

In Ireland average annual inflation stood at just over 8% for 2022, significantly higher than the .5% average annual inflation recorded for the previous decade. The elevated level of inflation has had a real impact on households and businesses, with weaker economic activity in the domestic economy in the second half of last year.

Against this backdrop of a highly inflationary environment, Budget 2023 focused on providing relief to households and firms without making the inflationary situation worse. In addition to a core budgetary package of €6.9bn, Budget 2023 provided for a one-off package of direct cost of living supports of €4.1bn, the roll out of which continues. The temporary nature of the deviation from the 5% expenditure growth rule and the one-off nature of the cost of living supports ensured that policy did not compound the inflationary problem.

In recognition of the ongoing challenges posed by the continued high cost of living, the Government agreed a further €1.3bn package of measures in February 2023, with a significant targeted element. This package included:

- A €470m package of measures to help social protection recipients from April to July.
- The temporary reductions in VAT on gas and electricity, from 13.5% to 9%, extended to 31st October 2023 at an estimated cost of €115m.
- The temporary reduction in VAT on Tourism and Hospitality, from 13.5% to 9%, extended to 31st August 2023 at an estimated cost of €300m.
- A phased restoration of the rates of excise on petrol, diesel and marked gas oil between June and end-October.
- The Temporary Business Energy Support Scheme extended, to 31st May 2023, and enhanced, including by reducing the threshold for qualification.

These measures and measures taken in Budget 2023 are in line with CSR 1.1.2022.

Growth in the domestic economy is expected to remain subdued this year as inflationary pressures continue to erode household incomes and weigh on consumer spending, albeit with inflation expected to fall over the year. The Irish economy has proven resilient, and Ireland is facing current challenges from a relatively strong economic position. Although projected growth in Modified Domestic Demand for this year is low compared to non-COVID years, it compares favourably with European peers. The Government remains conscious of the need to closely monitor threats to Ireland's competitiveness in the year ahead, along with the impact of the cost of living challenge and rising costs on individuals and businesses.

1.2 Humanitarian Response to the War in Ukraine

The impact of the war in Ukraine following the Russian invasion in February 2022 is first and foremost humanitarian. Ireland is resolute in its solidarity and support for Ukraine and, in line with CSR 1.1.2022 and obligations under the Temporary Protection Directive.

To date, more than 80,000 beneficiaries of temporary protection have arrived in Ireland and the State has accommodated in excess of 59,000. Over 7,200 beneficiaries have been accommodated by more than 3,100 pledged accommodation properties. The Government has introduced measures to support people helping those displaced from the war such as the Accommodation Recognition Payment.

The Department of Children, Equality, Disability, Integration and Youth (D/CEDIY) is in regular contact with relevant stakeholders to facilitate the provision of supports and services to beneficiaries of temporary protection. The Department of Housing, Local Government and Heritage (D/HLGH) is supporting the D/CEDIY by sourcing, evaluating and funding the refurbishment of multi-occupancy vacant properties as well as suitable sites for modular developments, to create further accommodation for beneficiaries of temporary protection.

Through the efforts of the Community Response Forums which include volunteers, community groups, public bodies and private sector organisations, many beneficiaries are being supported with basic needs such as clothing, access to the internet, transport, English classes and information on how to access local services such as early learning and childcare, healthcare and education.

In accordance with the Temporary Protection Directive implemented in March 2022, people fleeing the war in Ukraine have been granted the status to avail of supports and services from the

Department of Social Protection. This means that they can work in Ireland and access the full range of social welfare supports if eligible, including jobseekers payments, pensions, child benefit, and rent supplement.

Almost 37,000 income support claims are awarded across various social welfare schemes supporting 56,900 people (including children), and 13,500 Child Benefit claims have been processed in respect of some 19,000 children.

To date over 14,600 beneficiaries of international protection have been recorded as having gained employment in the labour market, while additional placements on the Work Placement Experience Programme (WPEP) have also been made available.

Beneficiaries also have access to the education system. Educational take up has been significant with more than 1,900 beneficiaries enrolled on the Early Childhood Care and Education (ECCE) programme or accessing the National Childcare Scheme (NCS) and 15,200 beneficiaries enrolled in schools representing 90% of eligible total arrivals.

Beneficiaries have access to the same public healthcare services as people who live in Ireland. Everyone coming to Ireland under the Temporary Protection Directive can apply for a medical card with a simplified application process. To date, almost 59,8000 medical cards have been issued to beneficiaries representing 76% of eligible total arrivals.

1.3 Key National Policies

The following section outlines the main, overarching, national framework policies in place to address longstanding challenges and needs, while preparing the economy and labour market for the challenges and opportunities of the future.

1.3.1 National Development Plan

The National Development Plan (NDP) published in October 2021 provides a detailed and positive vision for Ireland over the next 10 years and outlines the proposed delivery of total public investment of €165bn over the period 2021-2030. The NDP establishes the Government's over-arching investment framework and broad direction for investment priorities for this decade. The NDP also set out the range of actions that are being taken to strengthen delivery, maximise value for money and ensure to the greatest extent possible that projects are delivered on time, on budget and with the benefits targeted at the outset.

In 2023, over €12bn will be made available from the Exchequer for investment in public capital projects, which will provide more schools, homes, hospitals, and other pieces of vital infrastructure. This level of expenditure will be pivotal in consolidating the progress already made, and, most importantly, delivering the necessary infrastructure to support future climate change obligations as well as social and economic requirements.

Over the past three years, delivery of the NDP has been adversely impacted as a result of pandemic related pauses in the construction sector, the inflationary impacts from both COVID-19 public health measures and the war in Ukraine, with knock-on impacts on the supply chain for construction materials. Consequentially, key support structures and levers available across Government have been examined with the goal of maximising delivery of vital infrastructure. In March 2023, the Minister for Public Expenditure, National Development Plan Delivery and Reform announced a package of significant actions aimed at enhancing project delivery for the NDP. The actions include significant changes to reduce the administrative burden in delivering major capital projects, with the Minister now taking a direct role in overseeing delivery of the NDP by chairing the Project Ireland 2040 Delivery Board.

1.3.2 Climate Action Plan

The Climate Action Plan 2023 (CAP23) is the second annual update to Ireland's Climate Action Plan 2019. This plan is the first to be prepared under the Climate Action and Low Carbon Development (Amendment) Act 2021, and following the introduction, in 2022, of economy-wide carbon budgets and sectoral emissions ceilings. The plan was launched on 21st December 2022. Following this, in March 2023, the Government approved the Annex of Actions to CAP23, outlining the detailed steps Ireland is taking to respond to the climate crisis.

Climate Action Plan 2023 is the framework through which the Government intends to meet the legally-binding, economy-wide carbon budgets and sectoral emissions ceilings, and the emissions reductions targets set out in the Climate Action and Low Carbon Development Acts, including to reduce emissions by 51% by 2030 and reach net zero no later than 2050. CAP23 sets out how Ireland can accelerate the actions that are required to respond to the climate crisis, putting climate solutions at the centre of Ireland's social and economic development.

Further details on CAP23 can be found in part 3 of this document.

1.3.3 Housing for All

Housing for All - a New Housing Plan for Ireland is the Government's housing plan to 2030. It is a multi-annual, multi-billion euro plan to improve Ireland's housing system and deliver more homes of all types for people with different housing needs. The Government's overall objective is that every citizen in the State should have access to good quality homes:

- to purchase or rent at an affordable price.
- built to a high standard and in the right place; and
- offering a high quality of life.

The Government's vision for the housing system over the longer term is to achieve a steady supply of housing in the right locations with economic, social, and environmental sustainability built into the system. The plan sets out annual targets of overall housing delivery to 2030. It is intended to review the underpinning research used to calculate the targets when full Census 2022 data becomes available from the Central Statistics Office (CSO). Revised targets will take account of unmet demand in recent years, arising from under supply, population growth, including from inward migration, and changes in household sizes.

2022 was the first full calendar year since the publication of Housing for All. 29,851 new homes were completed in the year, exceeding the Housing for All target of 24,600 and representing the largest annual delivery of new homes in over a decade.

The Government is committed and focused on achieving the 2023 target of delivering 29,000 new homes. A record €4.5bn in state housing investment is being made available to achieve this target. Housing for All provides stability, policy certainty, and a guarantee that the Government remains fully committed to the delivery of increased housing supply to meet the needs of citizens.

1.4 Ireland's National Recovery and Resilience Plan

The overall objective of Ireland's National Recovery and Resilience Plan is to contribute to a sustainable, equitable, green and digital recovery, in a manner that complements and supports the Government's broader recovery effort.

Implementation of the NRRP has continued over the past year (CSR 2.1.2022). This is overseen by an Implementing Body in the D/PENDPDR and an interdepartmental Delivery Committee which meets at least quarterly to maintain oversight and address issues arising. In addition, the Minister for Public Expenditure, NDP Delivery and Reform provides updates to the Cabinet Committee on the Economy and Investment, as necessary, and the Government, bi-annually.

There are 46 milestones and targets to be included in the First Payment Request with a value of €395m. The informal co-operation process on the First Payment Request with the Commission commenced in December 2022. This will be followed by the formal submission during 2023.

Key deliverables under the NRRP in 2022 and 2023

- Signature of the contract for the building of the data centre facility.
- Publication of the Digital Strategy for Schools and the 10-year Strategy for adult skills.
- Grants awarded under the Education and Training reforms programme.
- Update of the Climate Action Plan.

The Recovery and Resilience Facility regulation provides for amendment of the NRRP, should milestones and targets be unachievable due to objective circumstances and where the EU financial contribution is reduced, which has been the case of Ireland due to relative economic performance. In this context, the D/PENDPDR is engaging with Departments and Projects Leads on a substantive review of the NRRP milestones and targets at present, ahead of further engagement with the Commission.

In parallel Ireland is preparing an additional REPowerEU Chapter on reducing dependence on Russian fossil fuels and accelerating the green transition. Agreement on this Chapter will allow

Ireland access to an addition €90m in EU funds. Additionally, as allowed for under the REPowerEU Regulation, Ireland has transferred €150m from the Brexit Adjustment Reserve to REPowerEU.

2. Macroeconomic context and impact of structural reforms

The following section provides a summary of the Stability Programme April 2023 Update, prepared by the Department of Finance, for submission to the European Commission as part of the Semester Process.

Irish economic data have surprised on the upside and the near-term outlook is somewhat better than anticipated at the time of Budget 2023. That said, near-term prospects remain highly uncertain, against a fragile global economic backdrop. Three inter-related headwinds have weighed on activity over the past year:

- Russia's invasion of Ukraine, which triggered a severe energy price shock;
- Broadening of price pressures to non-energy goods and services;
- Front-loaded monetary policy response to higher core inflation.

Despite the powerful headwinds faced over the past year, the Irish economy has proven to be remarkably resilient. This is most apparent in the labour market, where the rate of unemployment is close to historic lows and the number of people at work is at its highest ever level. Energy prices have reversed more rapidly than previously assumed and, on this basis, headline inflation is now on a downward trajectory.

For this year, headline inflation is projected at 4.9%, with a further moderation to 2.5% next year. Non-energy (core) inflation has proven more persistent, inter alia due to wider imbalances in the economy. Nevertheless, the easing of headline inflation from the second quarter of this year will support real disposable income, which is assumed to strengthen as the year progresses.

The recovery in real incomes should support consumer spending, which is projected to increase by 3.9% this year and by 3.8% next year. This, in turn, underpins an upward revision to Modified Domestic Demand (MDD, a measure of the domestic economy), which is now expected to increase by 2.1% this year. MDD is projected to expand further – by 2.5% – next year.

Counter-cyclical budgetary support during the pandemic has paved the way for a rapid recovery in the labour market, where employment is now at its highest level ever. Further strong employment growth is anticipated in the near term: the number of people employed is set to increase by 1.6 and 1.4%, respectively, this year and next. In the absence of any shock to the economy, the unemployment rate is likely to remain at around 4.5%, consistent with any reasonable measure of "full employment".

Beyond the short-term, economic activity is assumed to evolve in line with the economy's supply capacity. Over the second half of this decade output, as measured by GNI*, is projected to grow at an average annual rate of 2.25%, a more moderate rate than in recent decades reflecting inter alia an ageing population.

Excluding estimated windfall taxes, an underlying general government deficit of €1.8bn (0.6% of GNI*) is projected for this year. For next year, an underlying general government surplus of €4.4bn (1.5%of GNI*) is projected.

Public indebtedness next year is projected at €224.4bn; pre-pandemic this figure was closer to €203.4bn. Changes in the population structure will necessitate an additional €7-8bn public expenditure each year than at the beginning of the decade simply to maintain existing levels of service.

Summary – main economic and fiscal variables					
	2022	**2023**	**2024**	**2025**	**2026**
Economic activity			***per cent change***		
Real GDP	12.0	5.6	4.1	4.9	4.4
Modified domestic demand	8.2	2.1	2.5	3.2	3.4
Real GNI*	9.3	1.6	2.1	2.5	2.3
Prices			***per cent change***		
HICP	8.1	4.9	2.5	2.0	2.0
Core HICP^	5.0	4.4	3.2	2.6	2.5
External trade			***per cent GNI****		
Modified current account	9.7	9.1	8.7	8.0	7.2
Labour market			***per cent change (unless stated)***		
Total Employment, '000	2.547	2,588	2,624	2,662	2,704
Employment	6.6	1.6	1.4	1.5	1.6
Unemployment, per cent	4.5	4.4	4.5	4.5	4.5
Public finances			***per cent GNI* (unless stated)***		
: flow position					
General government balance, (€bn)	8.0	10.0	16.2	18.1	20.8
General government balance	3.0	3.5	5.4	5.8	6.3
Underlying general government balance,(€bn~)	-2.8	-1.8	4.4	6.7	8.4
: stock position					
General government debt (€bn)	224.8	223.5	224.4	220.2	215.0
General Government debt ratio	83.3	78.8	75.4	70.4	65.4

~ underlying fiscal balance excludes the Department's estimate of corporation tax receipts that may be 'windfall' in nature
^ core HICP inflation is the headline figure excluding unprocessed food and energy
Source: CSO for 2022; Department of Finance for 2023-2026.

3. Key Policy Responses to Major Economic Employment and Social Development Challenges

This part of the NRP provides a summary of the main socio-economic challenges which Ireland is facing, and the policy responses in place or being developed.

The challenges outlined in this part reflect national priorities, taking into account CSRs received, input of stakeholders, the principles of the European Pillar of Social Rights, along with other international commitments, including progress made on achieving Ireland's UN Sustainable Development Goal (SDG) targets.

3.1 Climate Action and the Environment

As outlined in Part 1, Ireland's Climate Action Plan 2023 (CAP23), published in December 2022, is the first to be prepared under the Climate Action and Low Carbon Development (Amendment) Act 2021, and following the introduction in 2022 of economy-wide carbon budgets and sectoral emissions ceilings. The supplementary Annex of Actions published in March 2023, provides more detail on the actions required to achieve the targets set out in the Plan.

CAP23 sets out Ireland's actions, policies and plans to meet its climate goals and emission reduction targets, including to reduce emissions by 51% by 2030 and reach net zero no later than 2050. The Plan also sets out how Ireland can accelerate the actions that are required to respond to the climate crisis, putting climate solutions at the centre of Ireland's social and economic development and thus addressing CSRs received in recent years relating to the green transition and reducing reliance on fossil fuels (CSR 1.2.2022, CSR 4.1.2022, CSR 4.2.2022, CSR 3.4.2020).

Ireland's climate targets are ambitious and challenging. Greenhouse gas (GHG) emissions have undergone a considerable shift in the three decades since 1990. According to the Environmental Protection Agency (EPA), the emissions reduction rate was modest until 2008, with efforts to decarbonise counteracted by strong economic activity that relies on fossil fuels. Since 2011, emissions have trended upwards as a result of continued emissions intensive practices across sectors, with an overall peak reported in 2018.

Agriculture is the largest source of emissions, representing 38% of total national GHG emissions in 2021, (with additional emissions associated with agriculture-related land use emissions, including grasslands, reported separately under Land Use, Land-use Change and Forestry (LULUCF)) followed by the Transport (17.7%) and Energy (16.5%) sectors. These three key sectors consistently produce the largest share of Ireland's emissions.

In the context of COVID-19, GHG emissions in Ireland decreased by 3.4% in 2020. However, 2021 saw GHG emissions rise again by 5.2% as some sectors recovered. This increase in total emissions relative to 2020 was driven by increased use of coal and oil for electricity generation, as well as increases in both the Agriculture and Transport sectors. Decreases in emissions in 2021 in the residential sector resulted from a combination of reduced time in the home due the partial lifting of COVID-19 restrictions, a milder winter, and increased fuel prices. Higher emissions in the Agriculture sector were driven by an increase in synthetic nitrogen fertiliser use and in liming of soils, as well as continued increases in dairy herd numbers and milk production.

3.1.1 Carbon Budgets and Sectoral Emissions Ceilings

In line with the Climate Action and Low Carbon Development (Amendment) Act 2021, a carbon budget programme proposed by the Climate Change Advisory Council was approved by the Irish Government in February 2022, and subsequently adopted by the Oireachtas in April 2022. A carbon budget represents the total amount of emissions, measured in tonnes of CO2 equivalent, that may be emitted during a specific time period. Ireland's carbon budget programme is an important milestone under Ireland's NRRP and comprises three successive 5-year carbon budgets for the following periods:

- 2021-2025: 295 MtCO2eq. – an average reduction of 4.8% per annum
- 2026-2030: 200 MtCO2eq. – an average reduction of 8.3% per annum
- 2031-2035 (provisional): 151 MtCO2eq. – an average reduction of 3.5% per annum.

In July 2022 the Government agreed Sectoral Emissions Ceilings (SECs). The structure of the SECs seeks to reflect the EPA Emissions Inventory, which breaks down emissions into a range of categories across the economy. SECs have been set for the Electricity, Transport, Buildings (residential and commercial), Industry, Agriculture, and a combined F-Gases, Waste & Petroleum Refining (other) sector. The SECs assume 5.25 MtCO2eq. in annual unallocated savings for the period 2026 to 2030. These unallocated savings will require that additional abatement measures be identified ahead of the commencement of the second carbon budgetary period.

Additionally, a decision on setting the LULUCF SEC was temporarily deferred, pending the emergence and confirmation of additional scientific data. It is intended to set this final SEC within 18 months from July 2022.

3.1.2 Energy including Ireland's contribution to REPowerEU

Powering renewables and decarbonising the electricity system is a priority in CAP2023. To reach a 75% reduction in the electricity sector by 2030, Ireland will facilitate a large-scale deployment of renewables, as well as enabling the electrification of other technologies. This will include:

- an acceleration of the delivery of onshore wind to 9GW, solar to 8GW, and offshore wind to at least 5GW.
- a new, dynamic Green Electricity Tariff by 2025 to incentivise people to use lower-cost, renewable electricity at times of high wind and solar generation.
- supporting at least 500MW of local, community-based renewable energy projects and increased levels of new micro-generation and small-scale generation.
- phasing out the use of coal and peat in electricity generation.

In March 2023, the Government approved plans to accelerate the delivery of 5GW of offshore wind by 2030. It is anticipated that a large proportion of this target will be achieved through the initial Phase One of offshore wind development which includes the first offshore wind auction to take place in Ireland under the Renewable Electricity Support Scheme – ORESS 1. This auction was launched by EirGrid in December 2022 and will be completed by June 2023.

Additional offshore projects will be needed to meet 5GW by the end of this decade with a new framework and policy for Phase Two, approved by the Government in March 2023. The framework will provide clarity for all stakeholders regarding the development of offshore wind as Ireland moves to the enduring, plan led, offshore regime. The deployment of offshore wind under Phase Two will take place through an accelerated work programme which will focus on near term delivery based on technology with proven scalability.

The Renewable Electricity Support Scheme (RESS) is one of the flagship Government policies to help deliver on the ambition for renewable electricity by 2030. Seven community projects, comprising five solar and two wind projects, were successful in first RESS auction (RESS1), six of which remain in RESS. These projects are progressing through the RESS 1 delivery milestones and are anticipated to reach commercial operation before the end of 2023.

To simplify and boost community participation in the Government's renewable energy ambition, consideration is being given to providing support for eligible community projects through the Small-Scale Generation Support Scheme (SSG), which is expected to become available in 2023.

In October 2022, the Department of Environment, Climate and Communications (D/ECC) published a consultation on the design of the third RESS auction (RESS 3), the key design features were subsequently approved by Government in April 2023, with the RESS 3 auction scheduled to take place later in 2023.

Green hydrogen has the potential to support decarbonisation in difficult-to-decarbonise sectors including heavy goods transport, high-temperature heat for industry and in electricity generation as a back-up for intermittent renewables. Work is underway to develop a national hydrogen strategy for Ireland. A public consultation was launched last year, and the strategy is due to be completed later this year.

Work is also underway on a review of the energy security of Ireland's gas and electricity systems, which is focused on the period to 2030, but in the context of a sustainable transition to net zero emissions by 2050. The review considers potential risks to both natural gas and electricity supplies and examines a range of measures to mitigate these risks, including the need for additional capacity to import energy, to reduce energy use, energy storage, fuel diversification and renewable gases.

This North-South Interconnector will link the electricity transmission networks of Ireland and Northern Ireland. It will more than double the power transfer between North and South and is deemed critical to the security of electricity supply across the island of Ireland. In addition, the Interconnector will be able to accommodate a high level of renewable energy on the electricity system, thereby decarbonising the electricity grid and contributing to the achievement of Ireland's climate objectives. The North-South Interconnector has received planning approval in both Ireland

and Northern Ireland and is now ready to enter the construction phase and is anticipated to be completed by 2026.

The Celtic Interconnector, which will provide a reliable high-capacity electricity link between Ireland and France, is also being progressed. The 575km, with a capacity of 700MW, is being jointly developed by EirGrid and French Transmission System Operator, RTÉ (Réseau de Transport d'Électricité). As an EU Project of Common Interest, the European Commission provided a grant of €530m towards the construction of the interconnector. Construction is currently scheduled to commence in Spring 2023, with the objective of the interconnector being completed and energized in 2026.

Finally, the draft Planning and Development Bill 2022 will deliver a range of improvements to assist the delivery of renewable energy infrastructure, including through the introduction of statutory mandatory timelines for all consent processes and introducing timelines for the various steps in the Judicial Review process.

The actions outlined in this section are also contributing to REPowerEU and its objective to progress towards energy security, to diversify the Union's energy supply, increase the uptake of renewables and energy efficiency, increase energy storage capacities, and the reduction of dependence on fossil fuels before 2030. These objectives are also being addressed by the investments and reforms already included in the NRRP, including retrofit projects and decarbonisation of the enterprise sector.

Consideration is currently being given to potential further investment and reform proposals that could be funded under the REPowerEU mechanism, and in consultation with the European Commission, as part of the preparation of a dedicated, new, REPowerEU chapter of the NRRP.

3.1.3 Climate, Agriculture and Land Use

CAP2023 commits to making family farms more sustainable, future-proofing the agricultural sector and setting out what will be required to achieve a 25% reduction in Agriculture emissions by 2030. Under the Plan the Government will put in place innovative supports to ensure that Irish family farm incomes can diversify and become more sustainable. This will be achieved by:

- Significantly reducing use of chemical nitrogen as a fertiliser to a maximum of 300,000 tonnes.
- Supporting livestock farmers' transition to alternative land uses through the provision of diversification options, including increased organic farming, forestry and tillage and expanded biomethane targets renewable energy opportunities.
- Increasing organic farming to 450,000 hectares.
- Reducing methane emissions from livestock through a variety of measures, for example through earlier finishing of beef cattle, improved animal breeding and improved animal feeding; and expanding the indigenous biomethane sector through anaerobic digestion, reaching up to 5.7TWh of biomethane from 150–200 anaerobic digestion plants.

Ireland's Land Use, Land Use Change and Forestry (LULUCF) sector is currently a net source of emissions. Under CAP2023 it is intended to:

- Increase annual afforestation rates to 8,000 hectares per annum from 2023 onwards.
- Improve carbon sequestration of 450,000 hectares of grasslands on mineral soils and reduce the management intensity of grasslands on 80,000 hectares of drained organic soils by 2030.
- Rehabilitate 77,600 hectares of peatlands by 2030.

The Government recently published the results of the first phase of the Land-Use Review, committed to under the Programme for Government. Phase I was a substantial evidence-gathering exercise to determine the environmental, ecological, and economic characteristics of land types across Ireland. The second phase of the review will build on the evidence gathered in the first phase and in consultation with all stakeholders and land users, consider the policies, measures and actions which will need to be taken on land use in the context of the Government's wider economic, social and climate objectives.

3.1.4 Climate and Transport

To achieve a 50% reduction in transport emissions by 2030, the Government will implement policies to improve accelerate public transport and active travel programmes, and support the switch to biofuels and EVs, thus addressing CSRs related to sustainable public transport (CSR 4.5.2022, CSR 3.5.2020, CSR 3.2.2019). This will happen by:

- Reallocating road space for better and more frequent public transport and active travel.

- Reducing the total distance driven across all car journeys by 20%.
- Walking, cycling and public transport to account for 50% of all journeys.
- Ensuring that nearly one in three private cars will be an electric vehicle by 2030.
- Increasing biofuel blends.
- Providing 70% of people in rural Ireland with buses that go three times a day to the nearest town.

The National Sustainable Mobility Policy, published in 2022, sets out a strategic framework to 2030 for active travel (walking and cycling) and public transport journeys to help Ireland meet its climate obligations. It is accompanied by an action plan to 2025 which contains actions to improve and expand sustainable mobility options across the country by providing safe, green, accessible, and efficient alternatives to car journeys.

The Government is committed to supporting a significant expansion and modernisation of the electric vehicle (EV) charging network over the coming years. A new dedicated Office, Zero Emission Vehicles Ireland, was launched In July 2022. It will oversee and accelerate Ireland's transition to zero emission vehicles. A suite of new grants and initiatives have also been launched. In January 2023 the Government published a National Strategy for the development of EV charging infrastructure to 2025, alongside an Implementation Plan.

The Programme for Government committed to a 2:1 ratio for spend on new public transport and new roads projects to incentivise mode shift away from private transport. BusConnects, DART+, and MetroLink are three megaprojects that are expected to be significantly advanced under the NDP.

- BusConnects programmes will be substantially delivered in all of Ireland's five cities by the end of the decade.
- The DART+ Programme intends to triple the amount of electrified track in the Greater Dublin Area from 50km to 150km. The first order for the purchase of 95 additional DART carriages, which compromise of 65 battery-electric multiple units and 30 electric carriages, are due for arrival in 2025. In November 2022, the Government approved a second purchase of fleet which will see 90 new battery-electric multiple units enter service in 2026. A planning application for DART+ West was lodged with An Bord Pleanála in July 2022, followed by the lodgement of the application for DART+ South West in March 2023.

- A significant milestone in the progression of the MetroLink project was reached in September 2022 when Transport Infrastructure Ireland submitted a Railway Order application to An Bord Pleanála. The statutory planning consultation for the project closed in January 2023.

The National Transport Authority's 'Connecting Ireland' rural mobility programme will also prioritise public transport projects and demand responsive services that enhance regional and rural connectivity.

In addition, the transition to a lower emission bus fleet will contribute to GHG emission reduction targets. No new diesel-only buses have been purchased for urban public service obligation bus fleets since July 2019. The first of 120 double-deck battery-electric buses will enter passenger service this year. These 120 buses are part of a framework which provides for the procurement of up to 800 fully electric buses over a period of five years.

Other public transport projects across the country are also progressing to encourage a shift to sustainable modes of transport including the Cork Area Commuter Rail Programme, part supported by the NRRP, and the ongoing all-island Strategic Rail Review which will inform continued investment in passenger and freight rail and the development of additional regional rail services.

Finally, biofuels will remain a core transitional measure for the medium-term reduction of GHG emissions in transport, underpinned by the Renewable Fuels for Transport Policy Statement 2021-2023 and the upcoming Renewable Transport Fuel Policy 2023-2025. An updated National Policy Framework on Alternative Fuels Infrastructure for Transport by 2025 will set out further plans for the use of renewable fuels in transport over the second carbon budget period.

3.1.5 Circular Economy

The Circular Economy and Miscellaneous Provisions Act 2022, signed into law in July 2022, underpins Ireland's move towards adapting patterns of production and consumption; preventing waste generation; and extending the productive life of all goods and products. It provides a clear legislative framework for Ireland's transition to a circular economy.

The Act builds on Ireland's successful experience of using economic levies to promote sustainable behaviours and gives the Minister for the Environment, Climate and Communications the power to introduce new environmental levies on a wide range of single-use items – including cups and packaging - and in time to prohibit the placing on the market of these environmentally harmful products. All revenue associated with these levies is ring-fenced in Ireland's Environment Fund (to be re-designated as the Circular Economy Fund in 2023) which supports environmental projects across Ireland. The Act will also end the issuing of new licences for the exploration and mining of coal, lignite, and oil shale, consolidating Ireland's policy of reducing reliance on fossil fuels.

In line with EU policy and legislation, Ireland has already banned a number of single-use disposable items from being placed on the Irish market and continues to make extensive use of national Extended Producer Responsibility Schemes (EPRs) to ensure that producers contribute toward the recovery and recycling costs of specified materials.

A Deposit Return Scheme (DRS) for cans and plastic bottles was launched November 2022 and the scheme is open for registrations from producers and retailers. The DRS operator Re-turn will develop a number of different elements over the course of 2023 with a planned go-live date of February 2024.

Tackling food waste is one of the key steps Ireland is taking to support the transition to a circular economy. Ireland's National Food Waste Prevention Roadmap 2023-2025 was published in November 2022. It sets out priority actions to bring the focus on food waste prevention, across key sectors in the food supply chain, together in a coherent manner.

The Waste Management (Collection Permit) (Amendment) (No. 2) Regulations 2023, which introduces incentivised charging for waste collection in the commercial sector, will come into effect on 1st July 2023. The Regulation will require all waste collection companies to provide a residual, mixed dry recyclable and bio-waste bin to all their commercial customers.

Ireland continues to fully engage with the Commission's package of European Green Deal proposals to make sustainable products the norm in the EU, boost circular business models and empower consumers for the green transition. These measures will contribute to addressing the CSR received that relates to boosting the circular economy (CSR 3.1.2022).

3.1.6 Addressing Biodiversity Loss

Work on drafting Ireland's 4th National Biodiversity Action Plan (NBAP) is underway and its public consultation closed in November 2022. The Plan will set the national biodiversity agenda for the period 2023-2027 and aims to deliver the transformative changes required to the ways in which nature is valued and protected.

A Citizens' Assembly on Biodiversity Loss was launched in early 2022 and met on six occasions between May 2022 and January 2023. At its final meeting in January 2023, the Assembly voted on a series of propositions that were the culmination of careful deliberation and debate, informed by detailed input from experts, stakeholders and the general public.

The final draft of the NBAP will be published in 2023, to align with the outcomes of the Convention for Biological Diversity COP 15 and to allow the recommendations of the Citizens' Assembly on Biodiversity Loss to be reviewed and incorporated, where appropriate.

3.1.7 Retrofitting

The National Retrofit Plan, which was published as part of the Climate Action Plan 2021, sets out how the Government will deliver on its retrofit targets. The Plan is designed to address barriers to retrofit across four key pillars: driving demand and activity; financing and funding; supply chain, skills and standards; and governance. For each pillar, barriers were identified, and time-bound policies, measures and actions put in place to address them.

A target of 37,000 retrofits has been set for 2023, and a record €356.4m capital funding has been allocated to the Sustainable Energy Authority of Ireland (SEAI) for residential and community retrofit to support the achievement of this target. A further €87m has been allocated for the Local Authority Retrofit Programme this year. €248m has also been secured from the European Regional Development Fund (ERDF) for the Warmer Homes Scheme for the period 2022-2027 which will allow higher budget allocations in the years to come, further supporting those least able to afford retrofit.

As part of the implementation of the National Retrofit Plan, in February 2022 the Government approved a range of new measures to make it easier and more affordable for homeowners to undertake home energy upgrades including:

- a new National Home Energy Upgrade Scheme (NHEUS) providing increased grant levels of up to 50% of the cost of a typical deep retrofit to a B2 BER standard (up from 30%-35% grants in 2021).
- Establishing a network of One Stop Shops offering a start-to-finish project management service for the NHEUS, including access to financing, for home energy upgrades.
- Aligning many of the grant supports available under the Better Energy Homes Scheme (for homeowners taking a step-by-step approach to their home upgrade) and the Community Energy Grant Scheme (for homeowners upgrading their homes as part of a community project) with the NHEUS.
- Introduction of a special enhanced grant rate, equivalent to 80% of the typical cost, for attic and cavity wall insulation for all households, to urgently reduce energy use as part of the Government's response to exceptionally high energy prices.
- Reforming the Warmer Homes Scheme as well as increasing the number of free energy upgrades for those at risk of energy poverty (400 per month – up from an average of 177 per month in 2021).

SEAI processed more than 50,000 grant applications across all schemes in 2022 up 140% on 2021 and points to a robust pipeline of activity for 2023. 27,200 property upgrades were completed in 2022, up almost 80% on the previous year, including almost 8,500 homes upgraded to a Building Energy Rating of B2 with over 2,200 heat pumps installed.

CAP2023 re-commits to retrofit 500,000 homes by 2030 and to install 680,000 renewable energy heat sources in both new and existing residential buildings. Additionally, all new dwellings will be designed and constructed to Nearly Zero Energy Building standard by 2025, and Zero Emission Building standard by 2030.

3.1.8 Climate Adaptation

No matter how successful mitigation efforts prove to be, Ireland will face substantial impacts of climate change due to past emissions and the increased extreme weather events and sea level rise already occurring and locked in. Early action is imperative to minimise risks to human health, economic development, property, infrastructure, and ecosystems. Climate impacts on Ireland are predominantly those associated with changes in extremes, such as floods, droughts, and storms.

Irish national climate adaptation policy centres on the first statutory National Adaptation Framework (NAF) published in 2018, and the development of Local Authority Climate Adaptation Strategies. The NAF sets out the national strategy to reduce the vulnerability of the country to the negative effects of climate change. It also aims to improve the enabling environment for adaptation through ongoing engagement with civil society, the private sector, and the research community.

Under the Climate Action and Low Carbon Development (Amendment) Act 2021, Local Authorities will develop Climate Action Plans encompassing mitigation and adaptation actions to ensure that effective adaptation action is taken at local level.

12 Sectoral Adaptation Plans have also been developed. They identify the key risks faced across the sector and the approach being taken to address these risks and build climate resilience for the future. The development of an updated NAF is also a priority action under CAP2023, which will in turn underpin the development of a new cycle of updated Sectoral Adaptation Plans.

3.1.9 Just Transition

Delivering a just transition is based on recognising the transformational level of change required to meet emissions reduction targets and having a shared understanding that the transition is fair, and just, and that the costs and benefits are shared equitably.

Ireland's Just Transition Framework and associated principles are being progressively integrated into the annual Climate Action Plan cycle and sectoral policy making. Examples include:

- Integration of community participation mechanisms in the Renewable Electricity Support Scheme, a package of enabling support (including technical, financial, and legal services) that has been rolled out to assist communities in navigating renewable electricity challenges.
- Provision of 100% grant funding for retrofitting to lower income households under the Warmer Homes Scheme.

- The Connecting Ireland Rural Mobility Plan, which aims to address transport poverty by enhancing existing services and introduce new public transport services to improve the alternatives to private car use.
- Further education and skills for climate action is being delivered through Green Skills for Further Education and Training 2021-2030.

The Midlands region is the first in Ireland to directly experience the negative impacts of the transition away from fossil fuels, with the ending of peat extraction for power generation, and CAP23 sets out a just transition implementation plan for this region. Under the National Just Transition Fund, 56 projects in the Midland's region are being supported, with up to €22m in committed grant funding until 2024, bringing €15m in additional funding to the region and supporting an estimated 178 direct and 999 indirect jobs. The EU Just Transition Fund Programme will deliver an additional €169m in investment to the region in the period to 2030.

At a national level, the long-term agenda for a just transition to a climate-neutral economy and society will be supported through the establishment of a new Just Transition Commission. Ireland will also embed just transition in existing governance and engagement structures, which will allow a more integrated approach that embeds just transition principles in climate policy.

3.1.10 Water and Wastewater

Ireland's River Basin Management Plan 2022-2027 sets out how the water environment will be protected, improved and sustainably managed, implementing the EU Water Framework Directive (WFD) and UN SDG 6 Clean Water and Sanitation. Climate change is exacerbating both water scarcity and water-related hazards (such as floods and droughts), as rising temperatures disrupt precipitation patterns and the entire water cycle. Sustainable water management is central to building the resilience of societies and ecosystems and to reducing carbon emissions.

A new strengthened River Basin Management Plan for the period to 2027 is currently being finalised for publication later in 2023. This plan will contain a programme of measures that will address all of the pressures impacting waters. Protecting and restoring water quality in Ireland will require measures to address the loss of agricultural nutrients to water, continued improvement of wastewater treatment and re-establishment of natural free-flowing conditions in more rivers. The plan will include measures to promote safe and clean wastewater including:

- continued investment in Uisce Éireann, Ireland's national water utility, to improve wastewater infrastructure.
- A multi-annual investment programme to provide wastewater infrastructure for villages not served with public collection systems – this is funded by a €50m commitment over 5 years under the NDP.
- Continue to help fund upgrades to domestic wastewater treatment systems.

The NDP commits to almost €6bn capital investment to be undertaken by Uisce Éireann in the period from 2021-2025 of which over €4.5bn will be Voted Exchequer funded in respect of domestic water services. Budget 2023 allocated €1.65bn to Uisce Éireann for the provision of water services. This overall investment will deliver significant improvements in public water and wastewater services and addresses related CSRs (CSR 3.2.2022, CSR 3.6.2020, CSR 3.3.2019).

The current investment of over €500m in the Ringsend Wastewater Treatment Plant, one of the largest wastewater treatment plants in Europe, will provide a plant capacity of 2.1 million population equivalent by the end of 2023 ensuring compliance with the requirements of the Urban Wastewater Treatment Directive. This will result in approximately 97% of Ireland's collected wastewater load being treated to Urban Wastewater Treatment Directive.

Uisce Éireann's River Basin Management Plan – Enhanced Ambition Programme funded by the EU under the NRRP will deliver at least 10 wastewater treatment plant upgrades not funded under the current investment plan where discharges have been identified as being significant pressures on water bodies and impacting on Water Framework Directive objectives.

3.1.11 Ireland's NRRP and Climate

Reflecting Ireland's commitment to addressing the climate and biodiversity crisis, Ireland's NRRP contains seven investment projects and reform measures relating to advancing the Green Transition. The total value of the seven investment projects committed to is €518m, and encompass a wide range of interventions, aligned with and reinforcing, Ireland's national policy framework, including in relation to retrofitting, ecosystem resilience and regeneration, and addressing transport and enterprise emissions. The reforms committed to relate to the now commenced Climate Action and Low Carbon Development (Amendment) Act 2021 and the implementation of base broadening carbon tax measures.

Significant milestones met in the preceding 12 months include:

- Selection of eligible wastewater treatment plants and commencement of upgrades.
- Update of the Climate Action Plan published.
- Carbon tax rate increase for 2022 came into force.
- First calls for funding for research and innovation supporting the green and digital transitions were launched in 2022.

Further details can be found in Annex 2.

3.2 Addressing the Challenge of Housing

Housing for All – A New Housing Plan for Ireland is the Government's housing plan to 2030. It is a multi-annual, multi-billion euro plan to improve Ireland's housing system and deliver more homes of all types for people with different housing needs. Over 300,000 new homes will be built by the end of 2030, including a projected 90,000 social homes, and 54,000 affordable homes. The Plan is backed by investment in excess of €20bn through the Exchequer, the Land Development Agency and the Housing Finance Agency to 2026.

The Plan addresses the most pressing housing challenges facing the State and is set out across four pathways: Supporting Home Ownership and Increasing Affordability; Eradicating Homelessness, Increasing Social Housing Delivery and Supporting Social Inclusion; Increasing New Housing Supply; and Addressing Vacancy and Efficient Use of Existing Stock.

2022 was the first full calendar year since the publication of Housing for All. 29,851 new homes were completed in the year, exceeding the Housing for All target of 24,600 and representing the largest annual delivery of new homes in over a decade.

During 2022, a number of challenges arose, including cost of living increases, the energy crisis, and interest rate rises. The ongoing war in Ukraine has contributed to the rise in construction costs and overall inflation. In the year to December 2022, wholesale prices for construction materials rose by almost 16%, whilst energy prices increased by almost 11 %.

Increasing input costs and rising inflation are exacerbating the financial viability gap in home delivery, as these cost pressures make homes more expensive and slower to build. Housing for All is agile and responsive to these challenges.

The first annual review of the Plan considered what additional actions were needed and what actions needed to be prioritised to deliver more housing in this challenging and changed economic environment. Following this review, an updated Action Plan was published in November 2022. It identified 33 high-priority actions to activate and accelerate the delivery of housing supply, whilst also continuing to deliver on the fundamental reforms set out in the Plan. The Plan will receive continued record investment in 2023 with €4.5bn in funding for housing and will support progress on CSRs related to the provision of social and affordable housing (CSR 2.3.2020 and CSR 3.5.2019).

3.2.1 Home Ownership and Affordability

Of the 54,000 total Affordable Homes targeted for delivery up to 2030, 36,000 are Affordable Purchase and 18,000 are Cost Rental. The Affordable Housing Act 2021 and the Land Development Agency Act 2021 are two important foundations that will enable the delivery of affordable housing.

The First Home Scheme, operational since July 2022, will support the purchase of 2,000 new build homes by eligible buyers in 2023. New regional price ceilings for eligible homes took effect from 1st January 2023, reflecting recent market developments across the country and ensuring that the scheme continues to fulfil its objectives. A number of proposals to expand the Scheme are currently under consideration. The Help-to-Buy Scheme, which helps first-time buyers of newly built homes to buy a new house or apartment, has also been extended to the end of 2024.

Last year, 25,196 first time buyers drew down mortgages, an increase of 10% on 2021 and the highest number of first time buyer mortgages since 2007. Over €1bn will be spent on affordability measures, supporting home ownership in 2023.

Part 9 of the Land Development Agency Act 2021 was commenced in December 2022. This legislative change places an affordable housing delivery requirement for the construction of homes on relevant public lands. It will ensure a minimum of 70% social and affordable housing on relevant public land in urban areas over 10,000 population, with 100% affordable and social housing in Dublin and Cork cities.

The Croí Cónaithe (Cities) Scheme aims to bridge the current "Viability Gap" between the cost of building apartments and the market sale price (where the cost of building is greater). The first call under the scheme took place in May 2022. Applications received under this call underwent a three-stage appraisal process with a number of applications now at stage three and awaiting final approval. A second call under the Scheme will issue following the completion of stage three of the first call. The Government has also increased the funding available through the Affordable Housing Fund and the Cost Rental Equity Loan to make cost rental homes available at prices that are affordable.

In October 2022, the Land Development Agency (LDA) renewed their call for proposals under Project Tosaigh, a market engagement initiative aimed at unlocking land that is not being developed by private sector owners due to financing or other constraints. The second call was focused on Dublin and Cork City and a significant number of proposals were received. The LDA are now engaging with proposers of schemes prioritised in accordance with 2023 and 2024 delivery timelines. The sale and rental of affordable homes under the first call has begun with a significant pipeline of cost rental and affordable projects due for delivery. Additional delivery in 2023 will also arise as a result of the recent renewed call.

The Housing for All plan is also focused on tackling supply and affordability issues in the rental market. The Rental sector in Ireland has continued to grow in importance with a demand for rental accommodation outstripping a restricted supply. The unmet demand and restricted supply places upward pressure on rents.

The D/HLGH has commenced a review of the private rental sector, taking into account the significant regulatory changes over the past several years, and will report on policy considerations ahead of Budget 2024. The review will ensure that the housing system provides an efficient, affordable, safe and secure framework for both landlords and tenants and will include a public consultation as well as targeted engagement of various external stakeholders.

In order to ensure the fair and equitable operation of the private rental market, there has been significant legislative changes in recent years including rent predictability measures; annual registration of tenancies from 4th April 2022; and new tenancies from 11th June 2022 becoming Tenancies of Unlimited Duration, once the tenancy has lasted 6 months.

3.2.2 Eradicating Homelessness, Increasing Social Housing Delivery and Supporting Social Inclusion

One of the four pathways of the Housing for All Plan is the Pathway to Eradicating Homelessness, Supporting Social Housing Delivery, and Supporting Social Inclusion, with actions tailored to deliver on this ambition, including increasing health supports and protections to those experiencing homelessness; enhancing early intervention strategies and supports for homeless families; providing enhanced tenancy sustainment supports for those who have exited homelessness; and strengthening integrated care pathways for those with chronic health needs.

A new National Homeless Action Committee (NHAC) was established in December 2021 to oversee the interagency elements of Housing for All. Membership of the Committee comprises key Government Departments and agencies, and voluntary organisations involved in tackling homelessness. The Committee meets on a quarterly basis and is chaired by the Minister for Housing, Local Government and Heritage.

Development of a Youth Homelessness Strategy was prioritised by the NHAC. Extensive consultation with key stakeholders was undertaken in the development of the Strategy and it was launched in November 2022. The Strategy aims to put in place strategic interventions to prevent entry to homelessness as well as tailoring services and supports to improve the experience of young people in homelessness and to assist them to successfully exit homelessness. The Strategy outlines three strategic aims - preventing youth homelessness; improving the experiences of young people accessing emergency accommodation; and assisting young people in exiting homelessness. A Steering Group has been established to drive the delivery of the Strategy and to monitor progress.

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 Housing Assistance Payment (HAP) scheme, which assists households in identifying and securing a HAP-supported tenancy in the private rented sector, has supported more than 22,600 households nationally up to the end of January 2023. The Homeless HAP Place Finder Service can assist households in emergency accommodation primarily by providing access to deposits and advance rental payments. The HAP discretion rate has now been increased, from the current 20%, to a maximum of 35% for all local authority areas. As this applies to both new and existing tenancies, it will secure more tenancies and prevent new entries to homelessness.

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 Housing First National Implementation Plan 2022-2026, launched in December 2021, includes targets for each local authority, with an overall national target of 1,319 further Housing First tenancies to be created over the course of five years. 240 Housing First tenancies were created over the course of 2022 and 804 individuals were being housed under the programme by the end of 2022.

The delivery of Traveller-specific accommodation remains a key objective within Housing for All. In 2020, to facilitate ease of access to capital funding, the D/HLGH changed the way in which this funding is allocated, and capital funding was fully drawn down by local authorities in the past 3 years (2020, 2021, 2022). In 2021, a Programme Board was established to oversee the implementation of recommendations in the Expert Group Report on Traveller Accommodation and a work programme is underway.

Under Housing for All local authorities are required to develop Housing Delivery Action Plans to include details of social and affordable housing delivery, as appropriate, over the period 2022-2026. The Plans also include details of the locations and delivery streams for social housing schemes. Local authorities published the Plans on their websites in 2022.

Other key priorities include increasing the capacity of local authorities and streamlining of approval processes in relation to housing delivery. Over 250 additional posts have been sanctioned and are in the process of being filled across Local Authority housing delivery teams in order to deliver on the scale of Housing for All's ambition. Resourcing will be continually monitored throughout the lifetime of the Plan.

In 2023, local authorities and Approved Housing Bodies (AHBs) will deliver 13,130 social homes through build, acquisition and leasing programmes, including 9,100 new build homes. A further targeted leasing initiative will deliver 1,000 homes, including 600 in 2023. In addition, 9,600 new tenancies will be supported under the Housing Assistance Payment Scheme (HAP) and the Rental Accommodation Scheme (RAS) in 2023.

The 2022 Summary of Social Housing Assessments shows 57,842 households were assessed as being qualified for, and in need of, social housing support as of 1st November 2022, down 1,405 (-2.4%) from 59,247 households on 17th November 2021. This figure also represents a total decrease of 33,758 (-36.8%) since 2016.

A review of income eligibility for social housing has also been completed, and its recommendations were approved for implementation in mid-2022. On foot of the review, the baseline income eligibility thresholds for five local authorities - Carlow, Clare, Galway County, Laois and Westmeath - were increased from €25,000 to €30,000 in October 2022. A further increase to the baseline thresholds was approved for all local authority areas with effect from 1st January 2023. The thresholds increased by €5,000 to €40,000, €35,000 and €30,000 for bands 1, 2 and 3 respectively, with an estimated 16,000 additional households potentially eligible for social housing support as a result.

3.2.3 Increasing New Housing Supply

The Government's focus on increasing housing supply involves both the mobilisation of State land, support for private supply through activation measures and new active land management powers. In tandem, broad reforms of planning and regulatory frameworks, as well as strengthening the capacity of delivery partners, will enable supply to reach the levels required.

The Draft Planning and Development Bill 2022 was published in January 2023 and has recently undergone pre-legislative scrutiny. On enactment, it will bring greater clarity, consistency, and certainty to how planning decisions are made. It will make the planning system more coherent and user-friendly for the public and planning practitioners. Among the main provisions in the Bill, the product of a 15-month review of the planning system led by the Office of the Attorney General, are:

- strengthened legal status for Ministerial guidelines.

- Amended focus and lifespan of Local Development Plans.
- A re-structuring of ABP and its decision-making and governance structures separated.
- Statutory mandatory timelines for all consent processes, including An Bord Pleanála decisions, to bring certainty to the planning consent process.
- Changes to Judicial Reviews (JRs) of planning decisions, with timelines for various steps in the JR process.

The Planning and Development (Amendment) (Large-scale Residential Development) Act 2021 restored the two-stage planning process with decision making for Large-scale Residential Development (LRD) type applications returning to the local planning authority in the first instance, with the subsequent right of appeal to An Bord Pleanála. The Act also included a number of transitional arrangements in relation to the expiry of the Strategic Housing Development (SHD) arrangements and their replacement by the new LRD arrangements.

Since the SHD arrangements came into operation, i.e., from 3rd July 2017 to end December 2022, the Board has received 531 planning applications and has issued decisions in respect of 419 cases to date, 286 of which have been granted permission. In practical terms, the 286 permissions granted equates to 75,195 housing units as well as 14,531 student bed spaces approved under the SHD arrangements.

A new Residential Zoned Land Tax (RZLT) was introduced in 2021 and comes into effect in 2024. The new tax seeks to increase housing supply by encouraging the activation of lands which are suitably zoned and appropriately serviced and to bring lands which have benefitted from investment in infrastructure forward for housing. The RZLT will in time replace the Vacant Site Levy. The tax is to be administered by the Revenue Commissioners from February 2024.

Draft maps identifying land in scope for the tax were published by all 31 local authorities in November 2022. The measure will encourage an increase in housing delivery and facilitate the monitoring, through the mapping process, of land activation as well as identifying the areas where investment in infrastructure is required in order to support future housing development in appropriate locations.

A revised General Scheme of the Land Value Sharing and Urban Development Zones Bill was approved by the Government in December 2022. It outlines proposals to allow for a mechanism to secure a proportion of the uplift in value in land resulting from the decision to zone/designate the land for development, as a levy to be used in connection with the provision of necessary public infrastructure, services and facilities to support development within the local authority area.

The D/HLGH is progressing a number of proposals that will assist local authorities and Approved Housing Bodies (AHBs) in identifying and acquiring suitable land banks. One key initiative is the establishment of a €125m dedicated Land Fund to support local authorities to purchase land required for housing projects. The Housing Agency will be responsible for the day-to-day operation of the Fund while the management of the Fund will be overseen by the D/HLGH.

Funding of €94m was provided to local authorities to address legacy land debts in December 2022. The provision of this funding was linked to the immediate development of a housing proposal, a commitment to use Modern Methods of Construction (MMC), and to commence construction in 2023 or no later than 2024. Overall, over 30 sites have been identified for accelerated delivery, involving over 1,500 new social homes.

Dwelling Commencement Notices data shows some 27,000 residential dwellings were commenced in 2022. While this is a 12% decrease when compared to the number of residential dwellings commenced in 2021 (c.31,000), commencements towards the end of 2022 were the second highest since the financial crash. In January 2023, 2,108 Commencement Notices were received. This the highest number of Commencement Notices received in the month of January since the data series began in 2014.

Planning permissions data also show more than 34,000 residential dwellings were granted planning permission in 2022, down 20.5% on 2021 (42,991). Just short of 30,000 residential dwellings were completed in 2022, some 5,400 more than the Housing for All projections for 2022 and 9,000 more than that delivered in 2020 or 2021. While increasing housing supply sufficiently to meet demand remains in 2023, aggregate completions for 2022 and 2023 are expected to exceed Housing for All projections for the two years.

3.2.4 Addressing Vacancy and Efficient Use of Existing Stock

The Government published the Vacant Homes Action Plan in January 2023. The Plan outlines how the Government will address vacancy and tackle dereliction.

Budget 2023 introduced a new Vacant Homes Tax to increase the supply of homes for rent or purchase. The tax will be applied to residential properties which are occupied as a dwelling for less than 30 days in a 12-month period.

A number of incentives are now available if a person is turning a vacant house or building into their permanent home. From November 2022, the Vacant Property Refurbishment Grant was expanded to include eligible properties in both cities and more remote rural areas (in addition to those in towns and villages, which have been eligible since July). 716 applications have been reported to the end of December 2022. From 1st May 2023, the Grant will be extended to vacant properties built before 2007. Grant rates will also be reviewed.

Existing schemes, including the Repair and Leasing Scheme (RLS) and the Buy and Renew element of the Social Housing Programme have also been extended.

Among the first steps to addressing vacancy will be ensuring that robust, up-to-date data is available to understand the quantity, locations and characteristics of long-term vacant dwellings, and the reasons why they are vacant.

In addition, the Town Centre First Policy, Rural Regeneration and Development Fund (RRDF), the Urban Regeneration and Development Fund (URDF), and the Town and the Village Renewal Scheme contribute to supporting the provision of town centre housing.

3.2.5 Sustainability

The delivery of housing is a long-term issue that requires a sustainable approach. Construction costs have risen considerably over recent years through a combination of the increased cost of regulatory compliance and general increases in labour and materials costs.

Construct Innovate, a new Construction Technology Centre was launched in December 2022. The Centre has been established with funding of €5m, over 5 years, to accelerate research and innovation in the construction sector and put the built environment industry at the cutting-edge of developments. Work is also ongoing on the development of a Demonstration Park for Modern Methods of Construction (MMC) with a view to it becoming operational in 2023. A Build Digital project led by Technical University Dublin to promote and develop digitisation in construction was also established in 2022. Furthermore, Enterprise Ireland's mandate has been expanded to allow a suite of existing research, innovation, lean, digitalisation and green offers to be available to the domestic residential construction sector.

The D/HLGH is working with the Office of Government Procurement, Local Government Management Agency, Local Authorities and the Housing Agency on an initiative to accelerate delivery of social housing using MMC, which should see the delivery of up to 1,500 social homes on over 30 sites in the next 18-24 months using MMC. The Construction Sector Group supported by the D/HLGH are also in the process of concluding a Residential Construction Cost Study which will identify opportunities for cost reduction for consideration by relevant Government Departments and industry.

A recently commissioned Report on the Analysis of Skills for Residential Construction and Retrofitting 2023-2030 identifies a need for recruitment of almost 51,000 new entrants to deliver the Government's housing and retrofitting targets over the period to 2030. A corresponding Action Plan has been published and includes measures to attract and retain those with the necessary pre-existing skills, provide new training opportunities for those interested in a career in the sector, and proactively engage international labour markets where supply is unavailable locally. The Expert Group on Future Skills Needs will also undertake a study in 2023 on the current and future skills needed for the transition to MMC.

3.3 Supporting the Digital Transition

Ireland's National Digital Strategy, Harnessing Digital – The Digital Ireland Framework, is helping to drive the digital transition across the economy and society, to the benefit of all. Published in February 2022, it is a consolidated approach to maximising the economic and societal benefits from digitalisation and to ensure that all are in a position to enjoy those benefits. The Strategy is intended to ensure Ireland's position as a digital leader at the heart of European and global digital developments.

While progress has been made across all four dimensions of the Strategy and Ireland retained its strong position of 5th in the EU's 2022 Digital Economy and Society Index, the Government remains focused on achieving further progress across all aspects of the digital agenda and addressing CSRs relating to digital infrastructure and the digital transition, including CSR 1.2.2022, CSR 1.3.2021, CSR 2.2.2020, CSR 3.8.2020, and CSR 3.4.2019.

Significant progress was made in 2022 on deliverables under the Strategy. A new Enterprise Digital Advisory Forum has been established. Brings together representatives of indigenous enterprise, multi-national enterprises, and experts in digital technologies and their adoption by enterprise. Discussions to date have focused on Digital Skills, GovTech, and AI.

A new Digital Connectivity Strategy was published in December 2022. It sets out the State's ambition for digital connectivity to 2030 and the strategic enablers and initiatives to achieve it, and will lead to more balanced regional development, as well as supporting the green transition and facilitating greater access to regional talent and skills.

Connecting Government 2030 – A Digital and ICT Strategy for Ireland's Public Service, published in March 2022, sets out an approach to deliver digital government for all, benefitting both society and the broader economy. Implementation of the Strategy is progressing, including the development of a Key Life Events Portal and a new Digital Healthcare Strategic Framework 2023-2030.

The Online Safety and Media Regulation Act 2022 was signed into law in December and Coimisiún na Meán was formally established in March 2023, with the Executive Chairperson, Online Safety Commissioner, and other key roles now in place. The Government has designated the new Media Commission, Coimisiún na Meán, as Ireland's Digital Services Coordinator, under the Digital Services Act, and work is ongoing to give operational and legislative effect to that decision.

Other actions supporting the digital transition include:

- An €85m Digital Transition Fund to support companies on their digital journey was established as part of the NRRP and a new digital training scheme for SMEs, 'You're the Business', was launched in partnership with Google.
- Work is ongoing to strengthen the capacity and footing of the National Cyber Security Centre. A mid-term review of the National Cyber Security Strategy 2019-2024 is currently being finalised.
- Ireland's first AI Ambassador, Dr Patricia Scanlon, is leading a national conversation on the role of AI in our lives, and Ireland's commitment to an ethical approach.
- The Government published a revised Statement on the Role of Data Centres in Ireland's Enterprise Strategy in July to facilitate sustainable data centre development that adheres to Ireland's energy and enterprise policy objectives.

3.3.1 Digital Skills

Development of digital skills provision across the skills spectrum to enable all cohorts across the labour market and wider society to participate positively in and benefit from the digital transition is a core objective of Harnessing Digital and will contribute to addressing CSR 2.2.2020.

The target for graduates with high-level ICT skills under Technology Skills 2022 was exceeded in 2020 and 2021. An action plan, currently under development, will focus on the development of High-Level Digital Skills, Digital Skills for the Labour Market and Digital Skills for Society. Work is also ongoing, informed by a recent public consultation, to progress a more unified tertiary education system to respond to the learning, skills, knowledge, and talent needs of learners, society, and the economy in key areas such as digital skills. This will be achieved through clear and coherent pathways and transition points across and between the system, and greater lifelong learning, up-skilling, and re-skilling opportunities.

Further progress being made in delivering high-level digital skills, includes ongoing delivery of the Human Capital Initiative; the development of a national framework on micro credentials (the first country in Europe to do so); and UL@Work, a new range of digital-led programmes from the University of Limerick, co-designed with industry, to enable digital upskilling and reskilling.

Implementation of the new Digital Strategy for Schools 2027 is progressing. This Strategy includes a capital investment of €200m under the National Development Plan 2018-2030 and aims to further support the school system to ensure that all learners have the opportunity to gain the knowledge and skills they need to successfully navigate an ever evolving digital world. Reform of primary, junior, and senior cycle curricula is also underway to ensure young people are equipped to participate fully in modern society, including digital literacy and skills. A STEM Education Implementation Plan to 2026 was published in March 2023, and a successor Literacy & Numeracy and Digital Literacy Strategy for learners in early years, primary and post-primary schools will be published in 2023.

Work is ongoing to achieve the target of 80% of adults with at least basic digital skills by 2030. This includes work to boost digital skills across the entire education system (schools, FET, HE, lifelong learning). Ireland's score under the 2022 DESI is 70% versus EU average of 54%. Implementation of the Adult Literacy for Life Strategy is also progressing with a new Programme Office and the appointment of a Director of Adult Literacy for Life Strategy Officer in SOLAS.

As part of its 2022 Media Literacy Programme, Media Literacy Ireland is delivering Be Media Smart 2023, to train public library staff to offer resources and training in media literacy to the public.

3.3.2 Digital Connectivity

The D/ECC published a Digital Connectivity Strategy in December 2022 which will arm different sectors with the connectivity needed to fully exploit the digital opportunities in their respective areas. Digital connectivity will be delivered across the State primarily through the commercial investment of the telecommunications industry. The Government will take measures to drive increased Gigabit and 5G connectivity, including complementing commercial investment in infrastructure with Government-led initiatives and through facilitating other strategic enablers. The Government-led initiatives include:

- the deployment of Gigabit network services through the National Broadband Plan's (NBP) State-led Intervention to primarily rural areas covering circa 23% of the premises across the State.
- The development of a number of direct international connectivity links to the rest of Europe and ensuring Maritime Area Planning provides the appropriate framework to make this

happen. Ensuring the international connectivity infrastructure links to and from the State are secure and resilient, suitably diverse, and robust so that they can meet requirements.

- Ensuring 5G Spectrum continues to be made available, with appropriate coverage and deployment obligations, and monitoring of the use of this spectrum, to ensure it is used efficiently and effectively; and promoting research and innovation in new and emerging technologies that will be required in the longer term as well as leveraging the many pilot and test networks available across the State.

Ireland's NBP is aligned with the Digital Decade, ensuring high speed broadband services are delivered to all premises in Ireland. As of December 2022, the number of premises passed was over 109,000; while 117,930 premises could order or pre-order a service across all 26 counties. Build is underway across all 26 counties, demonstrating the project is reaching scale. An Updated Interim Remedial Plan was agreed between the D/ECC and National Broadband Ireland (NBI), which recalibrated the targets for 2022 and beyond to take into account the knock-on effects of the COVID-19 pandemic and other delays. This had a revised target of 102,000 premises passed by the end of January 2023. NBI reached this milestone by the end of 2022. The final goal for the NBI roll-out is now expected to reach almost 560,000 premises, taking into account new builds.

ComReg completed a Multi-band Spectrum Award to assign rights of use in four key spectrum bands to enable the market to provide improved services to meet increasing consumer demand for mobile data and new services. The successful bidders were Eir, Imagine, Three Ireland and Vodafone. This award will represent a 46% increase in the harmonised spectrum assigned for the provision of wireless broadband services in Ireland and will include significant coverage obligations for operators. In January 2023, a MBSA2 Liberalised Use Licence was issued to each of the MBSA2 Winning Bidders.

These measures contribute to addressing CSR 2.2.2020.

3.3.3 Ireland's NRRP and Digital

Reflecting the importance of the digital transition for Ireland and Europe in the coming decade, support for Irish businesses and citizens to adapt to, and reap the benefits from, digitalisation is central to Ireland's NRRP.

The Plan contains six investment projects, to a total value of €291m, along with a reform commitment to address the digital divide and digital skills. The investment projects being progressed include support for the digitalisation of enterprise, the provision of digital infrastructure for schools, and the roll out of a number of eHealth initiatives.

Significant milestones met to date include:

- Signature of the contract for the building of the data centre facility
- Connection of 750 schools to the broadband network
- Completion of build and configuration of the integrated financial management system (IFMS) for the health sector
- The issue of €50m in grant funding to schools to support learners at risk of educational disadvantage through the digital divide.

Further details can be found in Annex 2.

3.4 Supporting Participation in the Labour Market

As outlined in Section 1, Ireland's labour market recovered quickly and strongly following the removal of COVID-19 public health restrictions in 2022 with the most recent evidence indicating that the labour market has exceeded its pre-pandemic performance in key areas.

Compared to the fourth quarter of 2019, in Q4 2022 there were almost 220,000 more people at work, an increase of just under 10% with the employment rate for males aged 15-64 years at 78.0%, and 68.5% for females. Significant progress has been retained in terms of participation – with participation by female workers almost 3 percentage points ahead of pre-pandemic. However, the female participation rate stands at 59.3%, compared to the male participation rate of 70.1%, and women continue on average to work fewer hours in paid work per week than men - in Q4 2022 women worked 32.1 hours per week, as compared to 39.1 hours for men.

Higher participation rates have in part been influenced by the rise of remote work, encouraging more flexible working arrangements. The ability to avoid lengthy commutes and rigid work schedules likely incentivised many people to re-join the workforce. Increased participation also reflects underlying trends in participation as well as the strength of the economic recovery.

It is acknowledged that pandemic induced effects on the labour market may not be permanent. It remains a possibility that the rapid growth in employment in the most productive sectors could unwind. Indeed, recent layoffs in the high value technology sector highlights the volatility still at play. The Government is live to these risks and continues to prioritise strengthening the skills ecosystem in Ireland to ensure it has the agility and flexibility to adapt to changing priorities in the skills landscape and the rapid, technologically driven changes that are being seen in the world of work. This is essential to ensuring that Ireland continues to have a skilled and productive workforce.

3.4.1 Pathways to Work

The Pathways to Work Strategy aims to support people back to work following the impact of the COVID-19 pandemic, and to help those who faced obstacles in accessing the labour market before the onset of the pandemic, for example, people with disabilities, lone parents, older people and members of the Traveller and Roma communities. Progress in implementing Pathways to Work is reviewed on a quarterly basis and the first annual progress report was published in December 2022.

Some key achievements of the Strategy include:

- Allocation of additional case officers in the Intreo Public Employment Services.
- Expansion of digital services and delivery of blended employment services provision.
- The national roll-out of early engagement by the Public Employment Services with young people with disabilities (on a voluntary basis).
- Extension of the JobsPlus financial incentive for employers who recruit young people, people in receipt of disability payments, and members of the Traveller and Roma communities, as well as other disadvantaged groups.
- Commencement of the pilot basic income scheme for artists.
- Introduction of a statutory sick pay scheme.

A mid-term review of the strategy is currently underway with a public consultation launched in February 2023 and a review of Key Performance Indicators being undertaken by the Labour Market Advisory Council Evaluation Sub-Group. The review will assess the existing commitments and performance in light of changing social and economic conditions.

3.4.2 Skills and Training

A priority focus of the Department of Further and Higher Education, Research, Innovation and Science (D/FHERIS) is to strengthen the skills ecosystem in Ireland to ensure it has the agility and flexibility to adapt to changing priorities in the skills landscape and the rapid, technologically driven changes being seen in the world of work. This is essential to ensuring that Ireland continues to have a skilled and productive workforce. Ireland's project with the OECD, to review Ireland's skills approach has seen a comprehensive review through 2022 and the early months of 2023 of these issues. The Review is now entering its closing stages.

Emerging areas of focus from the OECD Skills Strategy Review highlight the work Ireland will have to do to advance on digital, green and human (transversal) skills, to facilitate labour mobility and job matching, ensuring people are workforce ready and are leveraging their best potential. Advances are being made in these areas with the launch of a Joint Skills Research Partnership with the ESRI (2022-2025) on Irish Skills Requirements; the establishment of a working group to examine a Single Portal for careers and skills information; and an anticipated strengthened workforce development approach including through close work in partnership with Skillnet Ireland, the Regional Skills For a, the National Skills Council, and SOLAS.

Lifelong Learning could not be more important in successfully responding to the twin green and digital transitions. A holistic enabling framework is critical to engaging individuals to take advantage of upskilling, reskilling and learning opportunities. A core objective for the D/FHERIS is to ensure that individuals and businesses are offered supports and pathways to quality education, upskilling and reskilling opportunities. A public consultation was held in February 2023 on a Strategic Framework for Lifelong Guidance and It is a priority for the D/FHERIS to ensure that this Framework is aligned with the recommendations arising from the OECD review.

The National Training Fund supports initiatives including Skills to Advance, an employee development policy framework which enables targeted support for vulnerable groups in the Irish workforce; Skills to Compete, a range of programmes to respond to the need for activation, upskilling and reskilling; Springboard+, which provides free and subsidised upskilling and reskilling higher education opportunities in areas of identified skills need; and the Human Capital Initiative (HCI) range of programmes, which seek to ensure that the higher education system as a whole responds to the constantly evolving skills needs of the economy.

Significant progress is also being made in realising the ambition of the Action Plan for Apprenticeship 2021-2025. A key objective of the Plan is to make apprenticeships more attractive to employers and learners, to ensure their continued engagement and to attract those who have not previously engaged with the system. A National Apprenticeship Office, Freephone advice helpline, and National Apprenticeship Alliance have been established. Furthermore, the Higher Education Authority Act 2022 enabled the removal of legislative barriers to the development of apprenticeship programmes in professions. The positive impacts of the Plan are already evident in apprentice registrations. 2021 figures showed a total of 8,607 registrations that year- an increase of 40% on figures for 2019 (the last full pre-COVID year). 2022 saw 8,286 registrations and a population of over 26,000.

The SOLAS Recovery Skills Response Programme attracts investment of €114m and has developed a range of additional educational and training programmes as part of the Skills to Compete Initiative and through the SOLAS Green Skills Action Programme. Through the Programme, over 29,000 people have taken part in Skills to Compete since 2021, while over 2,000 participants have enrolled in courses offered by Nearly Zero Energy Building/ Retrofit Centres of Excellence. New Green Skills Level 4 & 5 micro-credentials have been developed and are being rolled out by ETBs, while a wholly online green skills module, developed in partnership with the SEAI, is now offered via the eCollege portal.

The Work Placement Experience Programme (WPEP), an initiative under the NRRP, is a funded work placement scheme to provide work experience for jobseekers that have been unemployed for more than six months, including time spent on the Pandemic Unemployment Payment. The Programme commenced in July 2021 and as of early February 2023, there have been 551 approved enrolments. Currently 122 are active, 17 are due to start. Of the 412 who are no longer on WPEP, 283 completed the programme and 129 finished early. The WPEP has also set One-Parent Family Payment (OFP) and the related Jobseeker Transition Payment (JST), Disability Allowance (DA) and Blind Person Pension (BPP) as eligible payments. These cohorts are known to be vulnerable to being at risk of poverty with lower-than-average rates of participation in the workforce. The development of additional options for these cohorts to access new opportunities for career development is an important element of this programme. To date:

- 53 (9.3%) of participants come from a disability payment prior to going on WPEP and 32 (60%) are under 30 years old. 31 of the total group have completed the programme while an additional 10 finished early, 10 are active, and 2 are due to start.

- 134 (24%) of participants are under 25 while and additional 115 (21%) are between 25-29. Of these 195 have finished WPEP, with 128 having completed it and a further 67 ending early. Of these 72 (37%) have obtained work, 52 (27%) obtained work with their host.

It was clear from early in 2022 that the demand for WPEP would be lower than initially provisioned as labour market recovery is better than expected, although the programme continues to be well received.

All of these measures support employment through developing skills and address CSR 2.1.2020.

3.4.3 Early Learning and Childcare

Backed by record levels of investment – exceeding €1bn in 2023 - a range of steps are being taken to ensure high-quality early learning and childcare is affordable and accessible to all children, addressing CSR 2.2.2019.

This is being achieved principally through Together for Better, the funding model for early learning and childcare, which currently incorporates three strands, the Early Childhood Care and Education (ECCE) programme (including the Access and Inclusion Model (AIM)), the National Childcare Scheme (NCS) and Core Funding. A fourth strand – the Equal Participation Model (EPM) to tackle disadvantage is currently under development.

The ECCE programme – which enjoys uptakes rates in excess of 95% - has removed barriers to accessing pre-school education with data from Growing Up in Ireland showing that more than 60% of low-income families would not have been able to send their child to pre-school without this programme.

In addition, the NCS – through a combination of universal and targeted subsidies, as well as sponsorship arrangements for vulnerable children, is substantially reducing the out of pocket early learning and childcare costs for families – with the highest levels of subsidies available to families on the lowest incomes. As at end March 2023, record numbers of children – more than 117,298 - are benefitting from the NCS – 59,106 more children than this time last year. Moreover, the number of providers offering the NCS has increased by more than 10% - owing to contractual conditions underpinning the new Core Funding Scheme.

Recent OCED data shows Ireland's performance in supporting families, and particularly lone parent families, with the cost of early learning and childcare is markedly improving - with Ireland having the highest decrease in early learning and childcare costs to families across the EU over the period 2019-2021 and in 2021, net childcare costs as a share of the household's net income for lone parents on low income fell below the EU average. These data do not take account of significant enhancements introduced to the NCS under Budgets 2022 (i.e., the end in practice of deducting time in the ECCE programme or school from NCS subsidised hours and the extension of the NCS subsidy to all children under 15) and 2023 (i.e., the increase in the minimum hourly subsidy under the NCS from €0.50 to €1.40). In addition, these data do not take account of further impacts of the new Core Funding scheme.

Core Funding was launched in September 2022 with the aim of making early learning and childcare more affordable to parents, improving quality, including through better terms and conditions for the workforce, and improving services' sustainability. A central condition of Core Funding is that providers agree not to increase fees above those which were charged in the previous year. The approach to fee management will be developed further over time, as outlined in the recommendations contained in Partnership for the Public Good. More than 94% of services have signed up to Core Funding to date.

Core Funding has also provided evidence of increased capacity in early learning and childcare. Initial analysis shows the increased capacity is the type of capacity that is in highest demand relative to supply (i.e., more baby and toddler and school-age place hours).

The recent increase in the minimum NCS subsidy with the fee freeze under Core Funding means the Budget 2023 NCS increase represents up to an additional €40.50 off families weekly cost per child for early learning and childcare, where they are claiming the maximum award of 45 hours.

The D/CEDIY is now progressing the development of the EPM whereby, services will be provided with a proportionate mix of universal and targeted supports, in order to support children and families, who are experiencing disadvantage, access their services.

3.4.4. Employment of People with Disabilities

Policy and action in relation to the employment of people with disabilities in Ireland is coordinated on a cross-Government basis through the Comprehensive Employment Strategy for People with Disabilities (CES) (2015-2024). Under CES the Government has committed to doubling the target for employment of people with disabilities in the public service from 3% to 6%. This commitment was placed on a statutory footing in December 2022, and will come into force with the commencement of the Assisted Decision-Making Capacity (ADMC) Amendment Act 2022 in April 2023.

The objective of the CES was to increase the number of people with disabilities in employment by 15% over 2011 levels, to 38% by 2024. The most recent census figures available indicate that in 2016 the rate of employment of people with disabilities was 36.5%, and it is anticipated that the target level of 38% may be exceeded once relevant census data from 2022 is published in late 2023.

Recent developments including the undertaking of a pilot programme to support the transition for young people with disabilities to improve access to, and opportunities for, post-school options announced in November. The pilot will involve clusters of schools in Galway and Dublin working collaboratively with a project coordinator over the next 2 school years. A total of 20 schools will be involved in the project. An Employer Awareness Campaign is also currently being developed and is expected to be launched in 2023.

As the CES draws to a close in 2024, all available evidence will be considered in developing a strategic approach that works to continue to increase the rate of people with disabilities in employment and to close the employment gap.

3.5 Supporting Enterprise

The Government has continued to respond to the challenges faced by enterprise in recent years, whether it is access to finance, supporting firms through COVID-19 or helping firms to navigate the green and digital transitions, as well as dealing with the pressures arising from the war in Ukraine.

Some of the key actions and policy initiatives in relation to supporting enterprise, addressing a number of CSRs, including those related to the green and digital transition, and alignment with SDG 8, and SDG 9 are outlined in this section.

3.5.1 The Future of Enterprise

Published in December of 2022, the White Paper on Enterprise 2022-2030 sets out Ireland`s industrial policy for the medium- to long-term, building on Ireland's economic strengths of an open economy with strong trade and foreign direct investment, a vibrant innovation hub, and a resilient labour market. The White Paper was motivated by a number of factors including the effects of the Pandemic; changes in the international trading environment which may not be to Ireland's advantage; vulnerabilities in the enterprise sector; and the need to integrate climate change commitments into enterprise policy over the decade ahead as part of the twin digital and green transitions.

The White Paper includes 15 targets which detail the Government's ambitions across seven identified priority enterprise policy objectives:

- Integrating decarbonisation and net zero commitments.
- Placing Digital transformation at the heart of enterprise policy.
- Advancing Ireland's FDI and trade value proposition.
- Strengthening the Irish-owned exporting sector.
- Enabling locally trading sectors to thrive.
- Stepping up enterprise innovation.
- Building on strengths and opportunities.

The White Paper also assesses the key competitive environment conditions that impact enterprise, namely, infrastructure challenges, cost of doing business, skills and talent, access to finance, taxation, and regulation.

Ireland's enterprise policy will focus on leveraging the competitive advantage of Ireland's abundant renewable energy capability, particularly in offshore wind, to transform energy use by industry, provide greater energy security and price stability, generate energy exports, and develop a domestic supply chain and exportable expertise in renewable energy. It will also ensure Ireland is at the forefront of the digital future. This effort is highlighted as critical to addressing decarbonisation commitments where enterprise will be supported with grants, access to finance and capacity building to ensure firms are adequately supported in decarbonisation objectives and adequately positioned to take advantage of opportunities emerging in the green and digital sectors, through becoming leaders in related innovations and product and service developments.

Additional targets in the White Paper on Enterprise include strengthening SME digital intensity, ensuring equitable employment opportunities across all regions of the country, increasing gross expenditure on R&D to 2.5% of GNI by 2030, and increasing multifactor productivity within domestic sector firms by 1% annually by 2025.

The implementation of the White Paper on Enterprise will be conducted through consecutive two-year Implementation Plans, the first of which will published early in Q2 of this year, with the first progress report being prepared in Q3 of this year.

3.5.2 Support for Research and Innovation

Impact 2030: Ireland's Research and Innovation Strategy was launched in May 2022 following extensive stakeholder consultation. The domestic and international context has fundamentally changed since previous research and innovation (R&I) strategies and Impact 2030 reflects that.

This whole-of-Government Strategy leverages Ireland's performance to date to advance the strategic development of the R&I system and to put R&I at the heart of Ireland's response to critical social, economic and environmental challenges including climate change and the need to transition to a climate-neutral society; the pressure on the public health system due to a growing and aging population; the need for greater and sustainable housing; economic transformation fuelled by technological and other change; greater international competition and geopolitical instability; increased mobility of talent; and the need to build societal resilience against the threat of shocks. The strategy will be delivered through three three-year Work Programmes, the first of which covers the period 2022-2024.

The National Challenge Fund, under the NRRP, provides ambitious researchers the chance to make a difference by developing solutions to key challenges in the areas of Green Transition and Digital Transformation. It is a €65M research fund that consists of eight challenges. The participating teams for the first two Challenges were selected at the end of 2022. Four more Challenge calls closed on 10th February 2023 – the teams are currently being selected by expert panels and the teams selected will begin their competition in June 2023. The final two calls open on 20th February 2023, and the teams selected will be expected to start their funding period in September.

Progress in this area supports Ireland in addressing CSR 1.3.2021 and CSR 3.7.2020.

3.5.3 Trade and Investment

The Trade and Investment Strategy 2022-2026: Value for Ireland, Values for the World, was published in April 2022. It aims to see Ireland grow sustainably, diversify export markets, and provide for Ireland's continued economic wellbeing. The strategy addresses not only trade and investment issues but also related issues such as climate action, sustainable development, equality, and human rights, through setting out a principled and holistic approach to trade policy.

Implementation of the Strategy is well underway. A review aimed at refreshing the Local Market Teams, comprised of embassy and agency teams around the world, has been completed, and underpins Ireland's continuing international trade promotion activities.

Preparatory economic analysis has been completed for a new Expert Group on Global Value Chains and Supply Chains that will seek to identify global supply chain opportunities and threats.

Deepening and extending Ireland's trade relationships and promoting the benefit of EU Free Trade Agreements is a priority under the Strategy. Under this priority action, a particular focus is raising awareness of existing FTAs and promoting trade with partner countries. A major conference on the value of FTAs is planned for July 2023.

Planning is underway for an inaugural Trade Mission Week in 2023, which will build on Ireland's annual programme of trade missions by focussing the expertise of the trade promotion agencies and Government Departments on a single strategic geographic area.

Underpinning all of this is a strategy to communicate the benefits of international trade and investment for Ireland.

3.5.4 Productivity and Clustering

Despite the global slowdown in productivity growth over the past decade, aggregate labour productivity figures for Ireland continue to show a strong performance relative to other advanced economies. However, it is well recognised that this is driven primarily by the performance of a highly concentrated group of high-productivity MNEs in specific sectors.

The Central Statistics Office (CSO) published its most recent productivity publication, 'Productivity in Ireland 2020', in June 2022. The 2020 results are heavily impacted by the COVID-19 related disruption and the complete shut-down of many businesses, particularly in the early phase of the pandemic. The data showed that productivity in the 'Foreign' sector rose by 18.2% in 2020 and contributed 12.2 percentage points to the total economy labour productivity growth. Meanwhile productivity in the 'Domestic and Other' sector increased by 0.7% in 2020 and contributed only 1.9 percentage points to total productivity growth, highlighting the two-speed nature of labour productivity growth in the Irish economy. The White Paper on Enterprise identifies measures to increase productivity in the indigenous sector, addressing CSR 3.6.2019.

The National Competitiveness and Productivity Council (NCPC) is Ireland's National Productivity Board and is responsible for analysing developments and policies in the field of competitiveness and productivity in Ireland. The NCPC engages with multiple stakeholders across the political system, academia, and civil society to identify areas where productivity and competitiveness can be improved, and devise targeted and actionable recommendations to address these areas of concern. In the NCPC's 2022 annual report, Ireland's Competitiveness Challenge, the Council made three recommendations aimed at boosting productivity in Ireland:

- The early and systematic implementation of the Harnessing Digital strategy so that the digitalisation of the enterprise sector and broader society gets the required support.
- Ongoing monitoring and evaluation of Government supports for the twin transition to ensure that adequate progress is being made and that Ireland's targets remain appropriate when viewed against what is being achieved across the EU in relation to the twin transitions.
- The implementation of Impact 2030: Ireland's Research and Innovation Strategy.

The D/ETE are working jointly with the ESRI on new research examining the productivity challenge and its interaction with climate, digitalisation, and human capital.

In relation to Clustering, the White Paper will build on its priority enterprise policy objective of strengths and opportunities, through the development of a National Cluster Programme. Research was commissioned to develop an evidence base to support the development of a National Clustering Policy and Framework. This was completed and published in Q1 of 2023 and will inform the development of a National Cluster Programme with the aim of having five National Cluster Organisations funded under the Programme by 2025.

3.5.5 Regional Enterprise Policy

Balanced regional development is a priority of the Government and is a key component in the White Paper on Enterprise. The D/ETE has overseen the development of nine Regional Enterprise Plans to 2024 to identify growth opportunities, recognise vulnerabilities and strengthen the enterprise ecosystem. These are bottom-up plans, developed by regional stakeholders including Local Authorities, enterprise agencies, LEOs, regional skills forum, and education and training institutions in each region. The REPs focus on undertaking collaborative initiatives that can help strengthen the regional enterprise ecosystem thereby realising enterprise growth and job creation in each of the nine regions across Ireland. The Plans are an integral part of Ireland's enterprise policy, aimed at driving economic growth and sustaining better standards of living throughout the country.

Each Plan contains a set of objectives and related actions which are complementary to existing Government initiatives. The REPs are overseen and monitored by a Regional Steering Committee made up of regional stakeholders and chaired by a senior level private sector businessperson with a full time Programme Manager responsible for driving implementation and stakeholder engagement on the ground in each region. Since publication and launch, Steering Committees have been meeting to drive implementation of actions or groups of actions.

Regional development will also be a significant beneficiary of EU funds through the European Regional Development Fund (ERDF) for 2022-2027, from which Ireland is set to receive €396m from the European Commission to support regional investment. Up to €145m of that funding will be made available to support projects from the Regional Enterprise Plans and help support entrepreneurship, start-ups and scaling companies, primarily micro and SMEs through the provision of appropriate infrastructure and key staff resources to deliver innovative solutions including support programmes.

3.5.6 Supporting the SME Sector

An SME Growth Taskforce of entrepreneurs, business leaders and other stakeholders was established in 2020 to produce a report with a broad range of measures to help SMEs to start-up, scale up and access foreign markets, as well as recommendations to help SMEs become more productive and ready for a digital, green economy. The Taskforce, chaired at Ministerial level, is currently overseeing the implementation of 10 agreed priorities. These priority areas are access to finance; digital transformation; increasing first time exporters; enhanced assistance for high-potential businesses; clustering and networks; SME management skills; reducing the regulatory burden on SMEs; delivery of a single portal for business information and assistance; ensuring comprehensive enterprise agency coverage for SMEs; and increased SME participation in public procurement.

Significant progress has been made on implementation of these priorities, including:

- Introduction of the SME Test. This is a regulatory impact assessment tool that encourages policymakers across Government to consider the impact that any new regulations or laws will have on SMEs. Since its introduction across Government, 8 Departments have confirmed their application of the SME Test to 18 pieces of legislation or guidance procedures relating to legislative and procedural matters thereby exceeding the target set out in the NRRP.
- Establishment of a single hub for SME information and assistance which will be supported by a promotional campaign in early 2023. The portal provides quick links to targeted thematic areas of interest such as Scaling, Access to Finance, Exporting, Climate, Skills, and Digitalisation. The site also includes business guides to Prompt Payment Code and access to Public Procurement opportunities and EU SME News.
- Launch of Skills for Better Business in November 2022. This is a two-part initiative aimed at assisting SME owners and managers across Ireland. It comprises an Online Tool for management skills assessment, complemented by a sign-posting resource providing contact information for management education and training providers across the country.
- Increasing first time exporters through the extension of the Local Enterprise Office mandate.
- Introduction of the Digital Transition Fund to support companies at all stages of their digital journey.

- Ensuring an adequate supply of credit to SMEs through State-backed loan schemes and equity investment schemes.

In 2023, the Government, is continuing to provide access to credit support for SMEs. A number of schemes are in place including the Ukraine Credit Guarantee Scheme, the Future Growth Loan Scheme, and the new Growth and Sustainability Loan Scheme.

The Government will continue to monitor whether the further introduction of access to finance measures is an appropriate intervention for helping SMEs to invest in growth and transformation. Stakeholder engagements with industry bodies, SMEs and finance providers are currently ongoing to inform this consideration.

The Small Companies Administrative Rescue Process (SCARP) is a dedicated rescue process for small and micro companies to assist fundamentally viable companies experiencing temporary difficulties to remain in business. SCARP is available to 98% of companies in Ireland. Despite the cumulative economic impacts of COVID-19, Brexit and the invasion of Ukraine, the number of insolvencies in Ireland has been significantly below pre-pandemic levels since March 2020 and has yet to rise to normal levels thus far in 2023. Since commencement in December 2021, 24 small companies have availed of the process up to February 2023.

The measures outlined address CSR 3.1.2020.

3.5.7 Ireland's NRRP and Social and Economic Recovery and Job Creation

The third priority area of Ireland's NRRP relates to social and economic recovery and job creation. This will see investment of €181m in three programmes which seek to support workers in their recovery from the pandemic and prepare workers and regions for the opportunities of the future, with investment in workplace placement programmes, Technological Universities, and skills and training initiatives.

In addition, this priority area also includes a suite of six reform measures, to address a number of important social and economic policy needs identified in Ireland's CSRs. Implementing reforms in these key areas – health, housing, pensions, institutional frameworks, taxation, and business environment – will contribute to strengthening the overall social and economic policy framework in Ireland.

Significant milestones met to date include:

- Entry into operation of the Sláintecare Consultant Contract
- Publication of the Anti-Money Laundering /Counter Financing of Terrorism sectoral risk assessment of Trust or Company Service Provides (TCSPs)
- Publication of all green skills provisions and all module opportunities to upskill for the green transition.

Further details can be found in Annex 2.

3.6 A Balanced, Fair and Inclusive Ireland

The Government is committed to achieving its vision of a safe, fair, and inclusive Ireland where people are supported to flourish and to live inclusive, healthy, and fulfilling lives in cities, towns, villages, and rural areas. This section outlines policy developments and initiatives that contribute to the whole-of-Government ambition of a thriving and inclusive Ireland where no one is left behind and equal opportunities are available to all, regardless of where they live.

3.6.1 Regional Balance

Balanced regional investment is a key priority of the Government and this priority is at the heart of Project Ireland 2040 (PI2040), which aims to ensure that 75% of growth takes place outside Dublin. PI2040, launched in 2018, is the overarching policy and planning framework for the social, economic and cultural development of Ireland. It comprises the National Planning Framework (NPF) - the national spatial and development strategy for the next 20 years; and the National Development Plan (NDP) - the public capital investment plan. The NDP sees total public investment of €165bn over the period 2021-2030.

The NPF projects that there will be approximately 1 million additional people in Ireland between 2016 and 2040 from c. 4.75m people in 2016. The growth strategy outlined in the NPF seeks to facilitate balanced regional development, focused on the five cities and five smaller regional growth centres, to support economic prosperity, environmental sustainability, and climate action across all regions. This would see a shift in the spatial pattern of development in Ireland over time, from a pattern that has seen majority growth in population, housing and jobs in Dublin and the adjoining Eastern and Midland area.

Further to the NPF, Irelands Regional Assemblies adopted Regional Spatial and Economic Strategies (RSESs) in 2019 and 2020 that are consistent with the objectives of the NPF. Following the publication of the RSESs, local city and county development plans have been in a cycle of review, and by mid-2023 this cycle will be largely complete. When completed these plans will align with the objectives of both the NPF and RSES. The city and county development plans deal with matters relating to SDGs such as health and wellbeing, education, water and sanitation, energy, infrastructure and sustainable communities. There have also been updates to sectoral plans in areas such as transport and enterprise to align with the PI2040 strategy.

Preliminary results from Census 2022 show that overall, national population growth is broadly in line with the NPF population projection for 2022. However, the distribution of growth over the 2016-2022 period remains weighted in favour of the east with more than half of population growth happening in the Eastern and Midlands Region. This is unsurprising, as much of the housing activity in the 2019-2023 period was based on plans and development consents that predated the publication of the NPF and the NDP 2021-2030. Furthermore, since the Census took place, a number of geo-political factors have emerged that could not have been factored into NPF projections and that have had an unexpected influence on inward migration. Significant net in-migration to Ireland as a consequence of persons displaced by the Russian invasion of Ukraine and separately, an increase in those seeking International Protection, have led to an accelerated increase in population and pressure for accommodation in 2022/23.

The key strategic actions in the coming years to reinforce the NPF strategy will include:

- Continued focus on regional economic development and infrastructural investment through the NDP and PI2040, with particular emphasis on the regional cities and regional growth drivers.

- Enhanced institutional and governance arrangements for city-scale development that will enable delivery of strategic priorities.
- Continued implementation and roll-out of Housing for All actions on housing delivery, especially those addressing housing affordability and viability, land activation in urban areas, planning reform and the enhanced role of the Land Development Agency.
- The identification of medium to long term sustainable development options for the cities and regional growth centres; and
- Robust monitoring and reporting on trends in housing delivery, economic activity and population growth.

Review of the NPF, and where it is considered necessary and appropriate initiate a process to revise the NPF before the end of Q1 2024, as provided for in the Planning and Development Act 2000.

Improved regional balance is also supported by Our Rural Future, which offers a blueprint for rural development policy and investments for Ireland and adopts a more strategic, ambitious, and holistic approach to maximising opportunities for rural areas. It is a whole-of-Government policy which sets out a range of measures to strengthen the resilience of rural communities and economies, including addressing the impacts of challenges experienced by people living and working in rural Ireland and maximising opportunities for rural areas. Our Rural Future is underpinned by the Government's objective of achieving balanced regional development and strengthened rural economies and communities. Under the NDP, a total of €962m has been committed to investing in rural and community development projects to 2025. To date there has been substantial progress across all relevant sectors, addressing key rural and regional development challenges, such as job creation, sustainable population growth, access to services, progressing the green and digital transitions, and social cohesion and inclusion.

3.6.2 Addressing Equality, Inclusion and Poverty Reduction

The Roadmap for Social Inclusion 2020–2025: Ambition, Goals, Commitments was approved by the Government and published in January 2020. The primary ambition of the Roadmap is to reduce consistent poverty to 2% or less and to make Ireland one of the most socially inclusive countries in the EU. The Roadmap complements other national strategies, which are crucial to ensuring that social inclusion is at the core of public policy and delivery across all departments and Government services. In addition, the Programme for Government commits to the rigorous implementation of the Roadmap for Social Inclusion.

At the end of 2022, 38 commitments were either fully achieved or achieved with ongoing delivery, with a further 4 commitments in progress on schedule with ongoing delivery, and delivery on 27 commitments in progress. . Key achievements include:

- The announcement in Budget 2022 of the extension to Parent's Leave and Benefit by 2 weeks for each parent, resulting in 7 weeks in total.
- The extension of Hot School Meals programme to an additional 310 schools.
- Increases under Budget 2023 to the main welfare rates including €12 per week increase to all main working age and pension payments, with pro-rata increases for qualified adults; €2 per week increase to the weekly qualified child rate; an increase to the income threshold of the Working Family of €40 per week for all family sizes.
- The announcement of reforms to the State Pension system in September 2022, approved by the Government, which are in response to the Commission on Pensions recommendations.
- The commencement of Core Funding, a new strand of funding to early learning and childcare services, in September 2022.

The Roadmap for Social Inclusion 2020–2025 includes a focus on supporting children and families with the goal of reducing child poverty in Ireland and ensuring that all families can participate fully in society. The current national child poverty target requires a 66% reduction in the number of children in consistent poverty by the end of 2020 (from its 2011 level of 107,000). The latest CSO data shows that against the 2011 baseline, the number of children in consistent poverty has fallen by 27,000 and the consistent poverty rate has fallen by 1.8 percentage points (from 9.3% in 2011 to 7.5% in 2022).

The Roadmap further commits to setting a new child poverty target. The D/SP and the D/CEDIY are currently working together to progress this in the context of the development of the successor to the Better Outcomes, Brighter Futures policy framework for children and the EU Child Guarantee Action Plan, which was published in 2022. This will feed into the wider whole-of-Government approach to address child poverty, including the forthcoming establishment of a new Child Poverty and Wellbeing unit in the Department of the Taoiseach.

The Community Services Programme (CSP) currently supports community-based organisations to provide local social, economic and environmental services through a social enterprise model. It typically supports organisations to meet local service gaps and supports a range of services, facilities and activities that enhance the quality of life for specific disadvantaged groups including older people, persons with disabilities, Travellers, and those most vulnerable within communities to support them to live independently. There are currently 30 organisations supported by CSP that provide recycling, foodbank, horticulture and other relevant services related to the circular economy. A redesigned CSP was introduced from January 2023 with a new funding rate allocation model, to replace the previous flat rate model. An open call was recently announced which will see applications accepted from organisations operating in the circular economy which are owned and led by traveller organisations and/or provide employment primarily to members of the traveller community.

The National Disability Inclusion Strategy (NDIS) 2017-2022 was a whole-of-Government strategy through which action was coordinated across Government to address the challenges and barriers faced by people with disabilities across Ireland. At the conclusion of the NDIS in December 2022, it was noted that significant systematic change had occurred under the strategy, but that further work was needed to ensure that action and progress across Government was felt in the daily lives of people with disabilities going forward. A successor strategy to the NDIS is presently being developed, and this will also satisfy the Programme for Government commitment to develop a plan to coordinate the continuous advancement of the UNCRPD in Ireland.

The Migrant Integration Strategy, the National Strategy for Women and Girls and National Traveller and Roma Inclusion Strategy all concluded last year. An evaluation is currently being carried out on the processes for implementation of three equality strategies to inform successor strategies. Work on this study is at an advanced stage and it is expected to be published in the coming months, with work to develop successor strategies taking place thereafter in line with Programme for Government commitments.

Further progress has also been made under Sustainable, Inclusive and Empowered Communities, the five-year strategy to support the community and voluntary sector, including the first national Civic Forum for formal dialogue between the community and voluntary sector and the state; adoption by Government of Values and Principles for Collaboration and Partnership-working with the Community and Voluntary Sector; and the launch of the Guide for Inclusive Community Engagement in Planning and Decision Making.

In recognition of the impact that the rising cost of living is having on households, Budget 2023 also introduced measures amounting to €2.5bn to help people with rising costs. The package of targeted and broader universal supports in Budget 2023 includes three €200 electricity credits (€600 in total – inclusive of VAT). The final tranche of support is being applied in the March/April billing cycle. The total cost of this measure is estimated to be €1.211bn and will be applied to an estimated 2.2 million domestic electricity accounts. Furthermore, strengthened consumer protection obligations have been placed on suppliers by the CRU.

In addition, an Energy Poverty Action Plan, published in December 2022, provides for the establishment of a €10m fund to further support people in, or at risk of, energy poverty and sets out a range of measures implemented over winter 2022/2023, as well as key longer-term measures to ensure that those least able to afford increased energy costs are supported and protected. The fund will provide a further safeguard in addition to the supports from suppliers and the Additional Needs Payment operated by the Department of Social Protection.

3.6.3 Improving Living Standards

Improving terms and conditions for workers is one of the legacies of the pandemic. A number of important employment policies and legislation were progressed in the past year.

The Sick Leave Act 2022 was enacted in July 2022 and commenced on 1st January 2023. This Act introduces a new entitlement to employer-paid sick leave. As a new employment right, the D/ETE will carefully monitor the implementation of the scheme to ensure it is fit for purpose and is engaging with various stakeholders to ensure the entitlement operates as intended.

The National Minimum Wage increased by 80 cents from €10.50 per hour to €11.30 per hour on 1st January 2023. This increase was recommended by the Low Pay Commission and was agreed to by the Government. The National Minimum Wage seeks to find a balance between a fair and sustainable rate for low paid workers and one that will not have significant negative consequences for employers and competitiveness. As it is legally enforceable, it provides protection for workers.

In November 2022 the Government announced the introduction of a national living wage for employees, which will be set at 60% of hourly median wages in line with the recommendations of the Low Pay Commission. It will be introduced over a four-year period and be in place by 2026.

A High-Level Working Group, under the auspices of the Labour Employer Economic Forum, was established to review Ireland's collective bargaining and the industrial relations landscape and to make recommendations for its improvement. The Group's final Report, published in October 2022, recommends:

- Proposals to incentivise engagement by a party in a Joint Labour Committee.
- Greater use of 'technical assessors' before the Labour Court.
- Measures to encourage 'good faith' engagement at enterprise level.
- Provision of training and a code of practice for representatives engaging in collective bargaining.

The Group believes that these reforms, if implemented, would result in meaningful reform of collective bargaining and industrial relations in the State. The D/ETE is reviewing the Report and formulating proposals for its implementation in consultation with the social partners. Developments are also being informed by the recently agreed EU Directive on Minimum Wages and Collective Bargaining. The D/ETE is also currently assessing Ireland's obligations under the Directive and are considering transposition options. This will be informed by further consultation.

Irish employment rights legislation contains strong safeguards for part-time workers. The Protection of Employees (Part Time Work) Act 2001 is the main piece of legislation establishing the employment rights of part-time employees. Under the Act, a part-time employee is defined as someone who works less hours than a comparable full-time employee doing the same type of work. As of February 2023, the Minister of State for Employment Affairs and Retail Business has signalled his intention to initiate a review of both the Code of Practice on Part Time Work and the Employment Miscellaneous Provisions Act 2018 to assess the overall effectiveness of the suite of protections for Part Time Workers. In addition, the European Union (Transparent and Predictable Working Conditions) Regulations 2022, which transpose Directive 2019/1152 on Transparent and Predictable Working Conditions in the European Union, were signed on 16th December 2022. The Directive aims at improving working conditions by promoting more transparent and predictable employment while ensuring labour market adaptability.

In November 2022, the Government agreed that the right to request remote working should be integrated with the provisions giving a right to flexible working limited to parents and carers in the Work Life Balance and Miscellaneous Provisions (WLB) Bill. The WLB Bill transposes EU Directive 2019/1158 on work-life balance for parents and carers. Under this approach, all employees will have a right to request remote working. The right to request the other elements of a flexible working arrangement, such as adjusted working pattern or reduced hours, will remain limited to parents and carers as defined in the WLB Bill, though this will be reviewed no later than 2 years following enactment. The Work Life Balance and Miscellaneous Provisions Bill 2022 passed all Stages in the Oireachtas on 30th March 2023 and is expected to be signed into law shortly. Once enacted, regulations will be drafted to give effect to its provisions.

The Programme for Government commitment to legislate to require publication of the gender pay gap in large companies was met in 2022, with the first gender pay gap reports by employers with over 250 employees being published in December 2022.

3.6.4 Well-being Framework

The Well-being Framework for Ireland is a Programme for Government Commitment to measure how Ireland is doing overall as a country and improve understanding of quality of life. It does this by bringing economic, social, and environmental outcomes together under one Framework. It also places a particular focus on equality and sustaining well-being into the future.

Last year, the Government published a Second Report on Ireland's Well-being Framework, alongside the first annual analysis of the well-being dashboard, which is hosted by the CSO. This provides a medium term, holistic view of quality of life in Ireland.

The 2022 Analysis shows that across the 35 indicators, Ireland performs well in twenty-one indicators; five indicators show negative performance, including long working hours in main job, greenhouse gas emissions and experience of discrimination, and the performance of the remaining nine indicators was more nuanced. There were particularly positive indications across the Knowledge, Skills and Innovation; Work and Job Quality; and Safety and Security dimensions. Only one of the eleven dimensions reveals a negative overall picture - the Environment, Climate and Biodiversity dimension. The analysis also identified several cohorts that experience inequality across a high proportion of indicators. These are women, single-parent households, households with lower incomes, people with permanent sickness or disability, immigrants/non-Irish, and households in rented accommodation. Updated analysis for 2023 will be published in the coming months.

The well-being initiative is now being actively integrated across Government, and both the Well-being Framework and the dashboard analysis featured in last year's Budgetary process, including through the National Economic Dialogue, Summer Economic Statement, Expenditure Reports and as part of new Budget Day documentation on Quality of Life. This will now be an annual contribution to the Budget process, which will support a broader discussion of the impacts of Budgetary decisions. The D/PENDPDR is progressing a cross-Governmental description of resource allocation decisions according to the Well-being dimensions.

3.6.5 Ireland and the European Pillar of Social Rights

Ireland continues to be fully supportive of the European Pillar of Social Rights and its Action Plan. The Pillar outlines principles which cover a wide range of policy areas including health, housing, employment, provision of essential services, as well as actions that go beyond traditional employment and social policies including competition policy, entrepreneurship, skills, and talent, digitisation, and SMEs. The Action Plan sets out concrete initiatives, including setting EU wide headline targets, to be achieved by 2030. Following a stakeholder consultation process by the relevant Departments, Ireland's national targets under the European Pillar of Social Rights Action Plan are as follows.

- An employment rate (20-64) of 78.2%,
- Adult participation in learning over previous 12 months (25-64) of 64.2%, and
- That the number of people at risk of poverty or social exclusion (AROPE) will be reduced by 90,000 by 2030, at least 50% of these to be children.

Recent CSO figures show that, as of Q4 2022, Ireland's employment rate (20-64) is 78.3% - currently exceeding Ireland's agreed 2030 target of 78.2%.

Ireland's 2017 participation rate in Lifelong Learning was 53.9%. Work is ongoing on the development of a Strategic Framework for Lifelong Guidance. This will be informed by the soon to be finalised OECD Skills Strategy Review.

Ireland has committed to a reduction in the number of people AROPE by 90,000, with 50% (45,000) of these to be children. This target is more ambitious than the proposal for Ireland from the European Commission. In the Roadmap for Social Inclusion the Government set a target of reducing the AROPE from 21.1% in 2018 to approximately 16.7% in 2025. In 2021, the AROPE stood at 20%, indicating a 1.1 percentage point decrease compared to three years before.

3.7 Planning for the Future and Long-Term Fiscal Sustainability

The Government's expenditure strategy seeks to balance the need to provide sustainable investment in public services, to invest to enhance quality of life in Ireland, and to remain responsive to the changing economic context. This focus on both sustainability and quality is a priority for the Government. The following section outlines significant initiatives underway which will contribute to Ireland's future, long term, fiscal sustainability, addressing CSRs received related to taxation (CSR 4.2.2020, CSR 1.3.2019), healthcare (CSR 1.4.2021, CSR 1.2.2020, CSR 1.4.2019), anti-money laundering (CSR 4.3.2020), and pensions (CSR 1.4.2022, CSR 1.4.2019).

3.7.1 Tax Base Broadening

The resilience of the tax system is an important factor in the sustainability of the public finances. Ireland has a broad-based, progressive income tax system, where the majority of income earners make some contribution but according to their means. A progressive system ensures that the burden of taxation falls most heavily on those with a higher ability to pay.

Unlike many other EU countries, Ireland does not automatically index income tax credits or bands, which is considered an annual automatic base broadening measure. A number of other tax measures have been taken over recent years including changes to the Local Property Tax (LPT), bringing a large number of new properties under the charge for the first time, the introduction of a Vacant Homes Tax and Residential Zoned Land Tax, a Sugar Tax and a concrete block levy. The LPT has proven to be a reliable, relatively stable and sustainable source of revenue. A concreate block levy has also been introduced to contribute towards the cost of the Defective Concrete Blocks Redress Scheme.

Budget 2023 announced a €7.50 increase in the carbon tax rate and a schedule of multi annual increases in carbon tax rates out to 2030 was legislated for in Finance Act 2020.

An independent Commission on Taxation and Welfare reported to the Government in 2022 and considered how best the taxation and welfare systems can support economic activity while ensuring sufficient resources to support public services in the medium to long term. The Commission's report has already fed into a number of policy actions being announced as part of Budget 2023 including the commencement of a review of personal tax reform and the establishment of a working group to consider the taxation of funds, life assurance policies and other investment products.

Actions have also been taken in recent years to mitigate the risk of over-reliance on potentially cyclical or over-concentrated corporation tax receipts. A national reserve fund commonly known as the 'rainy day fund' was established to rebuild fiscal buffers using the elevated level of corporation tax receipts. A total of €6bn has been transferred to the fund since November 2022.

3.7.2 OECD Base Erosion and Profit Shifting (BEPS)

Ireland continues to be fully committed to the OECD Agreement and remains actively engaged in the development of both pillars of the Agreement.

While the agreement will come at a cost to Ireland in terms of lost tax revenues, it is expected that overall, the agreement will bring long-term stability and certainty to the international tax framework. Intensive work is continuing on finalising the details of Pillar One and it is hoped that a multilateral agreement will be open for signature by summer. Implementation of the OECD agreement will bring much needed stability to the international tax framework after the turbulence and uncertainty of recent years.

Over summer 2022 a public consultation on the implementation of the EU Minimum Tax Directive into Irish legislation took place. The valuable stakeholder feedback is currently being analysed and technical work on transposition is underway. It is anticipated that legislation will be delivered through Finance Bill 2023.

Amendments to the Research and Development Tax Credit and the Knowledge Development Box in Finance Act were made to ensure that they are aligned with the new standards agreed as part of Pillar Two of the OECD Agreement.

3.7.3 Aggressive Tax Planning

Ireland has a strong track-record of taking action on aggressive tax planning and on implementing commitments made at international level to support tax transparency. Ireland's long-standing position is that the international tax system needs to keep pace with changes in how business is conducted internationally.

The Government has set out and published reform commitments via the Corporation Tax Roadmap in 2018 and its update in 2021. It has followed through on these commitments and taken significant, concrete actions to ensure Ireland's corporate tax code is in line with agreed international standards. Measures include multilateral and unilateral reform, such as the reform of Irish tax residency rules, the expansion and update of transfer pricing rules, and the use of the OECD Multi-Lateral Instrument to prevent the use of the so-called Single Malt tax loophole.

Ireland has negotiated, agreed, and implemented significant EU Directives on tax transparency. Recent legislative measures include the introduction of an interest limitation rule and the reverse hybrid element of anti-hybrid rules in Finance Act 2021. With these two measures, Ireland completed the transposition of the Anti-Tax Avoidance Directives.

The Department of Finance commissioned independent research to carry out an economic analysis of the recent trends in outbound payments from Ireland. The study results found that Ireland has the fifth highest outbound interest and dividend payments relative to GDP, which is inevitable for a small open economy, which attracts FDI. The research recognises the effects of the implementation of BEPS reforms of tax residence rules in Ireland, and the 2017 US tax reforms. The study showed a marked change in MNE behaviour following these legislative changes outlining that outbound payments are increasingly going directly to the US where they are taxed.

An NRRP commitment to legislation for additional defensive measures applying to outbound payments to EU listed no cooperative tax jurisdictions, and no/zero taxation jurisdictions is in preparation and is to be completed by Q1 2024.

3.7.4 Anti-Money Laundering

Regarding Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT), Ireland's policy goal is to ensure its continued compliance with Global and European Anti Money Laundering standards and to progress efficiently the necessary jurisdictional frameworks required to conform to these standards.

Ireland's most recent peer review of its AML/CFT framework took place in 2017 and resulted in a largely positive review. Since this review Ireland has received upgraded ratings on compliance with twelve of the Financial Action Task Force's forty recommendations. Work is ongoing with relevant stakeholders to address outstanding deficiencies identified in that evaluation.

Under the terms of the 5th Anti-Money Laundering Directive, all EU Member States must interconnect their national registers of beneficial ownership to a central European portal. The project is referred to as "BORIS" (beneficial ownership registers interconnection system). A project to develop the necessary IT solution is being led by the Department of Finance in conjunction with the Office of the Government Chief Information Officer (OGCIO) and the three registers. Phase I of the project which relates to the general public connection was completed in 2022, while phase II, which relates to the connection for law enforcement and competent authorities, is currently underway.

In recent years, the workload regarding the implementation of international sanctions has increased considerably, most notably in light of high-profile sanctions regimes such as the recent packages of measures adopted as a response to Russia's actions in Ukraine. A Cross-Departmental International Sanctions Committee ('CDISC') chaired by the Department of Foreign Affairs, monitors, reviews, and coordinates the implementation, administration and exchange of information on sanctions in Ireland. An interdepartmental working group was established following a Government decision in 2021 to examine and make recommendations for the improvement of the process for implementing international sanctions in Ireland.

A Working Group to review the regulatory enforcement toolkit under the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 proposed a range of offences under the Act that it believed could be designated as "strict liability" offences. The implication of the legal advice subsequently provided by the Office of the Attorney General (AGO) in 2022 is that the scope and complexity of the proposals arising from the recommendations of the working group preclude the possibility of enactment of any amendments to the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 by the original indicative timeline. The Anti-Money Laundering Compliance Unit are liaising with the AGO to explore options available to progress this issue.

Finally, following agreement by the Anti-Money Laundering Steering Committee to a sectoral risk assessment of the Trust or Company Service Providers (TCSP) sector, the risk assessment was completed and published in March 2022.

3.7.5 Pension Reform

The overall deficit of the state pension system is expected to grow in the long term as a result of pension expenditure rising from 4.6% of GDP in 2019 to 7.6% in 2070. An independent Commission on Pensions was established to consider the future sustainability of the State Pension system. In October 2021, the Commission published its report and made several recommendations to address the fiscal sustainability of the state pension system. The D/SP examined each of the recommendations and there was consultation across Government through the Cabinet Committee system. The views of the Joint Committee on Social Protection, Community and Rural Development and the Islands and the Commission on Taxation and Welfare were also considered as part of these deliberations.

The Government issued its response to the Pension Commission recommendations along with an implementation plan for State Pension Reform in September 2022. The set of measures will include:

- State Pension age to remain at 66 years of age.
- Flexibility (deferred access up to the age of 70) will be introduced into the State Pension system from January 2024.
- Enhanced State Pension provision for long-term carers (in excess of 20 years) will be introduced from January 2024.
- A smoothed earnings method to calculating a benchmarked/indexed rate of State Pension payments will be introduced as an input to the annual budget process and to be submitted to the Government in September each year from 2023.
- There will be a 10-year phased transition to the Total Contributions Approach (TCA) and abolition of the Yearly Average approach to commence from January 2024.

- Workers will be provided with access to a social insurance contribution statement service each year (target date for introducing this reform is January 2024).
- Officials will explore the design of a scheme that would modify the current Benefit Payment for 65-year-olds to provide a benefit payment for people with a long social insurance history (40 years or more).
- The D/ETE will introduce measures that allow, but do not compel, an employee to stay in employment until the State Pension age.
- To address the expected increase in age-related pension expenditure and to ensure the fiscal sustainability of the State Pension system, a roadmap for reviewing the rate and level of social insurance (PRSI) contribution rates will be introduced.

3.7.6 Automatic Enrolment

In March 2022, the Government approved the final design principles for the Auto Enrolment (AE) retirement savings system. Under the design approved by the Government AE savings will be contributed by employees with a matching contribution from their employer and a 33% contribution by the State. While contributions will start at a low level of 1.5% of salary, it is intended that ultimately, after ten years, the employee will pay 6%, the employer will pay a matching 6% and the State will 'top-up' contributions with a further 2%. This means that for every €3 contributed by the worker a further €4 will be added to their AE savings account.

The system is expected to become operational in 2024 and will automatically enrol approximately 750,000 employees at the outset. Implementation of the AE system is now well underway, with a project team in the Department of Social Protection progressing a range of individual elements of a detailed project plan.

The Government approved a General Scheme for an Automatic Enrolment Retirement Savings System Bill in July 2022 and work with the Office of Parliamentary Counsel on drafting the Bill is progressing. The Bill has undergone pre-legislative scrutiny by the Oireachtas Committee, and their report will be published in due course.

3.7.7 Health Reform

Work is continuing to progress Sláintecare, the ten-year programme to transform health and social care services in Ireland. The investment of €23.4bn in Ireland's Health and Social Care Services in the 2023 Budget is the highest allocation of funding to the health service in the history of the State and will facilitate better access to affordable and equitable, high-quality healthcare for people at a time when the cost-of-living crisis is impacting on everyone.

Some of the progress delivered in 2022 includes:

- A total of 970 additional acute beds have been delivered since January 2020, with critical care capacity now at 323 beds, which represents an increase of approximately 25% over the 2020 baseline of 258 beds.
- Nationally, there are 165 Primary Care Centres (PCCs) currently operational, with 18 of these opening in 2022. 12 PCCs are scheduled to open in 2023.
- The Sláintecare Integration Fund End of Programme Report was published in July 2022. The fund facilitated the testing and evaluation of innovative models of care and mainstreamed 106 projects through the HSE. These projects contributed to the avoidance of 19,000 inpatient bed days and 3,000 Emergency Department attendances. 8,000 patients were seen from waiting lists, and 13,000 patients reported an improved health status through lifestyle, self-management, and physical activity.
- The 2022 Waiting List Action Plan was the first full year of a comprehensive multi-annual reform programme of work to deliver meaningful and sustained reductions in waiting lists and times, while also progressing longer-term reforms in line with Sláintecare targets. There was a net reduction to hospital waiting lists in 2022 of c. 30,000 (4.1%) – the first annual decrease in national hospital waiting lists since 2014/15.
- In 2022, the overall number of patients exceeding the maximum wait times recommended in the 2017 Oireachtas Sláintecare Report decreased by 11%.
- The new public-only Consultant Contract was approved by the Government in December 2022.
- Project-level Preliminary Business Cases for new elective centres for Cork and Galway were approved by the Government in December 2022 and a Preliminary Business Case for Dublin is being finalised for approval-in-principle by the Government in the first half of 2023.
- The Enhanced Community Care programme continues to be implemented to support the development of new pathways of care for primary and community health services. As of March 2023, 94 of the planned 96 Community Healthcare Networks are established and operational, with over 2,500 staff recruited to the Programme.

- Approximately 21.02 million hours of home support were delivered in 2022 with over 56,162 people receiving the service at the end of December 2022. In 2023, the overall budget for home-support will exceed €700m, an increase of €207m since Budget 2021.
- The Report of the Strategic Workforce Advisory Group on recruitment and retention challenges in frontline carer roles in the home support and long-term residential care sectors was published in October 2022 and an implementation plan will now be developed. One recommendation has already been implemented with the authorisation of 1,000 employment permits for non-EU/EEA home support workers.
- The national medical imaging systems (NIMIS) was upgraded in 2022. Governance was established with clinical leads appointed to the ePharmacy programme, including electronic prescribing, national medicinal product catalogue and hospital pharmacy systems. Individual health identifiers (IHI) were also deployed to the first hospital patient administration system and GPs (for public patients). The ePharmacy and IHI projects are both essential building blocks in the national eHealth programme. The development of a new Digital Healthcare Strategic Framework (2023-2030) is underway.
- The Women's Health Action Plan was published in March 2022. Implementation of the Action Plan has delivered a free contraception scheme for all women and girls aged 17-25.
- The 2022-2024 implementation plan for Sharing the Vision, A Mental Health Policy for Everyone was published in March 2022. A new purpose-built forensic mental health campus was opened in November 2022 providing a modern recovery orientated national forensic mental health service.
- The Department of Health is actively progressing the implementation of Regional Health Areas (RHAs). Significant progress was made during 2022 on progressing the implementation of RHAs, including the creation of 6 new Public Health Areas prepared for alignment with future Sláintecare Regional Health Areas.

The Sláintecare 2023 Action Plan was published on 28 March 2023.

4. Progress towards the UN Sustainable Development Goals (SDGs)

Ireland has adopted a whole-of-Government approach to the SDGs, and each Minister has specific responsibility for implementing individual SDG targets related to their Ministerial functions. To ensure individual Departments take ownership of the SDGs most relevant to their work, each of the 169 SDG targets has been assigned to a lead Government Department. The Minister for the Environment, Climate and Communications has overall responsibility for promoting the SDGs, and for overseeing their coherent implementation across Government.

4.1 Ireland's Second SDG National Implementation Plan 2022-24

Ireland's second SDG National Implementation Plan 2022- 2024 was published in October 2022. The plan was developed in collaboration across Government, with key stakeholders, and is based on input from two public consultation processes held over the last year.

The Plan sets out five strategic objectives and 51 actions with 119 individual measures to increase Ireland's ambition and strengthen implementation structures to achieve the SDGs.

1. To embed the SDG framework into the work of Government Departments to achieve greater Policy Coherence for Sustainable Development.
2. To integrate the SDGs into Local Authority, work to better support the localisation of the SDGs.
3. Greater partnerships for the Goals.
4. To further incorporate the principle of Leave No One Behind into Ireland's Agenda 2030 implementation and reporting mechanisms.
5. Strong reporting mechanisms.

The Plan is supplemented by two supporting documents: an SDG policy map which identifies the lead Departments and relevant national policies for each of the 169 SDG targets; and a Policy Update document which provides policy updates for each of the SDG targets. These documents are available at www.gov.ie/sdgs.

The SDG Policy Map enhances the ability of stakeholders to track Ireland's implementation of specific SDGs and associated targets, and to assess Ireland's response to the SDGs for potential policy gaps. It also supports and enhances whole-of-Government engagement in implementing each of the Goals and Targets.

4.2 Ireland's Approach to Reporting on SDG Progress

To ensure reporting on SDG Progress is both comprehensive and relevant to national circumstances and level of development, the identification and management of national data is carried out by the Central Statistics Office (CSO) - Ireland used the official EU SDG indicator set to assess its SDG progress in the 2018 Voluntary National Review (VNR). The CSO, in conjunction with Ordnance Survey Ireland, have developed an online SDG Data Hub which provides spatially relevant information on Ireland's progress towards the SDGs. The CSO has also published a series of individual SDG Goal reports on UN SDG indicators data for Ireland. Goals 1-16 are now available online at CSO.ie, and the final SDG Goal report will be published in the coming months.

Ireland is due to present its second VNR to the United Nations High Level Political Forum (HLPF) in July 2023. The Department of the Environment, Climate and Communications will lead on preparation of the Report and will develop it in collaboration with the Central Statistics Office (CSO), the SDG Senior Officials Group and the SDG Inter-Departmental Working Group.

The theme of Ireland's 2023 VNR will be "Building Back Better while Leaving No One Behind". The development of the VNR is being informed by a youth consultation process, stakeholder submissions, two SDG National Stakeholder Forum meetings and stakeholder chapter contributions.

4.3 National SDG Stakeholder Engagement

A new SDG National Stakeholder Forum Committee was appointed in November 2022 for a 12-month period. The 12 members of the Committee, who represent a wide variety of sectors and backgrounds, will be working with the Department of the Environment to design a well-publicised, accessible, inclusive, and improved SDG National Stakeholder Forum format for 2023.

The first SDG National Stakeholder Forum meeting of 2023 took place in January on the principle of Leaving No One Behind. 568 participants joined in-person and online. Workshops were held to discuss and develop a shared understanding of what Leaving No One Behind means in an Irish context and to develop recommendations for national and local policy makers to consider when developing policy to ensure no one is left behind. The outputs from the workshops inform the preparation of Ireland's second Voluntary National Review and the development of the national and local government SDG training and toolkit to be developed over 2023.

Ireland has relaunched its national SDG Champions Programme and 26 SDG Champions have now been appointed from across the country and across sectors for the 2023-2024 iteration of the Programme.

5. EU Funds

The following section outlines developments with regards a selection of the key EU funds received by Ireland.

5.1 Common Agricultural Policy (CAP) 2023-2027

Ireland's CAP Strategic Plan for the period 2023-2027 will underpin the sustainable development of Ireland's farming and food sector by supporting viable farm incomes and enhancing competitiveness, by strengthening the socio-economic fabric of rural areas, and by contributing to the achievement of environmental and climate objectives at national and EU levels.

A budget of approximately €9.8bn is allocated for the period, including €7.5bn from the Common Agricultural Policy funding, and €2.3bn in the national co-financing of the Rural Development interventions. The plan over the 5-year period will contribute to the achievement of the objectives of the Common Agricultural Policy, across the three main headings of economic, environmental, social sustainability.

The plan reflects the EU objectives on achieving a fairer distribution of Direct Payments, through convergence, capping and redistributive payments, and to support generational renewal, and women farmers. It includes wider measures designed to enhance market orientation and increase competitiveness, with a greater focus on agricultural knowledge and information systems.

The plan has a particularly strong emphasis on the achievement of a higher level of climate and environment ambition, contributing to the European Green Deal, through a new Green Architecture that will operate across both CAP funds. The plan is expected to support the achievement of significant improvements in the areas of biodiversity and water quality, as well as contributing to national and EU climate and environmental targets, including through increased sequestration and greenhouse gas reduction. For example, it aims to increase the area farmed organically to 7.5% over the period of the programme.

The plan will also promote employment and economic growth in rural areas, including through the LEADER Programme, and is accompanied by measures designed to meet societal demands in relation to food safety and animal welfare.

Ireland proposes to put the plan at the core of the transition to sustainability of agricultural and food systems and it is aligned with key national and EU policies including the Food Vision 2030 Strategy and the European Green Deal.

The Plan was developed over a two-year period thorough public consultation and engagement with stakeholders, including through the national CAP Stakeholder Committee and in close consultation with other Government Departments and state agencies. Stakeholder engagement will continue over the lifetime of the CAP Strategic Plan, including through the Monitoring Committee. Ireland's CAP Strategic Plan was subject to an environmental assessment process including a Strategic Environmental Assessment and an Appropriate Assessment.

5.2 Cohesion Policy Funds

Partnership Agreement and Cohesion Policy Funds

The Department of Public Expenditure, NDP Delivery and Reform has responsibility for the Partnership Agreement (PA) for funds governed by the Common Provisions Regulations with the European Commission. The PA is the overarching strategic document, which lays out the strategy and investment priorities to be addressed via the Cohesion policy funds (ERDF, JTF, AMIF, ESF, FEAD and the ESF+), and the European Maritime Fisheries and Aquaculture Fund (EMFAF). It also sets out information in relation to the HOME funds (Asylum and Migration Fund (AMIF) and the Internal Security Fund (ISF).

The Government approved and the Commission adopted Ireland's Partnership Agreement for the 2021-2027 period in September 2022 - meeting CSR 2.2.2022.

Preparations for the final agreement took two and a half years. At various stages during the drafting of the Partnership Agreement, direct consultations took place with stakeholders including relevant Departments, Agencies, Regional Assemblies, and interest groups via the steering group, bilaterally and through the public consultation.

Under the PA, Ireland will receive a total of €1.4bn for the 2021- 2027 period, comprising:

- €396m for the European Regional Development Fund (ERDF).
- €508m for the European Social Fund+ (ESF+).
- €84.5m under the EU Just Transition Fund (JTF); and
- €142m for the European Maritime Fisheries and Aquaculture Fund (EMFAF)

Additionally, €293m will be allocated to European cross-border co-operation programmes for joint development in the Northern Periphery and Atlantic areas and with Northwest Europe and the PEACE Plus cooperation programme across the border counties of Ireland and Northern Ireland.

When the requirement for match funding is included the full value of the programmes supported by these allocations amounts to almost €3.5bn. In addition, smaller amounts of funding are available for the Asylum, Migration, and Integration Fund (AMIF) and the Internal Security Fund (ISF).

European Regional Development Fund 2021 – 2027

Ireland's two ERDF Programmes for 2021-2027 were approved by the Government and adopted by the Commission in November 2022 - meeting the target identified in 2022 Country Specific Recommendation 2. The two programmes will deliver €853m of co-funded investment comprised of €396m of EU funding and €457m of national funding provided by the Government of Ireland.

The ERDF will assist the Government's aim of promoting balanced regional development by supporting the implementation of the Regional Economic and Spatial Strategies in each of the two regions in the programme area and focuses on the following key strategic outcomes (in line with 2020 Country Specific Recommendation 3):

- Developing Smarter More Competitive Regions,
- Creating Greener More Energy Efficient Regions and a Just Transition
- Supporting Sustainable Urban Development in our Regions.

The resources allocated to each Member State are based on Eurostat data, and take account of population, relative GDP per capita, unemployment, educational attainment, etc. The Northern and Western Region is classified as a Region in Transition on the basis that its GDP is between 75%-100% of the EU27 average. The Northern and Western region was initially allocated €110m of ERDF while the Southern and the Eastern and Midland Regions (designated as more developed regions) were allocated €286m of ERDF. Noting the Northern and Western Region's Region in Transition status, the Minister for Public Expenditure, NDP Delivery and Reform decided, in consultation with the Regional Assemblies, to transfer €20m in ERDF resources from the other Regions to the Northern and Western Region, which increased the allocation for the Northern and Western Region to €130m (€217m in total when national funding and technical assistance is included).

The Northern and Western Regional Programme 21-27 was launched by the Minister and the Commission in January 2023, and the launch of the Southern, Eastern and Midland Regional Programme 2021-27 is in planning. The first meetings of the Monitoring Committees for both programmes took place on in January 2023. Governance, management and control procedures, and guidance for bodies implementing under ERDF in the 2021-2027 funding round are in development.

European Social Fund +

For the 2021-2027 period, the European Social Fund (ESF) has been merged with the Youth Employment Initiative (YEI), the Fund for European Aid to the most Deprived (FEAD) and the directly managed Employment and Social Innovation (EaSI) Programme, to become the ESF+. The aim of the ESF+ is to achieve high employment levels, fair social protection and a skilled and resilient workforce for the future world of work, in line with the principles set out in the European Pillar of Social Rights.

Ireland's ESF+ Employment, Inclusion, Skills and Training (EIST) Programme was approved by the European Commission in October 2022 and by the Irish Government in November 2022. The Programme involves a total investment of €1.08bn: €508m in ESF+ funds from the European Union and a planned national contribution of €573m.

EIST will focus investment in five key areas:

- Access to employment
- Skills and lifelong learning
- Tackling poverty and social exclusion
- Social innovation
- Food and basic material assistance to the most deprived

These investment priorities were informed by an independent Needs Analysis, the relevant EU regulations, Country Specific Recommendations, the European Commission's 'Annex D' investment guidance, a wide range of EU and national strategies, a public consultation and the input of key stakeholders as part of the partnership process.

Asylum Migration and Integration Fund (AMIF)

The AMIF is an important means of supporting some of the most vulnerable migrant communities, including refugees and asylum seekers. It is exclusively targeted at non-EU nationals. The funding is used to finance a wide range of asylum, migration, and integration programmes.

Ireland's allocation under AMIF was €55.5m for the period 2014-2020. In response to the influx of refugees fleeing the conflict in Ukraine, the EU agreed to extend the AMIF 2014-2020 programme, bringing the effective programme end-date to June 2024.

In 2023, Ireland will finalise preparation of a national AMIF programme for 2021-2027.

PEACEPLUS

The €1.145bn PEACEPLUS (2021-27) programme is a special new ERDF cross-border cooperation programme, supported by the EU and the UK. The programme was developed by the Special EU Programmes Body following extensive consultation between 2019 and 2021, and was agreed by the Government, the Northern Ireland Executive and the North South Ministerial Council in October 2021 and adopted by the European Commission in July 2022.

The Programme will be mobilised as soon as the underpinning Financing Agreement between Ireland, the EU and the UK is finalised, expected to be in spring 2023. At that point, SEUPB will launch the first calls for applications, with the first projects receiving funding in early 2024, following the completion of the application and assessment process.

The Programme aims to foster cross-border cooperation and build peace and prosperity in Northern Ireland and the border counties of Ireland. PEACEPLUS will fund projects across six thematic areas:

- Building Peaceful and Thriving Communities.
- Delivering Economic Regeneration and Transformation.
- Empowering and Investing in Young People.
- Healthy and Inclusive Communities.
- Supporting a Sustainable and Better Connected Future.
- Building and Enhancing Partnership and Collaboration.

The Programme was developed with the assistance of a cross-sectoral and cross-border Programme Development Steering Group (PDSG). The PDSG consisted of representatives of central and local government as well business, trade union, community and voluntary sector, environment, rural and equality organisations from both jurisdictions. Programme development has also been shaped by extensive consultation and public engagement. This has included two public consultations held across the eligible area for PEACEPLUS, as well a collaborative process between Government departments North and South and the SEUPB in order to develop joint proposals for cross-border cooperation under the new programme.

EU Just Transition Fund

Ireland's EU Just Transition Fund Programme will deliver up to €169m in investment to the region to 2027 which will be targeted at the economic transition of the Midlands region. The Programme was approved by the Government in November 2022 and by the European Commission in December 2022 and will support:

- implementation of Regional Enterprise Plans and Local Economic and Community Plans.
- Low-carbon investments will be made in intra-regional public and private transport networks by supporting the decarbonisation of public and private local rural bus routes and the installation of publicly available fast and high-powered charge point infrastructure.
- Rehabilitation and restoration of peatland sites in the Midlands, including raised and blanket bog, fens and other wetland types and delivering the Enhanced Decommissioning, Rehabilitation and Restoration Scheme for Bord na Móna's peatlands.

- Development of amenity and tourism opportunities will continue through supporting regeneration, repurposing and sustainable development of walking and cycling tracks and trails, and waterways.
- Supports for bioeconomy value chain opportunities will be put in place.
- Continued delivery of European Innovation Partnership projects with farmers in the Midlands.

European Maritime Fisheries and Aquaculture Fund

Ireland's Seafood Development Programme under the European Maritime, Fisheries and Aquaculture Fund 2021-2027 was adopted in December 2022 and is in the early stages of implementation.

Funding of up to €258.4m is available for the new programme including a €142.4m EU contribution and a Government contribution of €116m, representing an increase in funding over the previous EMFF Programme 2014-2020. The Programme details the vision and key missions to be achieved by the implementation of the programme and demonstrates how the strategic objectives of the EMFAF fund will be employed in fulfilling the Programme.

The Programme aims to support a diverse range of activities within the marine area. For fisheries, the Programme envisages support for capital investment on board, capital investment ashore relating to the landing obligation, innovation in fishing gear and methods, technical advice to the fleet, acquisition of first vessel by young fishers, supports to the inshore fleet, training, and marketing.

For aquaculture, the Programme envisages support for implementation of the National Strategic Plan for Aquaculture. This will include, in particular, support for capital investment in aquaculture sites, supports for innovation and research to develop technology and enhance knowledge, advisory services, training and marketing.

For processing, the Programme envisages support for capital investment in seafood processing enterprises, in particular to add value to raw material, enhance energy efficiency, reduce CO_2 emissions, and enhance competitiveness. It will also support innovation to develop new products, advisory services, marketing and training.

The Programme aims to:

- support the socio-economic development and diversification of coastal communities through Fisheries Local Action Groups
- support Ireland's environmental obligations through a continuation of the EMFF Marine Biodiversity Scheme
- support enhancement of Ireland's knowledge of its marine environment, particularly in terms of enhancing knowledge of climate change impacts on fish stocks, habitats and species.
- fund Ireland's compliance with its obligations under the CFP, specifically for fisheries protection and for fisheries management science.

Included within the Programme are Operations of Strategic Importance. These are activities which provides a significant contribution to the achievement of the objectives of a programme. Three projects have been identified including the management of the crayfish fishery to protect critically endangered species, fulfilment of Ireland's obligations under the Data Collection Framework and the Marine Knowledge Scheme for the dissemination of knowledge and data relating to the marine environment and climate change.

Operations of Strategic Importance and selected other public interest projects were approved in principle in advance of the adoption of the programme to ensure essential work in protecting the marine environment and developing the seafood sector could be conducted. These projects will be formally approved in 2023 as part of the implementation of the programme.

Schemes targeted at private beneficiaries in the seafood sector and coastal communities will primarily commence roll out in 2024, as sector focused schemes recommended by the Seafood Task Force and funded under BAR are implemented and concluded by the end of 2023.

Erasmus

The Erasmus+ 2021-2027 programme places a strong focus on social inclusion, the green and digital transitions, and promoting young people's participation in democratic life.

Erasmus+ mobility is open to young people and to all kinds of learners: students, vocational learners, apprentices, and school pupils. Erasmus+ is not only about mobility. It also invests heavily in building institution to institution collaborations, like the European Universities Alliance initiative. Erasmus+ plays a key role in supporting capacity enhancement of higher education sectors at European and Global levels – many Irish HEIs are involved as lead and partner organisations.

Throughout 2022 Ireland continued to mainstream inclusion and diversity across the programmes by promoting and implementing the Erasmus+/European Solidarity Corps framework of inclusion measures 2021-2027.

Funding is provided for up to 5,500 outward higher education mobilities per annum. The final uptake depends on the level of interest and individual circumstances. For 2021/2022, the latest full year reported, there were 3, 414 outward mobilities in higher education and 7,737 incoming to Ireland. It is aimed to reach 5,700 by 2024/2025.

Horizon Europe – EU Framework Programme for Research and Innovation

The Department of Further and Higher Education, Research, Innovation and Science has overall lead responsibility for Ireland's engagement with the Horizon Europe Framework Programme. It chairs a High-Level Group (HLG) of all the relevant Government Departments and Research Funders which oversees and coordinates implementation of Horizon Europe.

The European Commission administers Horizon Europe funding directly, primarily through open competitive calls where researchers submit proposals for grants. Horizon Europe is one of the most significant non-exchequer sources of research and innovation funding in the Irish third-level sector. In addition to direct grants for individual projects, the programme also facilitates research infrastructure development, R&D activity by SMEs, scaling of innovative start-ups and pan-European researcher mobility networks. The inclusion of Missions and a revised landscape of Partnerships in Horizon Europe also places an additional focus on R&I as a driver for addressing societal challenges, including climate change.

In 2022, the Irish research community collectively secured over €260m in awards under Horizon Europe, with funds being allocated across the R&I spectrum. Higher Education Institutions accounted for 51% of these funds, with a 41% share going to SMEs and other private bodies, while the remaining 8% were received by public Research Performing Organisations. In light of the new elements and ongoing adjustments in Horizon Europe, the national R&I strategy Impact 2030 strategy states that governance and support structures will continue to develop in order to best support continued performance by the Irish research and innovation community. The strategy has set a goal of exceeding the high performance and participation rates achieved under Horizon 2020, with a headline target of €1.5bn in total funding by the end of the programme in 2027.

The Irish research community has continued its deep engagement with Pillar 1 programmes in 2022. These are significant contributors towards the development of a broad pool of talented researchers who are integrated into the European ecosystem.

Pillar 2 of Horizon Europe places a greater emphasis on the impact of R&I and the contribution to policy priorities such as the Green and Digital Transitions. In particular, Missions and Partnerships will require innovations in R&I governance as they reach beyond traditional sectoral goals of technological development to include systemic change, implementation, citizen engagement and enterprise scale-up. They also present an opportunity to directly include citizens and demonstrate the impact and relevance of R&I investment in their daily lives. The HLG is coordinating a whole-of -Government approach to Horizon Europe. As part of this process, national mirror groups are being formed to implement each of the five Horizon Missions.

The instruments under Pillar 3 such as the European Innovation Council are newer and focused on the development of innovative SMEs and the commercialisation of new technologies. In 2022 a number of Irish high potential start-ups were able to scale up operations through Pillar 3 awards and increased activity is expected in this area through the remainder of Horizon Europe.

Technical Support Instrument

The EU Technical Support Instrument (TSI) has continued to provide tailor-made support to Ireland for institutional, administrative and growth-enhancing reforms. Under the 2022 TSI dedicated call to support Member States in response to specific emerging needs as a result of the Russian invasion of Ukraine, Ireland was selected for funding of €295,000 in technical support under REPowerEU to identify suitable reforms to phase out dependencies on the importation of fossil fuel imports from Russia. Ireland is also one of seven Member States participating in the 2022 TSI flagship project on gender mainstreaming in public policy and budget processes, with a view to building capacity and strengthening gender and equality proofing in Ireland throughout the policy cycle. This project will conclude in 2024.

19 applications totalling €9m were received for the TSI2023 funding round, an internal D/PENDPDR Assessment Committee assessed and ranked the applications to inform the Commission's determination of the final portfolio of projects for Ireland. A total of 10 projects (one a multi-country led by Croatia) totalling €4.8m were preselected for funding.

These projects, some under the recently introduced Flagship areas address significant policy challenges in areas such as: support for the implementation, amendment and revision of the Recovery and Resilience Plans; accelerating permitting for renewable energy; building Policy Coherence for Sustainable Development (PCSD) across national and local government; Renovation Wave - Advancing retrofitting in multi-apartment buildings and support for the development of a model of inclusion for the Irish school system.

From 2018 under Structural Reform Support Programme (predecessor to TSI) and TSI, 54 projects totalling €20.7m have been selected for support.

Brexit Adjustment Reserve

The Brexit Adjustment Reserve (BAR) represents an important response by the European Union to the challenges posed by the United Kingdom's departure from the EU. Its aim is to provide financial support to the most affected Member States, regions, and sectors to deal with the adverse consequences of Brexit.

The Reserve has a total value of €5bn in 2018 prices (or €5.47bn in current prices). Ireland's allocation is €1.065bn in 2018 prices (equivalent to €1.165bn in current prices), representing just over 20% of the total Reserve.

The eligibility period for expenditure runs from January 2020 to December 2023 and the Reserve may only support measures specifically taken to counteract the effects of Brexit. In Ireland the allocation of resources from the Reserve is aligned with the annual Estimates process, which has been the vehicle for allocating Brexit resources since the UK referendum on EU membership in 2016.

A minimum amount of the BAR must be ring-fenced for fisheries and funding allocations to the fisheries sector has already exceeded this amount. Investments have also been made in sectors like agriculture and enterprise.

In March 2023 Ireland availed of the opportunity to transfer €150m of BAR funding to support priorities under REPowerEU.

A Designated Body within the Department of Public Expenditure and Reform has responsibility for management and oversight of BAR funding and the required reporting and funding application to the Commission. Work is ongoing to verify for eligibility for inclusion in Ireland's final BAR claim in September 2024.

6. Institutional issues and the role of stakeholders

NRP Stakeholder Engagement

Preparation of the NRP was coordinated by the Department of the Taoiseach in close partnership with relevant Departments.

Reflecting the whole-of-Government nature of the NRP, the Programme was considered by Cabinet on 4th May 2023 prior to submission to the European Commission.

As part of the preparation of the NRP, the Oireachtas, through the Joint Oireachtas Committee on European Affairs, was informed of the development of the NRP by the Minister for European Affairs and offered the opportunity to provide their views.

Stakeholder engagement is an important element in the policy making process, and the Government actions and policies outlined in this document are reflective of regular engagements taking place with social partners, stakeholders and members of the public, though public consultation. The Government has also taken steps to enhance social dialogue, and deepen engagement with social partners, in particular through the Labour Employer Economic Forum and other mechanisms.

Examples of stakeholder engagement which have taken place, or are taking place, as part of the Governments policy making, and which has informed the investment and reform policies outlined in the NRP include:

The **Labour Employer Economic Forum which** brings together representatives of Employers and Trade Unions with Government to discuss economic and employment issues as they affect the Labour Market.

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 **National Dialogue on Climate Action**, in place since 2017, with a new National Dialogue on Climate Action launched in November 2021. It functions as the coordinating structure facilitating broad public and stakeholder dialogue and public consultations which include a range of sectors at all levels of society. It is the key mechanism through which climate actions related to public engagement, participation, community action, networking and capacity building activities are delivered in Ireland. Two National Climate Stakeholder Forums were held in 2022.

The Department of Children, Disability, Equality, Integration and Youth (D/CEDIY) has established a **National Youth Assembly of Ireland (NYAC)**. The first NYAC took place in March 2022 and the first NYAC Report was launched in November 2022.

A new **SDG National Stakeholder Forum Committee** was appointed in November 2022 for a 12-month period. The 12 members of the Committee, who represent a wide variety of sectors and backgrounds, will be working with the Department of the Environment to design a well-publicised, accessible, inclusive and improved SDG National Stakeholder Forum format for 2023. The first SDG National Stakeholder Forum meeting of 2023 took place in January on the principle of Leaving No One Behind.

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 the Government and stakeholders on important policy challenges. Members include representatives from business and employer interests, trade unions, farming and agricultural interests, community and voluntary sector, environmental sector, public servants and independent experts.

The **National Competitiveness and Productivity Council** reports to the Taoiseach and the Government, through the Minister for Enterprise, Trade and Employment, 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 expertise in competitiveness, and relevant Government Departments.

The **National Skills Council (NSC)** and nine **Regional Skills Fora (RSF**), created under the National Skills Strategy, foster engagement and collaboration between relevant Government Departments and agencies, the education and training system, and enterprise.

Nine **Regional Steering Committees** are in place 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, comprises of regional representatives from enterprise agencies, Local Enterprise Offices, Regional Assemblies, Higher Education Institutions, Regional Skills Forum, Local Authorities, Education and Training Boards, and Tourism Bodies.

The **Labour Market Advisory Council** is an independent group of industry leaders and labour market experts that provides advice to the Minister for Social Protection and the Government on the efficient operation of the labour market, with a key focus on increasing participation rates, minimising unemployment levels and reducing average unemployment durations. The Advisory Council provides external oversight of the Government's Pathways to Work Strategy.

The **National Civic Forum** for formal engagement between the state and the community and voluntary sector, meet for the first time in November 2022. Attended by senior officials from local and national government and representatives from across the community and voluntary sector, this Forum is a part of a process intended to strengthen deliberative and participative approaches to policy-making and programming, complementing existing engagement fora referred to above.

The **Public Participation Network (PPNs)** are structures that brings together volunteer-led groups in each Local Authority area. Their primary function is to provide representation for the community sector in Local Authority policymaking structures, giving local volunteers a greater say in local government decisions which affect their own communities. PPN membership is open to all volunteer-led/not-for-profit groups, and over 18,000 groups nationwide are currently members of a PPN.

Extensive engagement in relation to policy development, along with oversight and accountability, also takes place through the Oireachtas. This includes through formats such as pre-legislative scrutiny which can include engagement with stakeholders and experts.

As part of the development of the NRP 2023, the Department of the Taoiseach invited stakeholders to make submissions on the key challenges to be addressed in the Programme. Stakeholders were also invited to attend a meeting in the Department in early February.

The Department received submissions from 15 organisations:

- Better Europe Alliance
- Chambers Ireland
- Construction Industry Federation
- Disability Federation of Ireland
- Eastern and Midlands Regional Assembly
- European Anti-Poverty Network
- Irish Congress of Trade Unions
- Irish Creamery Milk Suppliers Association
- Irish Farmers' Association
- Irish Human Rights and Equality Commission
- Irish National Organisation of the Unemployed
- Irish Nurses and Midwives Organisation
- Social Justice Ireland
- Society of St Vincent de Paul
- The Nevin Economic Research Institute

To the greatest extent possible the key issues raised, where relevant for the Semester process, have been reflected in the challenges outlined in part 3 of this document. A full summary of the submissions received can be found in Annex 3 of this document. The submissions received will also be published alongside the NRP.

The main areas identified by the submissions were as follows:

- *Housing*

The lack of affordable housing for renters and purchasers was highlighted as a significant challenge in a number of submissions received. Stakeholders noted that lack of supply, impacted by planning decision backlog, is driving poverty and deprivation, undermining attractiveness to FDI, and affecting Ireland's competitiveness, and negatively impacting on public and private sector's ability to recruit and retain staff. Stakeholders advocated for increased investment in the construction of housing, increased provision of cost rental housing and adequate long term social housing, that more should be done to address vacancy, and that the Government refrain from incentivising housing demand through taxation the system.

- *Climate Change*

Facilitating the Green transition was identified as a long-term challenge in many submissions. Of particular importance was that the transition must be achieved in accordance with Just Transition principles, with a focus on upskilling and reskilling, the role of businesses, and stakeholder engagement. Concerns regarding progress on developing a Just Transition Commission were noted as was the credibility of Climate Action Plan over time as a result of capacity constraints. Submissions also highlighted concerns over affordable clean energy, water and wastewater, growing the circular economy, development and retrofit of climate resilient infrastructure, the energy efficiency of housing stock, coherent transport planning, progress on peatland rehabilitation, sustainable food production, and the impact of climate policy on Irish farming.

- *Socio-economic inequality*

Several stakeholders commented on the need to effectively address social exclusion and poverty. It was noted that the number in extreme poverty is increasing with the rising cost of living impacting households and placing more people at risk of energy poverty. It was also flagged that the gap between social welfare income and the cost of a minimum standard of living is leading to poverty increases. Some submissions also highlighted that Ireland is one of the worst performing countries in the EU in terms of poverty and low levels of employment of people with a disability and that there has been slow progress on implementation of UN Convention on the Rights of People with Disabilities.

Increasing labour force participation – especially women, those from the Traveller community, the long term unemployed, and people with disabilities was noted by stakeholders. The tax and welfare system, and the cost and availability of early learning and childcare, were flagged as creating barriers to employment. The importance of expediting reforms to ensure widespread collective bargaining coverage and trade union membership was also flagged in some submissions.

Other concerns raised relate to delays in developing new targets for reducing the number of children experiencing consistent poverty by 2025; delays in implementation of white paper on ending Direct Provision; and the need for equality budgeting by Departments.

- *Infrastructure and investment*

Concerns were raised regarding the priority given to social imbalances, including economic and fiscal issues, over social challenges; under investment in the health service, education, and R&I; and infrastructural deficits in water and wastewater, energy, transport, and housing.

It was also noted that supply chain pressures have impacted the roll out of some NDP projects; that there is a need to enhance regional cohesion and mitigate territorial disparities; that employment levels in the public service have not kept pace with population growth; and existing services and infrastructure are expected to come under increased pressure.

- *Digital Divide*

Facilitating the digital transition was also identified by several stakeholders as a long term challenge. Some of the main challenges identified included that regionally based firms will be competing with urban firms for roles that can be carried out remotely; risk of job losses; capacity of the teaching cohort to build competency and embed skills; the retention of skills into third level; and ICT upskilling of those in employment. Digital risks to a growing and ageing population; digital access to public services; and good quality, affordable and reliable internet connection were also noted.

- *Taxation*

Some stakeholders raised concerns regarding the concentration of corporation tax receipts in a small number of MNCs and that the dependency on corporation tax and income tax will continue to expand as tax revenues from polluting activity decline and advocated for further broadening of tax base. It was also suggested that as the sustainability of corporation tax yield is unclear, a proportion should be considered windfall.

NRRP Stakeholder Engagement

The NRRP Implementing Body in conjunction with the European Commission hosted the inaugural NRRP Annual Event to showcase the achievements of the National Recovery and Resilience Plan on 10 November 2022.

The annual event was an opportunity to promote to stakeholders the benefit of NRRP funding in Ireland and centred on the key green, digital and social priority areas. The Minister of State at the Department of Public Expenditure National Development Plan Delivery & Reform, Ossian Smyth T.D. opened the event and this was followed by a recorded address by Vice President Dombrovskis. Over 100 delegates attend the event including European Commission representatives, the project managers for all projects within the Plan as well as key stakeholders.

The event included a panel discussion on the Green Transition and was followed by two project presentations.

The second NRRP Annual Event will take place later this year.

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