

# NCPC

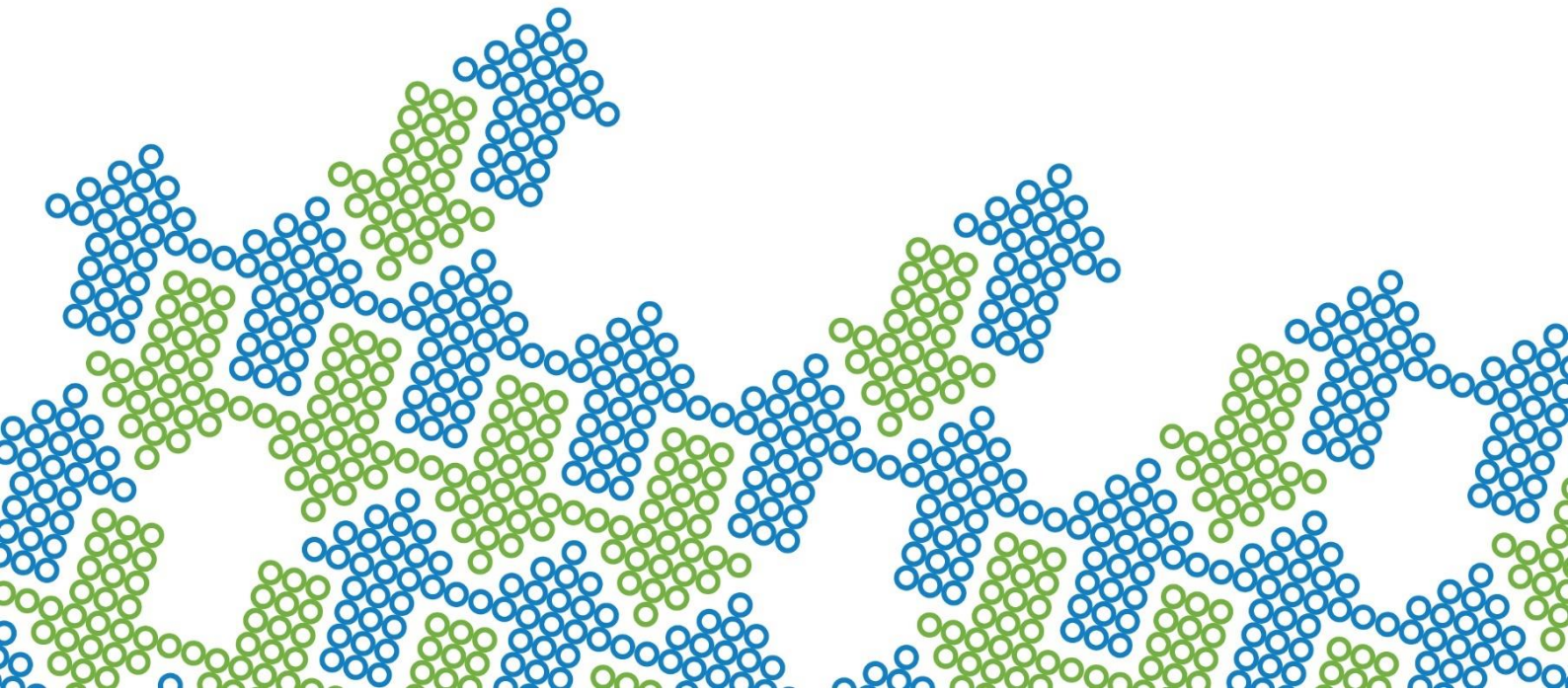
National Competitiveness  
& Productivity Council  
An Chomhairle Náisiúnta  
Iomaíochais agus Táirgiúlachta



## Retrospective Review, 2020-2023

*An assessment of progress made in addressing  
recommendations made to Government*

**April 2025**



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## List of Abbreviations

<b>Abbreviations</b>	<b>Full Form</b>
CBI	Central Bank of Ireland
CSO	Central Statistics Office
CCPC	Competition and Consumer Protection Commission
D/AFM	Department of Agriculture, Food and the Marine
D/CEDIY	Department of Children, Equality, Disability, Integration and Youth
D/Education	Department of Education
D/ECC	Department of the Environment, Climate and Communications
D/ETE	Department of Enterprise, Trade and Employment
D/Finance	Department of Finance
D/FHERIS	Department of Further and Higher Education, Research, Innovation and Science
D/HLGH	Department of Housing, Local Government and Heritage
D/Justice	Department of Justice
D/PER	Department of Public Expenditure and Reform
D/PENDPDR	Department of Public Expenditure, NDP Delivery, and Reform
D/RCD	Department of Rural and Community Development
D/SP	Department of Social Protection
D/Taoiseach	Department of the Taoiseach
D/Transport	Department of Transport
EI	Enterprise Ireland
EPA	Environmental Protection Agency
EGFSN	Expert Group on Future Skills Needs
HEA	Higher Education Authority
LA	Local Authorities
LEOs	Local Enterprise Offices
NCSC	National Cyber Security Centre
NSAI	National Standards Authority of Ireland
SEAI	Sustainable Energy Authority of Ireland
WDC	Western Development Commission

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## Preface

The international context is changing rapidly with growing geo-political tensions, increasing uncertainty and the introduction of large-scale U.S.-inspired tariffs. Many businesses – whether indigenous or FDI – are facing increased challenges, including trade challenges, possible supply chain disruption as well as the high cost of doing business. While Ireland currently holds a strong competitive position globally (ranked as the 4<sup>th</sup> most competitive country in the world in 2024), longstanding issues remain a drag on our competitiveness, including high operating costs, infrastructural deficits and delays in the delivery of new infrastructure.

Over the last eighteen months competitiveness has come to the top of the EU agenda. Following the publication of the Draghi Report, which called on the EU to close the innovation gap with the US, the new European Commission has published its 'Competitiveness Compass'. This is designed to guide the Commission's work in the coming five years and lists priority actions to reignite economic dynamism in Europe, including simplification, lowering barriers to the Single Market, financing competitiveness, promoting skills and quality jobs, and improved coordination.

This *Retrospective Review* reflects an extension to the work of the National Competitiveness and Productivity Council. The Council has not previously undertaken this form of 'look-back' exercise of Government's response to its recommendations. Unlike the Council's standard outputs which focus on Ireland's position in terms of competitiveness and productivity and policy insights, this review assesses the progress made in implementing past recommendation and providing a comprehensive evaluation of Government responses between 2020 and 2023.

The review examines the 79 recommendations made in the annual *Ireland's Competitiveness Challenge* reports over the four-year period. These recommendations, issued to maintain and further enhance Ireland's competitiveness and productivity, are considered alongside the Government's responses that were issued following publication of each Challenge report. In this analysis, the recommendations and responses are evaluated within the Council's framework of six key drivers of competitiveness and productivity. Notably, the largest proportion of recommendations related to the *Business Environment*, followed by *Infrastructure*, and *Technology and Innovation*.

The findings highlight meaningful progress, with the Government fully delivering on 45 recommendations. As a result, this review offers valuable insights into the implementation process, identifying areas of achievement while also highlighting the need for continued focus on outstanding actions. There are a total of 34 recommendations which are still in progress. These primarily relate to recommendations made in more recent *Challenge* reports (2022 and 2023). These require further action and may be completed in the near future. The fact that it is – relatively speaking – those recommendations made in more recent years which are still underway underscores the time taken to make progress and may point to the need for a more efficient pace of delivery.

By undertaking this review, the Council aims to enhance transparency, accountability, and the effectiveness of policy recommendations. The insights gained will ensure that recommendations continue to drive impactful policy action by helping to shape future strategies to support Ireland's long-term competitiveness and economic resilience. The Council remains committed to working collaboratively with Government, and other relevant stakeholders to ensure that Ireland continues to be a great place to live, work and do business.

# Chapter 1: Introduction

## 1.1 The role of the National Competitiveness and Productivity Council

The National Competitiveness Council (NCC) was established in 1997. It reports to the Taoiseach and the Government – through the Minister for Enterprise, Trade and Employment – on key competitiveness and productivity issues facing the Irish economy and offers recommendations on policy actions required to enhance Ireland’s competitive position. In March 2018, the Government mandated the National Competitiveness Council as the body responsible for analysing developments and policies in the field of productivity and competitiveness in Ireland. This expanded mandate underpins the decision to rename the Council, in November 2020, as the National Competitiveness and Productivity Council<sup>1</sup> (hereafter referred to as “the NCPC” or “the Council”).

Each year the Council publishes *Ireland’s Competitiveness Challenge*, a report to Government which identifies the key competitiveness and productivity challenges facing the Irish economy, together with specific policy actions to address these challenges. In its assessment of the competitiveness challenges facing Ireland, the Council<sup>2</sup> is guided by its Competitiveness and Productivity Framework (see Section 1.4), which depicts productivity and competitiveness as two mutually reinforcing concepts. As part of its work, the Council also publishes the following:

- A **Competitiveness Scorecard** is produced every three years
- A series of **Competitiveness Bulletins**<sup>3</sup> and other papers on specific competitiveness and productivity issues
- An annual **Pre-Budget Outlook** paper to highlight those issues in the Competitiveness Challenge Report that are ready to be considered in the annual budget process.

## 1.2 Current Process

Each year, the Council makes up to 20 recommendations to the Government in its *Competitiveness Challenge* report. These reports are published following formal noting by the Government. Commencing from 2020, the Government then publishes a formal response to the Council outlining how it is, or will, respond to each recommendation<sup>4</sup>.

This is the first review by the Council which aims to look at recommendations made in the previous annual *Competitiveness Challenge* reports. It compares these recommendations with the Government responses that were issued after each report and goes on to examine what progress has been made in implementing actions

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<sup>1</sup> In accordance with the European Council recommendation of September 2016 on the establishment of National Productivity Boards by euro area countries

<sup>2</sup> NCPC membership includes representatives of the employer and trade union social partnership pillars, and those with relevant expertise in productivity and competitiveness issues across academia, industry and enterprise agencies. Representatives from various Government Departments attend Council meetings in an advisory capacity.

<sup>3</sup> [EconStor: Bulletins, National Competitiveness and Productivity Council \(NCPC\)](#)

<sup>4</sup> Five formal response were published between 2020 and 2024: [the-government-response-to-ireland-s-competitiveness-challenge-2024.pdf](#)

outlined in those responses. It should be noted that the review does not attempt to draw out a causal link between the Council having made a recommendation and there being progress – or a lack thereof – in that space. The Council is aware that it is a single actor in the Irish policy sphere and is one among a diverse range of stakeholders.

### 1.3 Background and Rationale

This review considers progress made in relation to the implementation of recommendations made in the annual *Ireland's Competitiveness Challenge* reports<sup>5</sup> over a four-year period (2020 and 2023). In setting recommendations, the Council is seeking progress in various policy areas that will enhance Ireland's competitiveness. Many of the recommendations relate to the medium and longer term, reflecting the nature of competitiveness, which requires persistent action over a number of years. Consequently, this Review is designed to cover reports across several years, with the expectation that more progress will have been made on earlier recommendations.

This review is particularly timely given the some of the recent developments at both European Union (EU) and national levels. Competitiveness has increasingly become a feature on the EU agenda in recent years, starting with the European Commission publishing a formal Communication on Competitiveness in March 2023. The reports by Enrico Letta and Mario Draghi published in 2024 built on this Communication. The Government of Ireland has also recently committed to holding a Competitiveness Summit each year ahead of the Budget. The 2024 Summit was hosted by the Taoiseach on 2<sup>nd</sup> of September<sup>6</sup>. This engagement with the competitiveness agenda is important for the Council's work, providing an opportunity for members of the Government to engage directly with the Council's Chair and to consider the key recommendations made in the annual report each year.

### 1.4 Connecting Policy and Impact

The Government's decision to issue a formal response to the *Challenge* every year since 2020 has been a useful first step in increasing its engagement with the competitiveness agenda. While Government responses to the Council's recommendations help increase the transparency of actions taken to improve competitiveness, the ultimate *outcome* depends on the actual actions taken (*outputs*) and how successful they are.

Council recommendations vary – quite deliberately – in terms of their scale and ambition. Some focus on specific outputs to generate movement in an area, while others point to a need for significant improvement in an outcome area (and relate this to specific outputs). In order to provide a measurable benchmark of progress, Government responses tend to focus specifically on planned outputs (say, the publication of a new strategy). It is against these Government output responses that progress is primarily assessed. There are, however, several instances where Government has progressed an output but the broader ambition of achieving an underlying

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<sup>5</sup> [competitiveness.ie/media/bejok1jg/ireland-s-competitiveness-challenge-2020.pdf](https://competitiveness.ie/media/bejok1jg/ireland-s-competitiveness-challenge-2020.pdf)  
[competitiveness.ie/media/cqmprq1i/icc-2021-final-for-publication.pdf](https://competitiveness.ie/media/cqmprq1i/icc-2021-final-for-publication.pdf)  
[competitiveness.ie/media/yxxdqhy/ireland-s-competitiveness-challenge-2022-final.pdf](https://competitiveness.ie/media/yxxdqhy/ireland-s-competitiveness-challenge-2022-final.pdf)  
[competitiveness.ie/media/g51jq1ew/ireland-s-competitiveness-challenge-2023-final-copy.pdf](https://competitiveness.ie/media/g51jq1ew/ireland-s-competitiveness-challenge-2023-final-copy.pdf)

<sup>6</sup> [NCPC Chair attends the Competitiveness Summit - Competitiveness](#)



outcome remains unfulfilled. For example, in the area of legal costs the Council has made a number of recommendations aimed at reducing costs. Specifically, **Recommendation 2.1 (2021)** stated “*Assess the feasibility of lowering legal costs, from the introduction of a scale of legal costs, by publishing an assessment of this option*”. The Review of the Administration of Civil Justice report, which explored the feasibility of this option, has since been published. However, legal costs – together with the speed of getting legal decisions – still remain an issue which is impacting negatively on competitiveness of businesses in Ireland, especially on small and medium-sized enterprises.

To take a further example, the Council has for several years called for Ireland to improve significantly its supply and use of green energy. For instance, **Recommendation 4.2 (2023)** stated “*that the Government should continue its efforts to deliver offshore wind infrastructure at significant scale, in order to increase the cost competitiveness of Ireland’s renewable energy.*” The Government’s response referenced the establishment of a cross-Departmental Offshore Wind Delivery Taskforce<sup>7</sup> and the publication of Ireland’s Offshore Wind Industrial Strategy<sup>8</sup>. Despite these actions being undertaken, there clearly remains a need for significant progress to be made if Ireland is to deliver on its offshore wind ambitions in a timeframe that meets our competitiveness requirements and our green energy targets. Under the Climate Action Plan 2025, Ireland is currently targeting an offshore wind capacity of 5GW. In the case of the Netherlands and Denmark, these targets are 22GW and 13GW, respectively. At present, Ireland no longer has any operational offshore wind capacity compared to 101GW of capacity in operation in Norway, 5GW in the Netherlands, and 202MW in Sweden.

In responding to the Council over successive years, the Government has often referred to some recommendations as being ‘in progress’. This simply implies that further action is required in order to deliver an output under a specific recommendation (i.e., the publication of a strategy, etc.). Many of the broader outcomes, however, reflect the nature of competitiveness and are a case of continual progress over a number of years towards the goal of sustainable growth. Achieving real traction with these recommendations is crucial for maintaining competitiveness and productivity. At present, however, responses can sometimes be unclear and can be seen as indicative of a need for improved implementation.

## 1.5 Competitiveness and Productivity Framework

The Council has made a total of 79 recommendations in the four years, and for the purpose of this review, the recommendations were categorised according to the Council’s latest Competitiveness and Productivity Framework<sup>10</sup> (see below Figure 1.1), introduced in 2023.<sup>11</sup> As concepts, competitiveness and productivity overlap and interlink in a variety of ways, and the current framework speaks to the strong intersection of both. This development of this framework was motivated by the increased EU policy focus on both competitiveness and productivity and by the Government’s decision in 2019 to expand the remit of the Council to focus on both

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<sup>7</sup> [gov.ie - Offshore Wind Delivery Taskforce](https://www.gov.ie/en/publications-and-resources/publication/2021-07-offshore-wind-delivery-taskforce/)

<sup>8</sup> [Powering Prosperity – Ireland’s Offshore Wind Industrial Strategy - DETE](https://www.gov.ie/en/publications-and-resources/publication/2023-01-powering-prosperity-ireland-offshore-wind-industrial-strategy/)

<sup>9</sup> The Future Framework for ORE is a key policy for the plan-led approach to delivery offshore wind.

<sup>10</sup> [Bulletin 24-2 Ireland’s Competitiveness and Productivity Framework - Competitiveness](https://www.gov.ie/en/publications-and-resources/publication/2023-01-bulletin-24-2-ireland-competitiveness-and-productivity-framework-competitiveness/)

<sup>11</sup> The new framework replaced the previous pyramidal frameworks by simplifying the structure and placing a stronger emphasis on the important interconnection between productivity and competitiveness.

competitiveness and productivity. Therefore, it is important to note though that while some recommendations may interlink and overlap across areas, for the purposes of this review they have been categorised within one of the six drivers of competitiveness and productivity.

As shown in Figure 1.1 below, the framework presents productivity and competitiveness as two mutually-reinforcing concepts (rather than simply conceptualising productivity as one of many sub-sets of competitiveness, as was the case with the previous framework). The arrows in the inner circle visually capture this interconnected relationship. These two concepts overlap and interlink with each other through the drivers that determine them in achieving the overarching goal of sustainable growth and wellbeing. The six sets of drivers in the framework are *Business Environment*, *Macroeconomic Sustainability*, *International Environment*, *Technology & Innovation*, *Education & Skills*, and *Infrastructure*. These are set out in Figure 1.1, which indicate the number of recommendations under each set of drivers. A plurality of recommendations relate to *Business Environment* and prior to 2024, the Council had not made any recommendations regarding *International Environment*.

Figure 1.1: Competitiveness and Productivity Framework including the total number of recommendations for each category between 2020 and 2023.



### Assessing Progress

As shown in Table 1 below, this review classifies each of the recommendations in terms of the degree of progress made under three categories: (i) 'action taken', (ii) 'in progress' or (iii) 'no substantial progress'. The analysis undertaken shows that some 45 of the 79 recommendations are considered as 'action taken', while 34 remain 'in progress'. No recommendation is classified as having 'no substantial progress'.

The six broad driver categories were further divided into sub-groups that reflect various themes within the category set out in the Competitiveness and Productivity Framework. For instance, recommendations that fall under *Infrastructure* cover themes such as housing, planning, and transport. Table 1 below classifies the recommendations by theme and year indicating a progress status for each. We follow the Red/Amber/Green (RAG) colour scheme commonly used for dashboards, where **Green** shows that recommendation is to be considered as 'action taken', **Amber** indicates that it is still 'in progress' while **Red** suggests 'no substantial progress'.

Table 1. Recommendations made between 2020-2023 by themes, year and progress

NPC Framework	Themes	2020	2021	2022	2023
<i>Business Environment</i>	Supports for employees	Green	Green	Amber	Green
	Supports for businesses	Green	Green	Green	Amber
	Access to finance/information	Green	Green		
	Personal Injuries/cost of insurance	Green	Green		
	Legal costs	Amber	Amber	Green	Amber
	Indirect (housing) costs	Amber			
	Indirect (childcare) costs	Green	Amber		
	Financing		Green	Amber	Amber
	Research			Green	Amber
<i>Infrastructure</i>	Supports	Green			
	Local and regional businesses	Amber	Green		
	Transport	Green			
	Housing	Green	Green	Amber	Amber
	National Broadband Network		Green		
	Planning		Amber		Amber
	Energy infrastructure			Amber	Amber
	Water/wastewater infrastructure			Amber	Amber
	Renewable energy				Amber
<i>Technology &amp; Innovation</i>	Research	Green	Green	Green	
	Decarbonisation	Amber	Amber		
	Digitalisation			Green	Amber
	Twin Transition			Amber	
	Innovation				Green
<i>Education &amp; Skills</i>	Graduate output	Green			
	Digital skills	Green	Green	Green	
	Training	Green			Amber
	Skills	Green	Green	Amber	
	Apprenticeships			Amber	Amber
	Reskilling/upskilling				Green
<i>Macroeconomic Sustainability</i>	Taxation		Green	Amber	
	Inflation			Green	
	Supports			Amber	Green
	Research				Green

Note: Green colour indicates the recommendation is considered as having been achieved; yellow indicates that it is in progress and red means it has no substantial progress. Some cells include various colours to reflect multiple recommendations and their progress.

Given the time elapsed, it is perhaps not surprising that more of the recommendations made in the first two years (2020 and 2021) are classified as 'action taken' (with only a handful deemed to be still 'in progress'). As one might expect, recommendations that were made in 2022 and 2023 demonstrate less progress. It is noteworthy that *Infrastructure* is the only category to have more recommendations deemed to be 'in progress' than 'action taken'. Certain themes such as legal costs, housing, planning, energy and water/wastewater infrastructure, digitalisation, and training and apprenticeships still show progress as ongoing (or incomplete). This is despite the Council consistently making recommendations in these areas over many years.

Over the next six chapters, we look at each of the specific recommendations were made over the four years. Chapter 2 will focus on *Macroeconomic Sustainability* which refers to various sub-topics such as economic performance, fiscal policy, domestic inflation, and public institution as reflected in the recommendations made over the recent years. It is followed by Chapter 3 on *Business Environment* and Chapter 4 on *Education and Skills* with both categories having a mix of progress in terms of recommendation made by the Council. Chapter 5 covers *Technology and Innovation* and demonstrates the importance of innovation as a fundamental driver of economic progress while Chapter 6 focusses on *Infrastructure* which includes a variety of recommendations (as seen in Table 1 above) such as transport, housing, planning and energy. The review concludes with Chapter 7 on *International Environment* and Chapter 8 with overall conclusions. As mentioned previously, no recommendations were made in relation to the *International Environment* specifically between 2020 and 2023 but it has become an increasingly important driver of competitiveness and has had a dedicated Chapter since 2024.

## Chapter 2: Macroeconomic Sustainability

According to the Council’s Competitiveness and Productivity Framework<sup>12</sup>, *Macroeconomic Sustainability* refers to various sub-topics such as economic performance, fiscal policy, domestic inflation, and public institution. Each *Challenge* report starts with this section as the anchor point for the future, relating to the immediate issues facing the Irish economy. There were six recommendations made in this area between 2020 and 2023<sup>13</sup>.

### 2.1 Delivery and Progress

The Council is clear that it has a role and responsibility in calling for increased urgency in the delivery of policies that can impact on competitiveness and productivity. In 2021 and 2022, the Council made two recommendations in relation to the work of the Commission on Taxation and Welfare and the publication of its report on the Irish taxation system<sup>14</sup>. Other recommendations related to the appropriate response by policymakers to international inflation, targeted supports in a light of the aftermath of the COVID-19 pandemic, and further research/analysis of the Census 2022 results, in light of the significant demographic changes since 2016. Table 2.1 shows the six recommendations by year and theme, together with the Departments (or Agencies) identified as responsible for their delivery.

Table 2.1: Recommendations made between 2020-2023 under **Macroeconomic Sustainability**

Council Recommendation and Year	Theme	Responsibility
Recommendation 5.3 (2021)	Taxation – Ireland’s tax and welfare model fit for 21 <sup>st</sup> century	D/ Finance; D/SP
Recommendation 1.1 (2022)	Responses to international inflation	Whole of Government
Recommendation 1.2 (2022)	Any future supports should be targeted	D/Finance, D/PER, D/ETE
Recommendation 1.3 (2022)	Any additional expenditure is targeted on productivity spending	D/Finance
Recommendation 1.4 (2022)	Taxation – recommendations by the Commission on Taxation and Welfare	D/Finance
Recommendation 3.3 (2023)	Detailed analysis of Census 2022 results	D/HLGH

Note: Green colour indicates the recommendation has been achieved; amber indicates that it is in progress

Table 2.1 above shows four recommendations where action has been taken and two still considered to be ‘in progress’ (a full list of recommendations between 2020 and 2023 is available in the Annex). For example, in 2022, the Council recommended that any future schemes to support businesses and households with cost of living increases due to geopolitical factors should be targeted rather than general (i.e., to address the specific needs of particular firms and households). The Government has delivered a range of supports, including those

<sup>12</sup> See Chapter 1 for more details

<sup>13</sup> The *Challenge 2020* report did not make any recommendations in this area since it closely examined the impact of COVID-19 pandemic instead.

<sup>14</sup> [gov.ie - Report of the Commission on Taxation and Welfare](https://www.gov.ie/en/publications-and-resources/publication/2022-06-report-of-the-commission-on-taxation-and-welfare/)

considered – at least at the outset – to be ‘once-off’ measures (i.e., payments to help businesses and households in the aftermath of the COVID-19 pandemic and the subsequent inflationary pressures) but these were typically made available to all businesses and households. Additionally, the Minister for Finance<sup>15</sup> had previously noted that the Commission’s report on the taxation system had already fed into a number of policy actions (see Box A below for more details<sup>16</sup>).

#### **Box A: Follow-up on recommendations made by the Commission on Taxation and Welfare**

Policy actions that were taken on foot of the report on the Irish taxation system included:

- Commitment to developing a medium-term roadmap for personal tax reform (across income tax, USC, PRSI and other personal taxation issues), taking account of the specific recommendations in the Commission’s report.
- The establishment of a Working Group to consider the taxation of funds, life assurance policies and other investment products.
- Commitment to a review of the Real Estate Investment Fund, Irish Real Estate Fund and Section 110 regimes.
- Commitment to careful consideration and consultation across Government regarding the Commission’s proposals on changes to the Local Property Tax and a Site Value Tax.

## **2.2 Connecting policy and impact**

Over the last number of years, the Council has continued to highlight concerns in relation to Government supports<sup>17</sup>. While recognising the necessity of Government providing supports during crises like COVID-19 and energy price surges, the Council emphasises the need to reduce dependency on such measures for long-term competitiveness. Recent Government initiatives, such as the Increased Cost of Business (ICOB) grant, aimed to help firms address rising costs (partly linked to new measures for the improvement of working conditions). When the successor Power-Up grant scheme is included, a total over €400 million was distributed to retail and hospitality businesses in 2024<sup>18</sup>. Outside of a crisis, the Council has previously questioned the value and efficacy of untargeted, one-off support schemes, urging instead for a shift towards more sustainable, targeted strategies to increase enterprise competitiveness without continuous reliance on Government assistance.

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<sup>15</sup> [NCPC Challenge Response FINAL for Gov](#)

<sup>16</sup> The Committee on Budgetary Oversight assessed Commission’s recommendations in [their report](#) in September 2023, but the work is still ongoing in this area, and there has not been any update since then.

<sup>17</sup> This was also evident in the *Challenge 2024* report which discussed Ireland’s over-reliance on one-off Government supports for businesses.

<sup>18</sup> These grants were primarily limited to those retail and hospitality firms with a Commercial Rates liability under a set threshold but did not otherwise limit eligibility (i.e., on the basis of turnover, number of employees, etc.)

## Chapter 3: Business Environment

Close to 30% of all the recommendations proposed by the Council – or 23 recommendations – between 2020 and 2023 related to the Business Environment. This in large part reflects how the onset of COVID-19 in March 2020 dramatically impacted on how businesses managed their affairs, how the workforce adapted to changes and how people managed to live their lives overall in the face of a major global pandemic. In the aftermath of the pandemic, there were several additional risks to the economic outlook which impacted consumer spending and business investment over the course of 2022, including lower investor and consumer confidence, higher inflation and rapid increases in interest rates.

In this context, the Council recommended several actions to support the business environment in ways that would enhance Ireland's competitiveness and productivity performance. These included actions related to legal costs, access to finance and information, cost of insurance, indirect costs such as housing and childcare, as well as additional supports for both employees and businesses. Table 3.1 shows recommendations made by the Council between 2020 and 2023 by theme and the Government Departments (including Agencies) responsible for a specific recommendation.

### 3.1 Delivery

Table 3.1 below also shows that sixteen recommendations can be considered as 'action was taken' while ten are still 'in progress'. Box B highlights the Government's key policy actions in relation to recommendations made by the Council under the *Business Environment*.

#### Box B: Key Policy Outputs under Business Environment

Several major reports have been published, including the following:

- The evaluation of the JobsPlus programme, undertaken by the EU Commission's Joint Research Centre and the Department of Social Protection, was published in October 2020;
- Publication of the [Implementation Plan](#) on Civil Justice Efficiencies and Reform Measures in May 2022;
- Publication of the [Personal Injuries Guidelines](#) (which was adopted by The Judicial Council in March 2021) and The Injuries Resolution Board (formerly the Personal Injuries Assessment Board) continues to publish annual [reports, which indicate progress in relation to costs](#);
- Publication of the Retail Banking [Review](#) in November 2022;
- Publication of the [Indecon report](#) titled *A Multi-Criteria Impact Evaluation of Options for the Control of Litigation Costs* in February 2024.

In addition, the Government has established the [National Enterprise Hub](#) to assist firms in accessing finance and information. Other outputs such as the SME and Entrepreneurship Growth [Plan](#) and the recommendation that the CSO expand the Service Producer Price Index (SPPI) survey were also addressed.

Table 3.1: Recommendations made between 2020-2023 under **Business Environment**

Council Recommendation	Theme	Responsibility
Recommendation 2.1 (2020)	Supports for employees	D/SP
Recommendation 2.4 (2020)	Supports for businesses	D/ETE; D/FHERIS; Skillnet Ireland; EI; LEOs; SOLAS; HEA; Business representative bodies
Recommendation 5.1 (2020)	Access to finance	D/ETE
Recommendation 5.2 (2020)	Cost of insurance	Judicial Council (PIGC); D/Justice
Recommendation 5.3 (2020)	Legal costs	D/Justice
Recommendation 5.4 (2020)	Indirect (housing) costs	D/HLGH
Recommendation 5.5 (2020)	Indirect (childcare) costs	D/CEDIY
Recommendation 1.1 (2021)	Access to information	D/ETE
Recommendation 2.1 (2021)	Legal costs	D/Justice
Recommendation 2.2 (2021)	Personal Injuries	D/Justice
Recommendation 2.3 (2021)	A review of the Irish banking sector	D/Finance
Recommendation 2.4 (2021)	Supports for businesses	D/ETE
Recommendation 2.5 (2021)	Supports for employees	D/ETE
Recommendation 3.2 (2021)	Supports for employees	D/ETE
Recommendation 3.3 (2021)	Supports for employees	D/Finance
Recommendation 4.4 (2021)	Indirect (childcare) costs	D/CEDIY
Recommendation 3.1 (2022)	Supports for employees	D/SP; D/FHERIS
Recommendation 3.2 (2022)	Supports for employees	D/CEDIY; D/FHERIS; D/ETE; D/Health; D/SP
Recommendation 3.6 (2022)	Supports for employees	D/ETE; D/SP
Recommendation 5.1 (2022)	Retail Banking Review	D/Finance
Recommendation 5.2 (2022)	Supports for businesses	D/ETE
Recommendation 5.3 (2022)	The SPPI survey (CSO) /Legal costs	CSO; D/Justice
Recommendation 1.1 (2023)	CCPC research (incl. market studies)	D/ETE; CCPC
Recommendation 2.1 (2023)	Retail Banking Review	D/ Finance; CBI; CCPC
Recommendation 2.2 (2023)	Legal costs	D/Justice; CSO
Recommendation 4.1 (2023)	Supports for businesses	D/ECC

Note: Green colour indicates that the recommendation has been achieved; yellow indicates that it is in progress and red means it is not achieved.



## 3.2 Further progress required

A total of eleven recommendations are still considered to be 'in progress'. These recommendations relate to legal costs (referenced above in Chapter 1), making housing and renting more affordable<sup>19</sup> (**Recommendation 5.4 (2020)**), childcare costs (**Recommendation 4.4 (2021)**) and supporting workers by increasing labour force participation amongst underrepresented groups and improving INTREO services (**Recommendation 3.1 (2022)**). In terms of the latter recommendation, although a mid-term review of *Pathways to Work, 2021-2025* has been completed – and the development of a successor strategy for the period 2026-2030 is currently underway – some of the sub-sections of this recommendation are still to be completed. For example, further progress is required to increase outreach for skilled labour beyond the EU through INTREO. Additionally, there are two recommendations regarding retail banking which are still in progress (and these are discussed in more detail below). All recommendations made in 2023 are still in progress. This is most likely due to the fact that only a short time has elapsed.

In 2022, **Recommendation 3.2** sought to enhance labour supply by increasing participation of people with disabilities and older people in the labour market force. Specifically, it was recommended that the *Final Action Plan of the Comprehensive Employment Strategy for People with Disabilities (CES)*<sup>20</sup> be completed and that this then be combined into a single successor strategy for the earlier National Disability Inclusion Strategy. In addition, the Council proposed a continued focus on improving coordination of policy across Government Departments. The National Disability Authority (NDA) has also advised that Departments should consider "...improving policy integration and coordination between government departments and agencies, for example, within the context of planning and supporting transitions, better access to Intreo Public Employment Services, and a clear employment goals pathway..."<sup>21</sup>. Although the Government has not published the Final Action Plan for the CES during the intervening three years since the Council's recommendation, other relevant work has been undertaken.

Firstly, the D/CEDIY has been co-ordinating the development of a new National Disability Inclusion Strategy which will include multiple pillars. The D/SP and the D/ETE will chair the pillar on employment (which will replace the CES). At the time of writing, it is planned that this strategy will be in place by end-Q2 2025. Secondly, as part of the mid-term review of the *Roadmap for Social Inclusion, 2020-2025*, the ESRI (2023)<sup>22</sup> reviewed the employment target for people with a disability and made suggestions for future targets and approaches to measurement.

## 3.3 Connecting policy and impact

These recommendations vary in terms of their scale and ambition with some aiming to generate movement in an area while others highlight additional improvements needed to produce a broader outcome. This section

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<sup>19</sup> See: Chapter 6 on Infrastructure for more details on housing

<sup>20</sup> [1120bc6ad254489db9571c74e8572f44.pdf](#)

<sup>21</sup> [NDA Independent Assessment of implementation of CES - National Disability Authority](#)

<sup>22</sup> [Technical Paper on the Poverty Indicators for Social Inclusion in Ireland](#)

provides a brief overview of recommendation in relation to retail banking that indicated a broader ambition of achieving a particular outcome under *Business Environment*. The Council has made three separate recommendations in the last four years highlighting the lack of robust competition in the domestic retail market. The first recommendation was **Recommendation 2.3 (2021)**: “*Ensure that sufficient resources are committed to the review of the Irish banking sector and that any actions identified to improve competition in the provision of SME credit are implemented as a matter of urgency.*”

This matter was revisited the following year with **Recommendation 5.1 (2022)**: “*The NCPC recommends that the agreed recommendations made by the Retail Banking Review are implemented swiftly.*”. In 2023, the Council made a similar argument in **Recommendation 2.1 (2023)**: “*The NCPC recommends that the recommendations from the Retail Banking Review are addressed as a matter of priority, by all responsible parties*”. This shows that although the output of the first recommendation – the Retail Banking Review – was indeed published in November 2022, the outcomes of the last two recommendations are still viewed as ‘in progress’<sup>23</sup>. This points to a need for greater urgency in terms of follow-through (i.e., implementation).

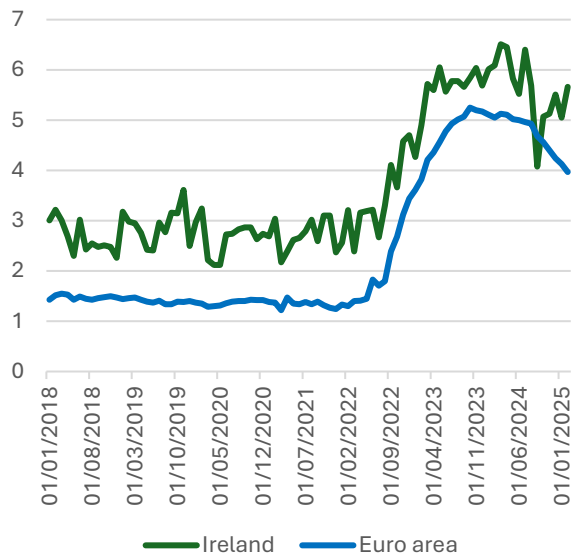
As a proxy for competition in the domestic retail banking market, Figure 3.2 below compares bank interest rates for loans to new businesses in Ireland and in the euro area in the six years. It shows that interest rates for loans to non-financial corporations in Ireland have been consistently higher than in euro area overall. This differential impacts on the competitiveness of SMEs, in particular. Although there has been a slight downward trend, as of February 2025, the interest rate in Ireland is at 5.66% while the euro area rate is down to 3.97% overall. Figure 3.3 compares Ireland and the euro area in terms of bank interest rates for new loans to households for house purchase. Here we see a similar trend where Ireland had a higher rate from January 2018 until mid-2022 when interest rate in euro area increased sharply. As of February 2025, Ireland stood at 3.79% compared to an average interest rate of 3.33% across the euro area.

The Council’s recommendations highlight important areas of focus, such as reducing legal costs and addressing competition in the retail banking sector. Other recommendations also related to indirect costs such as childcare and housing as well as supports for both employees and businesses which are important recurring themes in the Council’s annual reports. While overall progress has been made under *Business Environment*, challenges and concerns over urgency delivering outcomes remain. For instance, the higher interest rates in Ireland compared to the euro area underscore the need for sustained efforts to enhance competition in the banking sector and reduce costs for businesses. Moving forward, the timely implementation of outstanding recommendations will be essential to achieving a more competitive and efficient business environment. Extensive delays on implementation can impact businesses and competition in a way that damages competitiveness.

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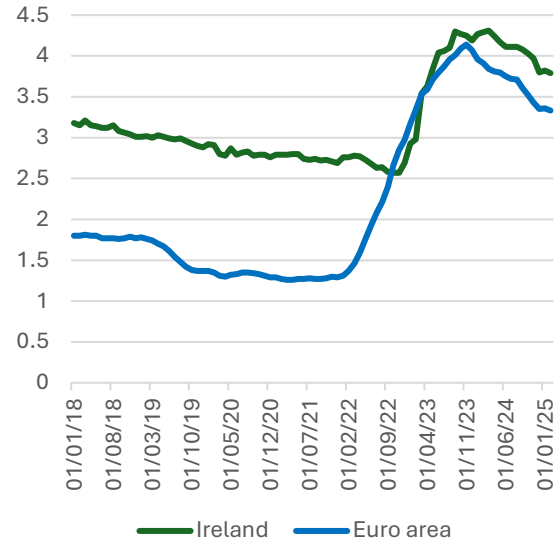
<sup>23</sup> The Government response in 2022 and 2023, respectively, refers to the *finalisation of the Review* and the ongoing *implementation of recommendations*. It is our understanding that this work is still underway and that no Progress Reports have yet been published.

Figure 3.2 Bank interest rates - loans to corporations (new business), January 2018 - February 2025, comparing Ireland and Euro Area



Source: European Central Bank. Note: This refers to loans other than revolving loans and overdrafts, convenience and extended credit card debt.

Figure 3.3 Bank interest rates - loans to households for house purchase (pure new loans), January 2018 - February 2025, comparing Ireland and Euro Area



Source: European Central Bank

## Chapter 4: Education and Skills

The Council has made twelve recommendations – or 15% of the total – between 2020 and 2023 in relation to Education and Skills covering topics such as graduate output in ICT, digital skills, training, apprenticeships and further education (including reskilling and upskilling) as previously mentioned in Chapter 1. This section in particular interlinks with other areas considered in this review. For example, in 2022 the Council suggested that *“the relevant entities lead, develop and implement a coherent plan to address the recommendations assigned by the EGFSN in their Skills for Zero Carbon report to support the climate transition.”* (Recommendation 3.4)<sup>24</sup>

Table 4.1: Recommendations made between 2020-2023 under Education and Skills

Council Recommendation and Year	Theme	Responsibility
Recommendation 2.2 (2020)	Graduate output in ICT	D/FHERIS; HEA; SOLAS; Skillnet Ireland
Recommendation 2.3 (2020)	Digital skills	D/FHERIS; SOLAS
Recommendation 2.5 (2020)	Increase active cooperation at an operational level	D/FHERIS; Skillnet Ireland; SOLAS; Education and Training Boards; HEA; EI; LEOs; Private providers
Recommendation 2.6 (2020)	The demand for skills arising from the COVID-19 pandemic	D/FHERIS; Skillnet Ireland
Recommendation 3.5 (2021)	Skills including digital skills	D/FHERIS
Recommendation 3.6 (2021)	Skills for SME managers	D/ETE; EGFSN
Recommendation 3.3 (2022)	Digital skills	D/ETE, D/FHERIS, D/PER, Further Education and Training and Higher Education Providers, D/Education, Industry and other stakeholders
Recommendation 3.4 (2022)	Skills for decarbonisation	D/ETE, D/ECC, D/FHERIS, D/HLGH; D/AFM; D/SP, D/PER, D/Education; Further Education and Training and Higher Education Providers, Industry and other stakeholders
Recommendation 3.5 (2022)	Apprenticeships	D/FHERIS
Recommendation 1.2 (2023)	Reskilling/upskilling	D/SP; D/FHERIS
Recommendation 3.5 (2023)	Further education including apprenticeships and training	D/FHERIS
Recommendation 6.7 (2023)	The National Training Fund	D/FHERIS; D/ETE

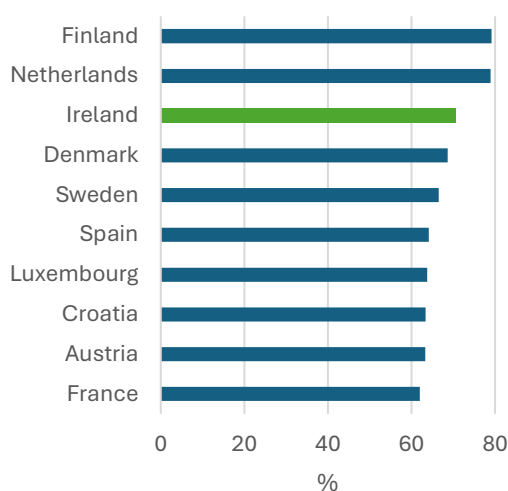
Note: Green colour indicates the recommendation has been achieved; yellow indicates that it is in progress and red means it is not achieved.

<sup>24</sup> According to the Government’s response in the same year, a number of actions were progressed as a result, including areas such as offshore wind, solar energy and residential retrofitting which might be considered under Infrastructure and/or Technology and Innovation. Since this recommendation is centred on skills, we allocated it to this Chapter.

## 4.1 Delivery

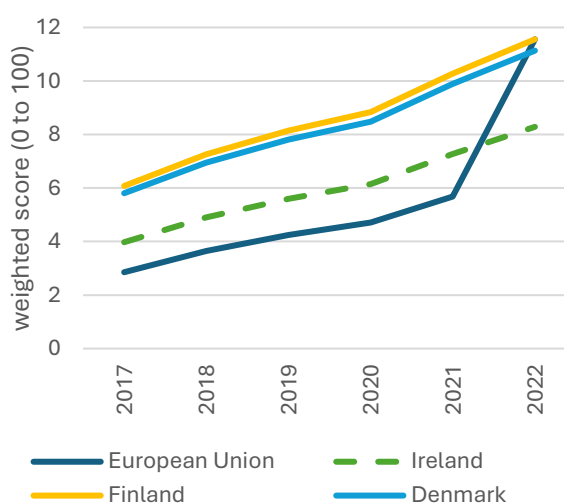
The Digital Decade report 2023<sup>25</sup> states that Ireland is among top performers on basic digital skills, with 70% of people in Ireland having at least basic digital skills, compared to the EU average of 54%. This suggests that Ireland has already met the EU target of 70% by 2025 and if a positive trend is maintained, Ireland could be on its way to reaching the 2030 EU target of 80%. Figure 4.1 below demonstrates that Ireland ranked third among EU countries in terms of people having at least basic digital skills. Figure 4.2 shows progress made over time in terms of integration of digital technology with focus on digital intensity specifically. Although Ireland performs well, other countries, such as Finland and Denmark, are making much faster progress. As a small, open economy focused on frontier technologies, Ireland should aim for a much faster progress in line with other small economies (see Chapter 5 on Innovation and Technology for more details on digitalisation).

Figure 4.1. Percentage of individuals with at least basic digital skills, selected countries, 2023



Source: European Commission

Figure 4.2. Integration of Digital Technology, Digital Intensity in EU and selected countries, 2017-2022



Source: European Commission

Table 4.1 above demonstrates that action has been taken in relation to most of the recommendations in this area (eight recommendations in total), while four recommendations are still considered 'in progress'. **Recommendation 3.4 (2022)** mentioned above is also considered to be 'in progress' as outlined in Government's response that same year. It was suggested that a number of actions are underway informed by the findings in the *Skills for Zero Carbon* report. It is also stated that ensuring the sufficient availability of the skills to support Ireland's climate transition, including but not limited to those outlined in the report, will be an important all-of-Government responsibility in the coming years. A new strategy for green skills<sup>26</sup> was published in October 2024 which is the first National Further Education & Training (FET) Strategy for the Green Transition. D/FHERIS also published a *Skills Action Plan for Offshore Wind*<sup>27</sup> last October. It is suggested that these strategy

<sup>25</sup> [Country reports - Digital Decade report 2023 | Shaping Europe's digital future](#)

<sup>26</sup> [green skills 2030 October 2024](#)

<sup>27</sup> [Offshore Wind Skills Action Plan 2024](#)

will assess national and international policies related to the green transition and outline key areas of green skills demand.

In terms of apprenticeships and lifelong learning (**Recommendation 3.5 (2022) and (2023)**), there has been some progress in Government's commitment to further expand and invest in further and higher education although these recommendations are considered to be still 'in progress' here. As of the end-2024, for example, there were a total of 9,352 registrations across various apprenticeship programmes<sup>28</sup>. Seven new apprenticeship programmes introduced in 2023, in areas as diverse as farming, engineering, and quantity surveying. This made for a total of 73 apprenticeship programmes available in Ireland. A progress review of the *Action Plan for Apprenticeship 2021-2025 in 2024*<sup>29</sup> showed that 33 of the actions (50%) are now complete. Implementation is underway on a further 21 actions (32%), and twelve actions are yet to be commenced.

In terms of the *Leading the Way* report, in 2021 the Council recommended (**Recommendation 3.6 (2021)**) that the EGFSN Implementation Group (responsible for delivering the recommendations identified in the report) would monitor and report publicly on the delivery of the agreed actions. The intended outcome was that SME managers would be equipped with necessary skills to navigate the challenges in the workplace in the aftermath of the pandemic, and to deal with more widespread flexible working. The Implementation Group worked throughout 2021 and 2022 to apply the report's recommendations. This included the development of an online tool for management skills assessment and a central repository of information for SME owners and managers to find management skills education and training. The progress was reported on a regular basis to the EGFSN and to the SME Taskforce in D/ETE.

In terms of the National Training Fund (NTF), the Council recommended that this be reformed to better foster lifelong learning in workplaces and that the projected surplus<sup>30</sup> be deployed to deliver training programmes that assist in meeting skills needs in a variety of specified areas. Under the terms of Budget 2025, the Government committed to the continued effective and sustainable use of the NTF and that the surplus would be deployed to support universities, training and upskilling for workers. With a significant proportion of this in the form of capital expenditure for third-level institutions, it is unclear to what extent this will be effective in addressing the Council's recommendations regarding lifelong learning and upskilling (as opposed to improving facilities at third-level without necessarily adding any capacity for upskilling those at work).

## 4.2 Connecting policy and impact

Although many outputs have been achieved with the aim to improve in areas such as digital skills, training and graduate output (also seen in Table 4.1), there is a need for further progress. As outlined again in *Ireland's Competitiveness Challenge 2024* report<sup>31</sup>, the supply and quality of education and skills in an economy is very important for competitiveness. Therefore, the Council believes that the Government should consider

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<sup>28</sup> [Apprenticeship Programmes – Thursday, 18 Jan 2024 – Parliamentary Questions \(33rd Dáil\) – Houses of the Oireachtas](#)

<sup>29</sup> [Review February 2024](#)

<sup>30</sup> This had been projected to reach €1.5bn. by end-2023: [An Overview of the National Training Fund \(NTF\)](#)

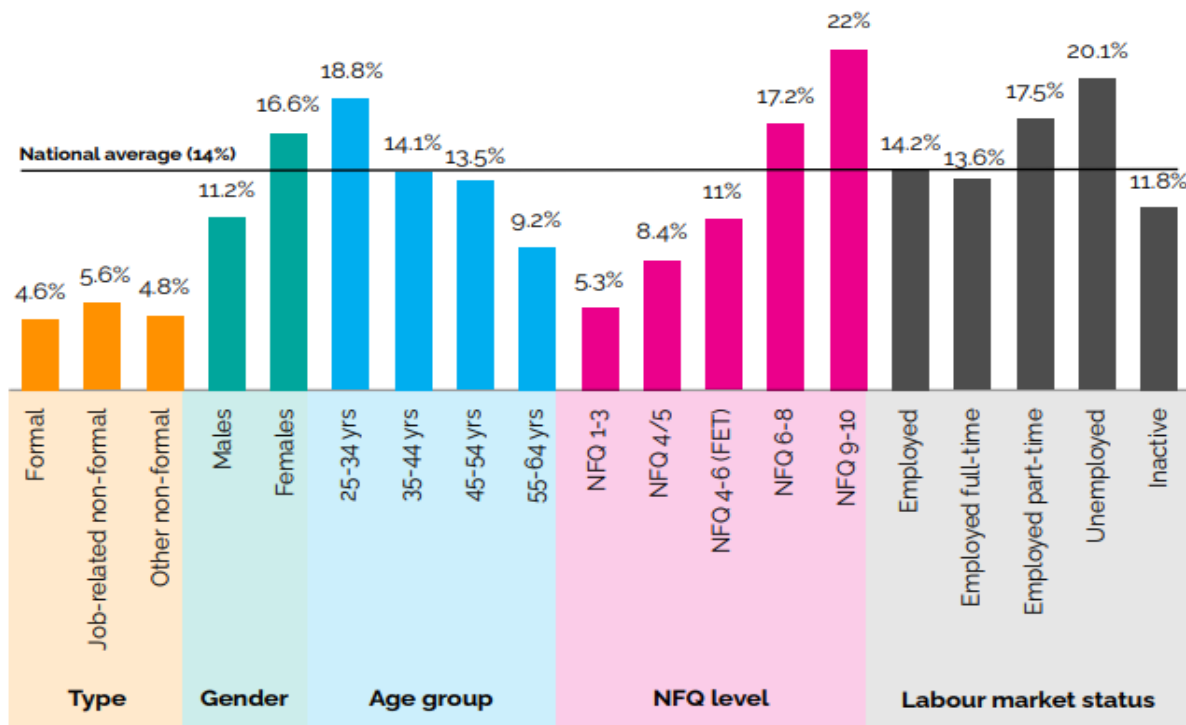
<sup>31</sup> [Ireland's Competitiveness Challenge 2024 report](#)

addressing the outstanding recommendations in a timely manner, given the context of changing market demands, where a highly skilled labour force is more productive, innovative, and attractive to foreign investors.

For instance, the take-up of lifelong learning in Ireland has improved over time, but it still remains relatively low, compared to other EU countries. In 2023, the annual average participation rate of persons participating in lifelong learning activities was 12.7% across the EU. At 12.3%, Ireland was close to the EU average but well behind the top performing countries (Sweden (38.8%), Denmark (30.5%) and Finland (26.1%))<sup>32</sup>. However, Ireland has performed more strongly in formal education training rather than lifelong learning with 63% of 25–34-year-olds having a tertiary level qualification in 2023 compared with the EU average of 43%<sup>33</sup>.

Figure 4.3 below demonstrates lifelong learning participation rate by type, gender, age, National Framework of Qualifications (NFQ) and labour market status in Q4 2023. At that point, the overall participation rate amongst adults in Ireland was 14% but this varied significantly by cohort. For example, the participation rate tends to decline with age while females were more likely to participate in lifelong learning. In terms of NFQ, the higher the level the higher participation rate while unemployed people were more likely to participate in lifelong learning than any other group. In other words, lifelong learning participation rate is quiet low for older males, those with low levels of formal education and who are excluded from the labour market. This suggests that Government should focus efforts on these cohorts in particular.

Figure 4.3 Lifelong learning participation rate (%) by type, gender, age, NFQ and labour market status, Q4 2023



Source: SOLAS (2024)

<sup>32</sup> [lifelong-learning\\_report.pdf](#)

<sup>33</sup> [Key Findings Educational Attainment Thematic Report 2024 - Central Statistics Office](#)

## Chapter 5: Technology and Innovation

The Council has made 17 recommendations – or 22% of the total – in relation *Technology and Innovation* over the four-year period. These have addressed areas such as research, decarbonisation, digitalisation and the twin transitions. In the *Challenge 2023* report<sup>34</sup>, the Council stressed the importance of innovation as a fundamental driver of economic progress and an important determinant of international competitiveness. In 2024, Mario Draghi's report<sup>35</sup> on the future of European competitiveness similarly emphasised that Europe needs to redress its slowing productivity growth by closing its innovation gap to the US and China. In particular, Draghi's recommendations include a significant boost to investment in quantum computing, semiconductors and Artificial Intelligence (AI) in order to increase productivity.

Draghi also proposes regulatory reform and a strong focus on skills to ensure that these advanced technologies can drive Europe's productivity growth while preserving its social model. This approach aligns well with the Council's proposed actions to the Government in recent years. The 2023 *Challenge* report made six recommendations in relation to *Technology and Innovation*, having made 10 recommendations across the reports in 2020 through 2022. Most of these related to Government's need to develop a coherent strategy in relation to addressing these key technological drivers.

### 5.1 Delivery

With regard to progress made, Box C outlines those key outputs that have been completed and published under the theme of Technology and Innovation. These include new plans and strategies relating to AI, R&D, quantum computing, and climate adaptation.

#### Box C: Key Outputs under Technology and Innovation

- Publication of [AI - Here for Good: A National Artificial Intelligence Strategy for Ireland](#) in July 2021;
- Publication of [Impact 2030: Ireland's Research and Innovation Strategy](#) in May 2022;
- Publication of [Harnessing Digital – The Digital Ireland Framework](#) in February 2022;
- Publication of [Climate Action Plan](#) in 2025, which is the third statutory update to the plan since the Climate Action and Low Carbon Development (Amendment) Act 2021;
- Publication of [Quantum 2030 - A National Quantum Technologies Strategy for Ireland](#) in November 2023.
- The Government through the Department of Enterprise, Trade and Employment, has signed an agreement with the Economic and Social Research Institute (ESRI) to establish a joint research programme, which focuses on productivity in Ireland, within an EU context.
- The Government has also provided support to firms via [Climate Toolkit](#) and [Growth Digital Portal](#) which provide information and grants to businesses such as Green and Digital Transition Funds.

<sup>34</sup> [ireland-s-competitiveness-challenge-2023-final-copy.pdf](#)

<sup>35</sup> [EU competitiveness: Looking ahead - European Commission \(europa.eu\)](#)



Table 5.1: Recommendations made between 2020-2023 under **Technology and Innovation**

Council Recommendation and Year	Theme	Responsibility
Recommendation 3.1 (2020)	Research project to identify a range of CO <sub>2</sub> abatement opportunities and technologies	D/ETE; EI; IDA Ireland; SEAI
Recommendation 3.2 (2020)	Decarbonisation – to assess the carbon mitigation incentives and supports available	D/ECC; D/ETE; SEAI; EI; IDA Ireland
Recommendation 3.3 (2020)	Decarbonisation – to establish a one-stop-shop environmental hub and website	D/ETE; D/ECC; EI; IDA Ireland; SAEI; Irish Water; EPA
Recommendation 3.4 (2020)	Decarbonise the gas network	D/ECC
Recommendation 3.1 (2021)	To establish a research programme and collate supporting datasets	D/ETE
Recommendation 3.7 (2021)	Publish the successor strategy to Innovation 2020 by end-2021	D/FHERIS
Recommendation 5.1 (2021)	Research project on the interaction between competitiveness and measures to address climate change	D/ETE
Recommendation 5.2 (2021)	Make substantial and sustained progress on the actions set out in the Climate Action Plan when it is published.	All Government Departments
Recommendation 2.1 (2022)	To devote the required resources immediately to implement the Harnessing Digital strategy	D/Taoiseach, D/ETE, IDA Ireland, EI, LEOs
Recommendation 2.2 (2022)	Twin Transitions	D/ETE, IDA Ireland, EI, LEOs
Recommendation 2.3 (2022)	The implementation of the Impact 2030 strategy and the Research Bill is passed without delay	D/FHERIS
Recommendation 6.1 (2023)	Digitalisation – R&D Tax Credit	D/Finance; D/ETE; Office of the Revenue Commissioners
Recommendation 6.2 (2023)	Further research should be undertaken to provide a more robust view of Ireland’s performance across all dimensions of innovation	D/ETE; D/FHERIS
Recommendation 6.3 (2023)	Digitalisation - National Cyber Security Centre and NCSC Advisory Council	D/ECC; NCSC
Recommendation 6.4 (2023)	Digitalisation - outstanding actions set-out in the Government’s AI strategy, and the AI Skills report, be progressed as a priority	D/ETE; D/FHERIS; D/PENDPDR; NSAI
Recommendation 6.5 (2023)	Ireland’s quantum computing ecosystem	D/FHERIS; D/ETE; NSAI
Recommendation 6.6 (2023)	Tackling barriers to digitalisation	D/ETE

Note: Green colour indicates the recommendation has been achieved; yellow indicates that it is in progress and red suggests no substantial progress.

## 5.2 Further progress required

Table 5.1 above demonstrates that there are seven recommendations (out of the total of seventeen) which are still 'in progress'. The lack of progress on these recommendations – in particular, given the innovation gap between Europe and US – underscores the scope for improvement. Some recommendations made in 2023 (**Recommendation 6.3 and 6.4**) are still in progress. The recommendations that focus on decarbonisation and the twin transitions – such as **Recommendation 3.2 (2020)**, **Recommendation 3.4 (2020)**, **Recommendation 5.2 (2021)**, and **Recommendation 2.2 (2022)** – have been progressed, albeit these are pressing and ongoing issues (not only for Ireland but also globally). For example, the final progress report on the 2023 Climate Action Plan (CAP23) published on the 5<sup>th</sup> of March 2024, puts the overall implementation rate for the plan at 65%. This implies that there were close to 100 actions set out for 2023 that were incomplete. This indicates that there is still room for improvement.

As outlined in the Table above, **Recommendation 6.1 (2023)** is also considered to be in progress. The Council recommended that obstacles impacting SME engagement with the R&D Tax Credit be reviewed, with amendments made to the design of the measure, as appropriate. Specifically, the Council envisioned this review would address the following:

- (i) The benefits of the R&D Tax Credit by firm size and sector and analysis of the trends that have emerged regarding the profile of claimants and the primary cost drivers.
- (ii) The capacity to introduce a pre-approval mechanism for potential claimants of the R&D Tax Credit, the merits of this, and the potential resource implications.
- (iii) The scope for a recalibration of the R&D Tax Credit to support innovation as defined in line with the Oslo manual.

A review of the R&D Tax Credit was published as part of the Budget 2023 *Report on Tax Expenditures*. The review assesses claims based on two tests: the science test (to verify qualifying R&D activities) and the accounting test (to ensure accurate claims). The review did not, however, address sub-sections (ii) and (iii) of the recommendation and the SME sector continues to account for only a small proportion of the tax foregone. Instead, it was noted that a pre-approval system — requiring early engagement with Revenue — may not fully account for smaller companies' reluctance to claim due to potential reviews. The Government suggested that even with pre-approval, compliance checks and risk-based reviews would still be necessary, including science test assessments when risks arise. Additionally, it was noted that adopting the Oslo Manual definition would significantly expand the scope of the relief, increasing costs to the Exchequer while quantifying this cost would be challenging, as the broader definition of innovation would bring numerous activities under the regime. This notwithstanding, it still remains the case that there is a need to take steps to promote innovation and the adoption of new technologies across Ireland's SME sector.

### 5.3 Connecting policy and impact

Ireland has demonstrated significant advancements in digitalisation across various sectors, reflecting a strong commitment to integrating digital technologies into the economy and society more generally. For instance, as of 2023, 72.9% of individuals had at least basic digital skills, significantly higher than the EU average of 55.6%<sup>36</sup>. It is suggested that the achievement is partly due to initiatives aimed at enhancing digital literacy nationwide. On the other hand, the *Challenge 2024* report once again discussed importance of the R&D Tax Credit and how it is relatively less accessible and useful to SMEs compared to larger firms. The Council has called for the introduction of a pre-approval mechanism, as well as a broadening of the measure to account for innovation in line with definitions set-out in the Oslo manual<sup>37</sup>. The Council has recommended consideration of the introduction of a credit specifically targeting innovation, promoting innovative investments by smaller firms (particularly in respect of enterprise digitalisation and the adoption of advanced technologies).

Ireland has made progress in decarbonisation but there are still significant challenges remaining to meet our 2030 climate targets. Ireland is projected to achieve only a 29% emissions reduction by 2030, significantly below the 51% target<sup>38</sup>. All sectors, with the exception of residential buildings, are projected to underperform relative to the sectoral emissions ceilings while Agriculture, Industry and Electricity sectors are projected to be the furthest from their sectoral ceiling in 2030. A failure to meet our climate targets presents a risk that Ireland will be subject to fines for non-compliance.

Ireland has taken some significant and positive steps, for example, towards increasing digital awareness and progressing on some of the Climate Action Plan recommendations. However, this section also points out the urgency for the Government in addressing recommendations made in the area of *Technology and Innovation* by the Council. If we want to significantly boost our digitalisation and decarbonisation achievements, it is critical that the Government sees that further actions are needed in order to ultimately increase Ireland's productivity.

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<sup>36</sup> [Ireland 2024 Digital Decade Country Report | Shaping Europe's digital future](#)

<sup>37</sup> [Oslo Manual \(europa.eu\)](#)

<sup>38</sup> [Environmental Protection Agency](#)

## Chapter 6: Infrastructure

The Council has made 18 recommendations – or 23% of the total – in relation to Infrastructure over the four-year period. These included recommendations for transport, the National Broadband Network, housing, planning, energy infrastructure, water and wastewater infrastructure as well as renewable energy (see Table 6.1 below for more details).

Table 6.1: Recommendations made between 2020-2023 under **Infrastructure**

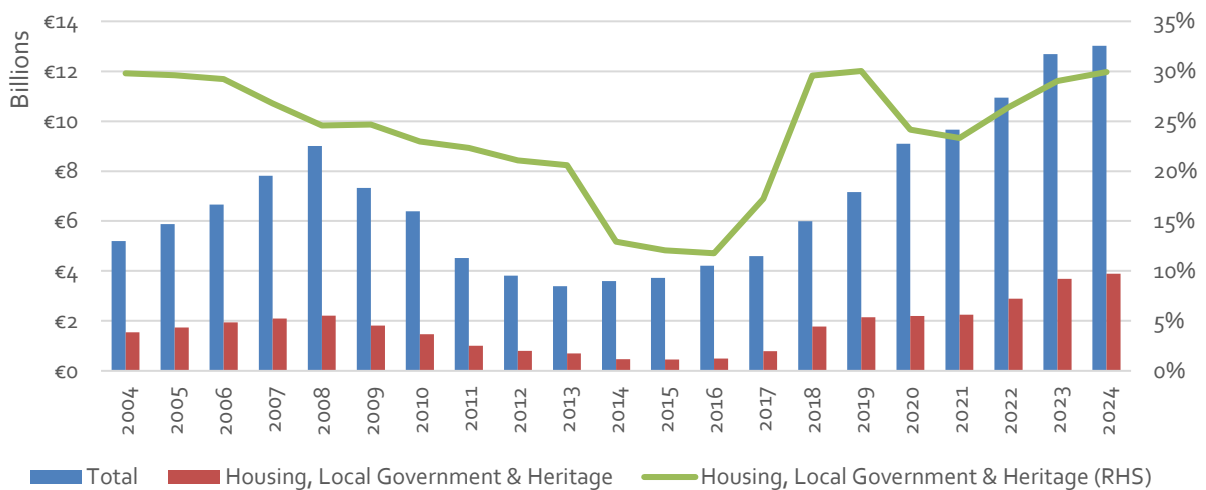
Council Recommendation and Year	Theme	Responsibility
Recommendation 4.1 (2020)	Supports for public bodies	D/PER <sup>39</sup>
Recommendation 4.2 (2020)	Local and regional businesses	D/HLGH; Regional Assemblies; LA
Recommendation 4.3 (2020)	Local and regional businesses	WDC; D/RCD; D/HLGH; D/ETE; D/ECC; LA
Recommendation 4.4 (2020)	Transport	D/Transport; D/ECC
Recommendation 4.5 (2020)	Housing	D/HLGH
Recommendation 3.4 (2021)	National Broadband Network	D/ECC; D/RCD
Recommendation 4.1 (2021)	Housing	D/HLGH
Recommendation 4.2 (2021)	Housing	D/HLGH
Recommendation 4.3 (2021)	Planning	D/HLGH; LA
Recommendation 4.1 (2022)	Housing	D/FHERIS; D/HLGH; D/ETE
Recommendation 4.2 (2022)	Planning	D/HLGH; D/Justice
Recommendation 4.3 (2022)	Energy infrastructure	D/ECC; D/HLGH
Recommendation 4.4 (2022)	Water/waste-water infrastructure	D/HLGH
Recommendation 3.1 (2023)	Planning	D/HLGH
Recommendation 3.2 (2023)	Housing	D/HLGH; D/ETE
Recommendation 3.4 (2023)	Water/waste-water infrastructure	D/HLGH
Recommendation 4.2 (2023)	Offshore wind infrastructure	D/ECC; D/ETE
Recommendation 4.3 (2023)	Energy infrastructure and planning	D/ECC; D/HLGH; D/FHERIS

Note: Green colour indicates the recommendation has been achieved; yellow indicates that it is 'in progress'.

<sup>39</sup> Department of Public Expenditure and Reform at the time.

The Council has continued to emphasise that *Infrastructure* is a fundamental component of our competitiveness, and a vital part of how Ireland enables the growth of indigenous SMEs as well as being important to our foreign direct investment offering. Figure 6.1 below shows the total public capital expenditure compared to the housing, local government and heritage expenditure. It is important to note a significant decrease of total expenditure after 2008 with a recovery only in 2020. Similarly, the housing, local government and heritage expenditure also decreased between 2008 and 2018 with slight improvement to nearly €4 million in 2024. Additionally, according to The Institute for Management Development (IMD)'s World Competitiveness Yearbook 2024<sup>40</sup>, the most critical competitiveness deficit remains Ireland's infrastructure performance (17<sup>th</sup> position out of 67 countries), in particular our performance under Basic Infrastructure where we rank at 38<sup>th</sup> (down from 29<sup>th</sup> in 2023) (see Chapter 7 for more details).

Figure 6.1. Public Capital Expenditure, Ireland, 2004-2024



Source: Department of Public Expenditure and Reform, NDP Delivery & Reform - Databank

## 6.1 Delivery

Although some significant steps have been taken in this area (eight recommendations), ten recommendations are still 'in progress' (ten recommendations). In terms of housing, the Council recommended the establishment of a Commission on Housing without delay in the *Challenge* report in 2020. Although this recommendation was addressed, the Commission did not commence its work until two years later, and it took further two years before the report was made public.

Some other recommendations where progress has been made include supports for public bodies (**Recommendation 4.1 (2020)**), a review of local and regional business needs in terms of remote working (**Recommendation 4.3 (2020)**), a roll out of greener transport (**Recommendation 4.4 (2020)**), and published information in relation to the National Broadband Plan (**Recommendation 3.4 (2021)**). A number of recommendations related to housing (**Recommendation 4.5 (2020)**; **Recommendation 4.1 (2021)**; **Recommendation 4.2 (2021)**) can also be considered substantially progressed including quarterly publications

<sup>40</sup> [World Competitiveness Ranking 2024 - IMD business school for management and leadership courses](#)

of the progress reports on *Housing for All*<sup>41</sup> as recommended by the Council in 2021 (**Recommendation 4.2**) and the recommendation to enact Planning and Development Bill which became the Planning and Development Act 2024 (**Recommendation 3.1 (2023)**).

## 6.2 Further progress required

In respect of our energy and water/waste-water infrastructure, serious deficits remain. There is a risk that future demand by enterprises will outstrip supply, with ramifications for SMEs and the investment decisions of internationally mobile foreign-owned firms. It is important to also point out the length of time it takes to deliver infrastructure projects which additionally will represent a significant reputational risk for Ireland and should be addressed immediately by the Government. For instance, in 2023 the Council has recommended to increase emphasis on driving innovation and productivity through Modern Methods of Construction (MMC), by monitoring and reporting on progress of the Roadmap for increased adoption of MMC in Public Housing Delivery (**Recommendation 3.2**). Although the Government suggests that it is considering<sup>42</sup> the recommendation for transition to MMC as noted in the *Assessment of the Current and Future Skills Requirements*<sup>43</sup>, it still remains 'in progress'.

There are several other recommendations where greater progress needs to be made. In particular, a number recommendations made in 2022 and 2023 should be should be addressed without delay, including: challenging regions to maximise efficiency (**Recommendation 4.2 (2020)**), planning (**Recommendation 4.3 (2021)**; **Recommendation 4.2 (2022)**), housing (**Recommendation 4.1 (2022)**; **Recommendation 3.2 (2023)**) as well as energy, offshore wind, and water/waste-water infrastructures (**Recommendation 4.3 (2022)**; **Recommendation 4.4 (2022)**; **Recommendation 3.4 (2023)**; **Recommendation 4.2 (2023)**; **Recommendation 4.3 (2023)**). Ireland must make progress in order to keep pace with international competitors and ensure there is capacity for sustainable growth. The recently published Programme for Government<sup>44</sup> recognises the importance of essential infrastructure as a key driver in attracting and retaining investment, delivering on housing targets and overall economic growth in Ireland. The Council welcomes this view and looks forward to seeing more progress in delivering on key infrastructure needed. The Council will continue to monitor the developments in this area and the impact on Ireland's competitiveness and productivity.

## 6.3 Connecting policy and impact

The recommendations in this area have set out the need for a greater supply of housing, and for enhanced delivery of green energy infrastructure and while there has been a strong policy focus from Government in these areas, the degree to which these policies (and outputs) are effectively impacting outcomes in terms of delivery of this infrastructure is not clear across all areas.

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<sup>41</sup> [gov - Housing for All - Q1 2024 Progress Report \(www.gov.ie\)](http://www.gov.ie)

<sup>42</sup> [Minister Burke and Minister O'Donovan welcome report on future skills needs for the transition to Modern Methods of Construction - DETE \(enterprise.gov.ie\)](http://enterprise.gov.ie)

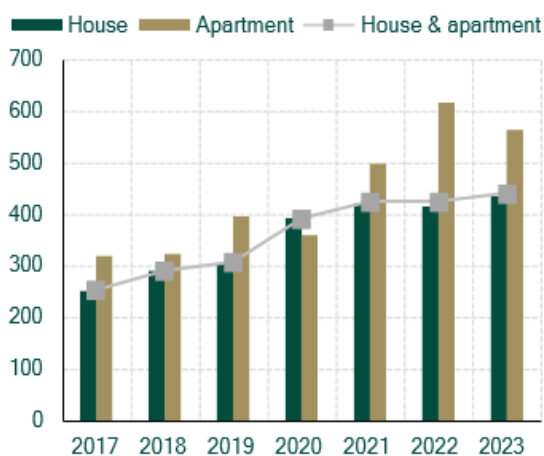
<sup>43</sup> [Skills for Modern Methods of Construction - Future Skills Ireland](http://www.gov.ie)

<sup>44</sup> [gov.ie - Programme for Government 2025 - Securing Ireland's Future](http://www.gov.ie)

The enactment of the Planning and Development Act 2024 is potentially a very positive step in the delivery of infrastructure in Ireland. However, the degree to which this new Act leads to faster and improved delivery of infrastructure will only become evident in time, as the Act is implemented and as the process moves into this new mode. The Council has previously identified (and recommended) the need to adequately resource planning bodies to help facilitate any changes in planning processes. While this will remain challenging in a tight labour market, there have been efforts made to make progress (including via the new Act 2024). **Recommendation 4.1 (2022)** called out the need for a greater focus on MMC in the delivery of infrastructure (in particular, housing); while this area has received significant promotion in the intervening two years from Government, there remains significant room for greater uptake by industry.

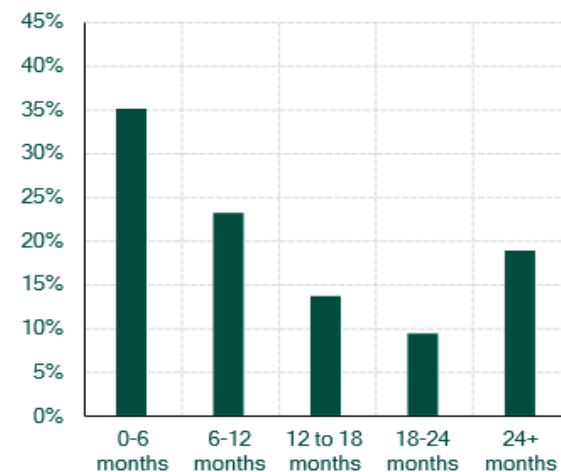
Notwithstanding these changes, delays remain a significant barrier to the efficient delivery of infrastructure. Figure 6.1 below shows that, nationally, the average length of time between planning permission and residential commencement has increased steadily in recent years, from around eight months in 2017 to fourteen months currently. This increase has occurred for both houses and apartments with the average time for houses at 14 months, while for apartments it was 18 months. Figure 6.2 shows that in 2023, the elapsed time between planning to commencement was in excess of 12 months for close to 40% of all permissions granted.

Figure 6.1 Mean time from planning to commencement, days, 2017-2027



Source: Department of Finance; NPAD; BCMS.

Figure 6.2 Time between planning and commencement, 2023



Source: Department of Finance; NPAD; BCMS.

As set out previously, the Council has been repeatedly cited the need for Ireland to significantly improve its supply and use of green energy (including offshore wind generation capacity). The responses from Government have set out the progress in this space which includes the establishment of a cross-Departmental Offshore Wind Delivery Taskforce and the publication of Ireland’s Offshore Wind Industrial Strategy, alongside a successful Offshore Wind energy capacity auction (ORESS – to be followed by second wind auction<sup>45</sup>). However, there remains a need for Ireland to step up the pace at which it is delivering on planned offshore capacity if we are to ease competitiveness concerns in relation to energy supply and costs.

<sup>45</sup> [gov.ie - ORESS Tonn Nua Offshore Wind Auction](https://www.gov.ie/en/news/2023-09/gov-ire-oress-tonn-nua-offshore-wind-auction/)

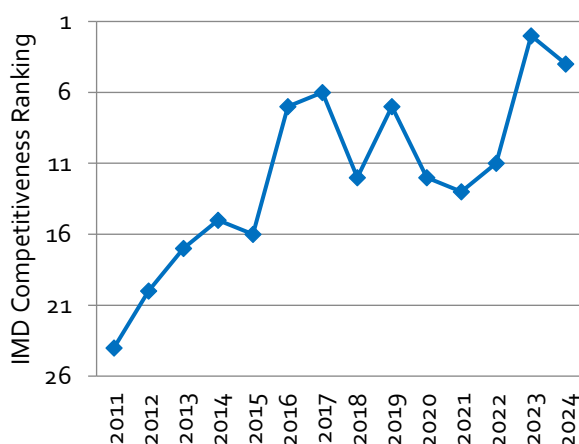
## Chapter 7: International Environment

There were no specific recommendations made between 2020 and 2023 (but a number of recommendations were made in the 2024 report) in relation to the *International Environment*. Although Ireland is seen as competitively strong (see figure 7.1 below), recent geo-political developments may have implications for the international competitiveness of the European Union and as result Ireland, in the future. The IMD's World Competitiveness Yearbook 2024 ranks Ireland as the most competitive country in the euro area and the 4th most competitive economy in the world (out of 60 countries)<sup>46</sup>. Figure 7.1 also shows that Ireland has consistently been placed in the top 20 most competitive economies globally since 2012.

Figure 7.2 highlights that last year's decline in Ireland's overall ranking is largely due to a fall under the category of *Economic Performance*<sup>47</sup>. Ireland's ranking for this category dropped to 10th (down from 1st in 2023). Ireland continues to perform strongly across *Government Efficiency* (6th) and *Business Efficiency* (3rd). Our performance under the *Infrastructure* (17th) category, however, continues to lag compared to other areas. This has been the case since 2014.

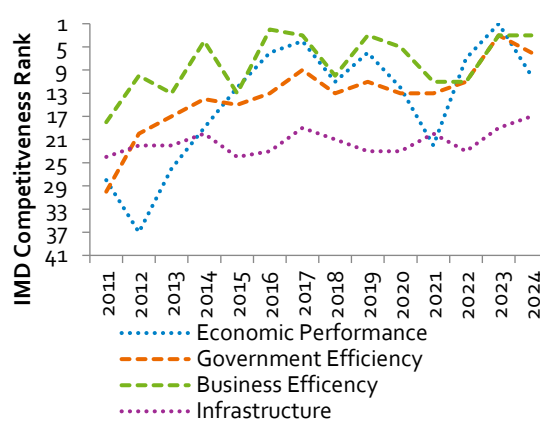
Figure 7.3a below demonstrates a breakdown for the sub-pillar of *Basic Infrastructure* (where Ireland ranks at only 38<sup>th</sup> place). This indicates that Ireland ranks relatively poorly in terms of energy infrastructure and indigenous energy production, albeit that we do better in terms of air transport and water resources. For the sub-pillar of *Scientific Infrastructure*, Ireland ranks in 38<sup>th</sup> place. Figure 7.3b demonstrates that Ireland ranks relatively poorly in terms of total expenditure on R&D<sup>48</sup>, total R&D personnel, and the grant of patents as well as the publication of scientific journal articles. Ireland has better rankings in the areas of knowledge transfer and intellectual property rights.

Figure 7.1: IMD Competitiveness Rankings 2011-2024



Source: IMD

Figure 7.2: Ireland's Ranking across Four Pillars 2011-2024



Source: IMD

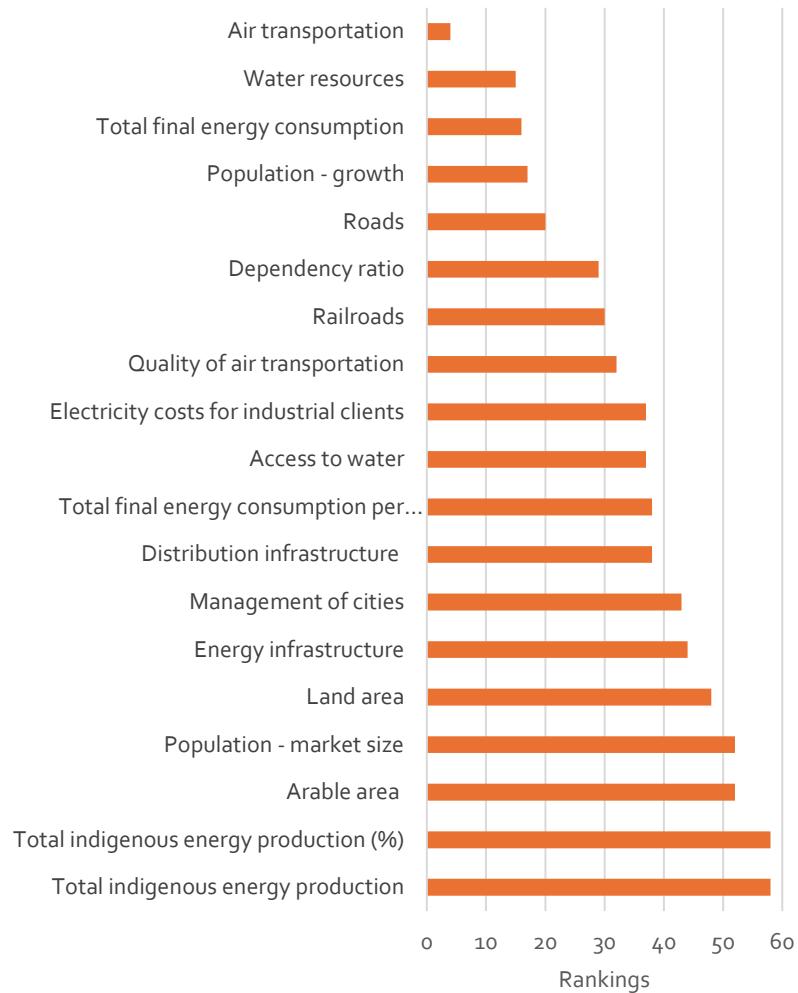
<sup>46</sup> An important caveat here is that many of the metrics presented are derived using GDP.

<sup>47</sup> This covers five 'sub-factors': Domestic Economy, International Trade, International Investment, Employment, and Prices. Under Domestic Economy (incl. real GDP growth), Ireland fell from 1<sup>st</sup> in 2023 to 19<sup>th</sup> in 2024.

<sup>48</sup> An important caveat here relates to the comparability of certain metrics. This is a topic that the Council has recently examined, particularly with regard to Human Capital and Research (under the Global Innovation Index): [EconStor: Re-estimating Ireland's International Innovation Performance](#)

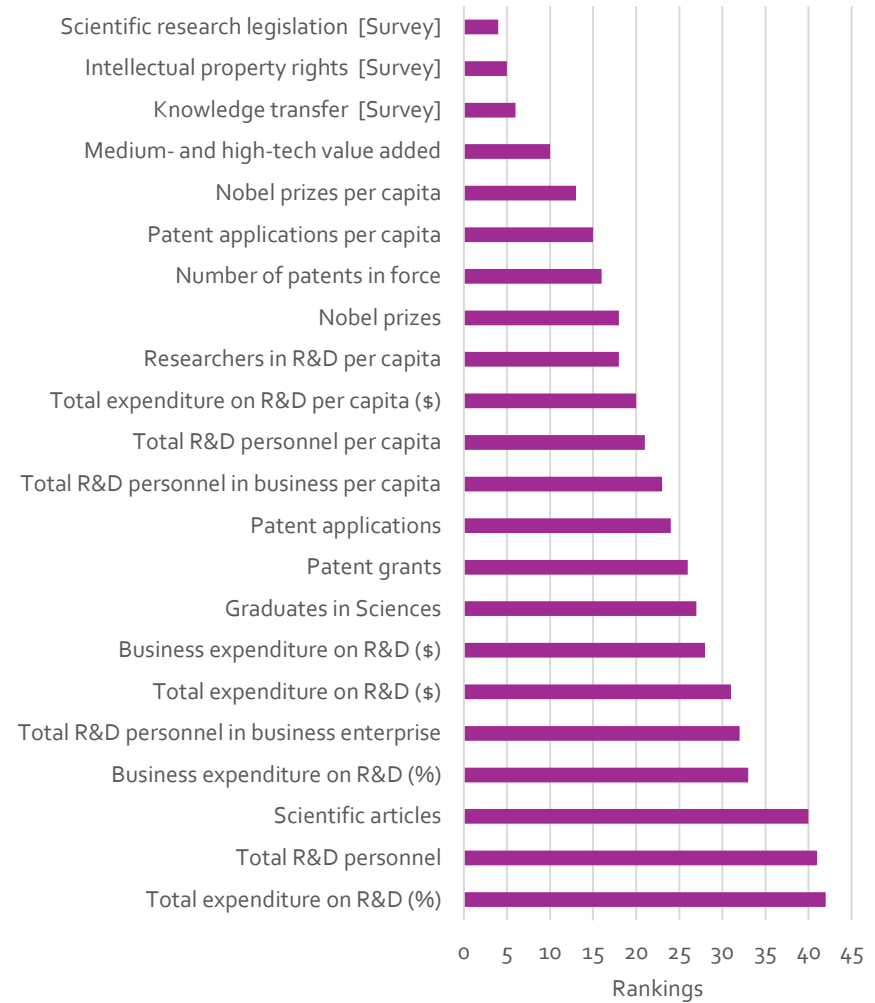


Figure 7.3a **Infrastructure** – sub-pillar of **Basic Infrastructure**, Ireland 2024



Source: IMD

Figure 7.3b **Infrastructure** – sub-pillar of **Scientific Infrastructure**, Ireland 2024



Source: IMD

In addition, the Communication from the European Commission in March 2023 brought the topic of competitiveness back onto the European agenda, and the recent report from Enrico Letta on the Single Market (published in April 2024)<sup>49</sup>, and the report on the future of EU Competitiveness from Mario Draghi (published in September 2024)<sup>50</sup> have seen it feature much more heavily in discourse. While the international environment will impact on Ireland's competitive position, its domestic actions will be important determinants of Ireland's competitiveness into the future. In September 2024, the Taoiseach at the time hosted a Competitiveness Summit to address key challenges to Ireland's international competitiveness, focusing on reducing regulatory burdens, improving strategic infrastructure delivery, and promoting domestic market competition<sup>51</sup>. Following this, a series of policy decisions were made in these areas to enhance competitiveness.

The Government has also committed in its new Programme for Government, *Securing Ireland's Future*, a new whole of Government Action Plan for Competitiveness and Productivity by January 2026. This aims to cover industrial policy, reducing the cost and regulatory burden on business, investing in infrastructure, digital regulation and reform, energy reform, international trade and research and development, and innovation<sup>52</sup>. In addition, the Government will publish Enterprise 2035 as a long-term ambition for enterprise growth and job creation over the coming decade as well as assessing all elements of labour market policy that impact on the viability of SMEs, amongst some other actions.

It is relevant to mention that the latest *Challenge 2024* report has included a number of recommendations in relation to *International Environment*. The Council proposed actions in terms of how Ireland engages with the EU with a focus on utilising the potential of the European Single Market and how Ireland might best position itself in changing global environment. The Council will continue making necessary recommendations in this area going forward to enhance Ireland's competitiveness and productivity performance in an increasingly competitive international environment and a global economy that is subject to a great deal of disruption and uncertainty.

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<sup>49</sup> [Enrico Letta - Much more than a market \(April 2024\)](#)

<sup>50</sup> [EU competitiveness: Looking ahead - European Commission](#)

<sup>51</sup> [NCPC Chair attends the Competitiveness Summit - Competitiveness](#)

<sup>52</sup> [Programme for Government - Securing Ireland's Future.pdf](#)

## Chapter 8: Conclusion

This is the first review by the Council to consider the degree of progress made by Government on delivering on each of the Council's recommendations – focusing on *Challenge* reports from 2020 to 2023 – and categorising these as 'actions taken' or as being 'in progress'. The review has not identified any case where there has been 'no substantial progress made' with regard to a given recommendation. It should be noted that the review does not attempt to draw out a causal link between the Council having made a recommendation and being progress having been made in that space but rather seeks to see how Government has delivered. The Council is aware that in the Irish policy sphere, it is only one among a diverse range of stakeholders.

The Council welcomes Government's prompt formal response each year to recommendations made in the annual reports. This retrospective review suggests that Government has made substantial progress on 45 recommendations out of the total of 79. For the other 34 recommendations, however, these still require further progress to be made and, in many cases, these are areas which have been consistently highlighted by the Council over the four years. It is also important to note that the nature of competitiveness, requires persistent action over a number of years with the impacts only becoming evident over time.

The Council will continue making necessary recommendations to maintain and enhance Ireland's competitiveness and productivity performance in an increasingly competitive international environment. Domestic actions will be important determinants of Ireland's competitiveness into the future. The Government has committed to hosting an annual Competitiveness Summit which will improve the engagement with the Taoiseach, the Tánaiste and Ministers across Government on the competitiveness developments. This will help ensure that the Council's recommendations made in each annual reports are considered carefully and acted upon in a timely way.

Furthermore, the new Programme for Government includes several actions which aim to improve competitiveness and productivity of the domestic and international businesses in Ireland. For instance, the Government will aim to publish a new action plan within twelve months which will aim to make Ireland the most supportive environment for indigenous business and the most attractive location for startups and foreign investment. The Government will also publish Enterprise 2035 as a long-term ambition for enterprise growth and job creation over the coming decade as well as assessing all elements of labour market policy that impact on the viability of SMEs, amongst some other actions.

The insights gained in this review will ensure that recommendations continue to drive impactful policy action. It will also support any future analysis of the Council recommendations by providing a blueprint of how recommendations might be considered and any changes in the degree of progress made. The retrospective review will also inform the Council in making any future recommendations by highlighting where the issues still persist and where the Council might need to restate a point of view made in terms of implications for competitiveness and productivity in Ireland.

## Annex

### A full list of NCP recommendations by year and report chapter, 2020 to 2023

#### 2020

##### **Chapter 2: Support Ireland's Workers and Leverage Opportunities for Upskilling**

1. Recommendation 2.1: Strengthen supports for Jobseekers

- (i) Publish the evaluation of the JobPlus programme and ensure that the programme provides an effective response in the context of the COVID-19 labour market conditions.
- (ii) Increase the capacity of the Intreo Public Employment Service to provide additional case officers for job search and employment supports to jobseekers.

Responsibility: Department of Social Protection

2. Recommendation 2.2: Intensify efforts to boost high-level ICT graduate output from the education and training system, in line with the target (70% of annual expected demand) set out in *Technology Skills 2022*. Publish a *Technology Skills 2022* interim progress report.

Responsibility: Department of Further and Higher Education, Research, Innovation and Science; Higher Education Authority; SOLAS; Skillnet Ireland

3. Recommendation 2.3: Deliver on the Future Jobs Ireland target of bringing the proportion of workers with basic digital skills in Ireland at least in line with or above the EU average by 2025 (EU 2025 target: 70%).

Responsibility: Department of Further and Higher Education, Research, Innovation and Science; SOLAS

4. Recommendation 2.4: Address the lack of awareness among SME managers of the range of management development opportunities and supports currently available.

Responsibility: Department of Enterprise, Trade and Employment; Department of Further and Higher Education, Research, Innovation and Science; Skillnet Ireland; Enterprise Ireland; Local Enterprise Offices; SOLAS; Higher Education Authority; Business representative bodies

5. Recommendation 2.5: Increase active cooperation at an operational level between management training providers, with a focus on sharing data, knowledge and good practice, to ensure the coherence and effectiveness of the overall training offer from the perspective of training participants.

Responsibility: Department of Further and Higher Education, Research, Innovation and Science; Skillnet Ireland; SOLAS; Education and Training Boards; Higher Education Authority; Enterprise Ireland; Local Enterprise Offices; Private providers

6. Recommendation 2.6: Address the demand for skills arising from the COVID-19 pandemic

- a. Publish the findings from the COVID-19 Industry Insights Series outlining the skills needs of enterprises in the context of COVID-19 labour market conditions.
- b. Examine the ongoing impact of COVID-19 on SMEs and engage with other enterprise agencies and industry bodies to design targeted industry-led responses to meet business needs in sectors severely impacted by the enterprise and labour market challenges posed by COVID-19.

Responsibility: Department of Further and Higher Education, Research, Innovation and Science; Skillnet Ireland

### ***Chapter 3: Address Climate Action in a Competitiveness Context***

7. Recommendation 3.1: Undertake research with close engagement with businesses and key stakeholders, to identify a range of CO<sub>2</sub> abatement opportunities and technologies, by company size and sector, that would enable businesses to decarbonise in line with Ireland's national targets.

Responsibility: Department of Enterprise, Trade and Employment; Enterprise Ireland; IDA Ireland; Sustainable Energy Authority of Ireland

8. Recommendation 3.2: Assess the carbon mitigation incentives and supports available to enterprises to determine whether they are fit for purpose in achieving Ireland's climate targets and identify areas where further intervention is needed to support companies to decarbonise.

Responsibility: Department of Environment, Climate and Communications; Department of Enterprise, Trade and Employment; Sustainable Energy Authority of Ireland; Enterprise Ireland; IDA Ireland

9. Recommendation 3.3: Establish a one-stop-shop environmental hub and website that would allow businesses to assess their carbon footprint and access information on the supports available to help them to decarbonise.

Responsibility: Department of Enterprise, Trade and Employment; Department of Environment, Climate and Communications; Enterprise Ireland; IDA Ireland; Sustainable Energy Authority of Ireland; Irish Water; Environmental Protection Agency

10. Recommendation 3.4: Decarbonise the gas network

- (i) Provide a clear policy signal, as part of Ireland's Long-Term Strategy, that the gas network will be carbon neutral by 2050.
- (ii) Develop a pathway of the steps that need to be taken to 2050 to decarbonise the gas network. This should include an early and detailed assessment of future policy options and cost-efficient renewable energy sources that can be used, with prioritisation for 'no regrets' investments in Ireland's energy infrastructure.

Responsibility: Department of Environment, Climate and Communications

### ***Chapter 4: Invest Strategically in Ireland's Physical Infrastructure***

11. Recommendation 4.1: Provide supports such as resource packs and templates to complement the updated Public Spending Code and support public bodies in meeting their requirements in evaluating, planning and managing public investments.

Responsibility: Department of Public Expenditure and Reform

12. Recommendation 4.2: Challenge regions and cities to learn from best practice across the country on ways to maximise efficiency in order to improve the business environment for local enterprises.

Responsibility: Department of Housing, Heritage and Local Government; Regional Assemblies; Local Authorities

13. Recommendation 4.3: Complete a comprehensive mapping exercise of the types and capacity of remote working facilities currently available in order to identify where gaps exist to meet local and regional business needs. Create a single classification, website and central directory to inform individuals and enterprises of the facilities available in their locality.

Responsibility: Western Development Commission; Department of Rural and Community Development; Department of Housing, Heritage and Local Government; Department of Enterprise, Trade and Employment; Department of Environment, Climate and Communications; Local Authorities

14. Recommendation 4.4: Prioritise the roll-out of better and greener transport links so that traffic gridlock is avoided when the economic recovery gathers pace and more people return to work.

Responsibility: Department of Transport; Department of Environment, Climate and Communications

15. Recommendation 4.5: Establish the proposed Commission on Housing without delay and ensure it has sufficient resources to deliver on its work.

Responsibility: Department of Housing, Heritage and Local Government

### **Chapter 5: Resolve Long-Standing Issues**

16. Recommendation 5.1: Ensure that SMEs are aware of the financing options available to them by progressing the launch of the Business Finance Advisory Hub that should signpost learning options for SMEs to improve financial knowledge.

Responsibility: Department of Enterprise, Trade and Employment

17. Recommendation 5.2: Personal Injuries Guidelines

- (i) Adopt Guidelines on Personal Injuries.

Responsibility: Judicial Council (PIGC)

- (ii) Monitor the use of these Guidelines and their impact on award levels, and ultimately on the cost of insurance.

Responsibility: Department of Justice

18. Recommendation 5.3: Take action to bring **legal costs** for businesses into line with other common law jurisdictions and improve access to justice, primarily by implementing the recommendations of the Review of the Administration of Civil Justice Group.

Responsibility: Department of Justice

19. Recommendation 5.4: Prioritise the implementation of the proposed actions designed to make housing and renting more affordable as outlined in the Programme for Government and periodically review the effectiveness of these measures to determine whether they are sufficient or need modification.

Responsibility: Department of Housing, Heritage and Local Government

20. Recommendation 5.5: Make **childcare costs** more affordable by adopting the recommendations from the Expert Group currently examining the funding model that will allow for the delivery of accessible, affordable, high-quality childcare. Prioritise the implementation of other actions set out in the PfG designed to make high-quality early learning and care and school-age childcare more accessible and affordable.

Responsibility: Department of Children, Disability, Equality and Integration

## **2021**

### **Chapter 1: Immediate Issues Facing the Irish Economy**

21. Recommendation 1.1: Ensure that small and micro enterprises are provided with accessible information on the options available to them under the *Small Companies Administrative Rescue Process* so that levels of uptake are such that viable firms are not needlessly liquidated, with a consequent loss of jobs.

Responsibility: Department of Enterprise, Trade and Employment

### **Chapter 2: Dynamic Business Environment**

22. Recommendation 2.1: Assess the feasibility of lowering **legal costs**, from the introduction of a scale of legal costs, by publishing an assessment of this option.

Responsibility: Department of Justice

23. Recommendation 2.2: Review the early impact of the Personal Injuries Guidelines to establish whether they are having the desired impact on award levels and publish the findings of the review.

Responsibility: Department of Justice

24. Recommendation 2.3: Ensure that sufficient resources are committed to the review of the Irish banking sector and that any actions identified to improve competition in the provision of SME credit are implemented as a matter of urgency.

Responsibility: Department of Finance

25. Recommendation 2.4: Review the Future Growth Loan Scheme by Q3 2022 and take on board findings in the design of future loan schemes as a priority.

Responsibility: Department of Enterprise, Trade and Employment

26. Recommendation 2.5: Improve social protections for Irish workers by publishing and enacting the Sick Leave Bill 2021 in the current Dáil term.

Responsibility: Department of Enterprise, Trade and Employment

### **Chapter 3: Boosting Productivity**

27. Recommendation 3.1: Establish a research programme and collate supporting datasets to assess the driving factors behind productivity differentials amongst firms, and particularly indigenous firms, in order to build a broad evidence-base for further enterprise policy intervention.

Responsibility: Department of Enterprise, Trade and Employment

28. Recommendation 3.2: Expedite the drafting of new legislation on the Right to Request Remote Working in the current Dáil term that ensures that workers are treated fairly and that enterprises do not face an undue burden, so that the positive momentum of increased flexible working will continue post-pandemic.

Responsibility: Department of Enterprise, Trade and Employment

29. Recommendation 3.3: Ensure that working from home possibilities are enhanced by simplifying the process for claiming expenses and clarifying the calculation of expenses (broadband/heat/etc.) that may be claimed.

Responsibility: Department of Finance

30. Recommendation 3.4: To increase certainty for individuals and businesses, publish a timetable that shows how the National Broadband Plan rollout is being brought back on track as a matter of priority and develop adequate contingency planning to ensure that further delays are avoided.

Responsibility: Department of the Environment, Climate and Communications; Department of Rural and Community Development

31. Recommendation 3.5: Ensure that the training and upskilling initiatives identified in the Economic Recovery Plan and the National Recovery and Resilience Plan are fully implemented and adequately resourced in order to ensure that workers have the appropriate skills, including digital skills, to be fully adaptable to the future world of work.

Responsibility: Department of Further and Higher Education, Research, Innovation and Science

32. Recommendation 3.6: Ensure that the EGFSN Implementation Group responsible for delivering the recommendations identified in *Leading the Way* carefully monitor and report on the delivery of the agreed actions, so that SME managers are equipped with the necessary skills to navigate the post-pandemic recovery and more widespread flexible working.

Responsibility: Department of Enterprise, Trade and Employment; Expert Group on Future Skills Needs

33. Recommendation 3.7: Publish the successor strategy to *Innovation 2020* by end-2021 that will articulate the steps required to make Ireland a Global Innovation Leader, while ensuring research, development and innovation activities are aligned with public policy goals.

Responsibility: Department of Further and Higher Education, Research, Innovation and Science

#### ***Chapter 4: Infrastructure for a New Way of Living***

34. Recommendation 4.1: The Housing for All governance and reporting groups should identify the priority actions that will be targeted in the immediate term, so that the appropriate sequencing of interventions can be established and resources urgently directed to the areas where real change can be delivered.

Responsibility: Department of Housing, Local Government and Heritage

35. Recommendation 4.2: Establish reporting mechanisms and evaluation procedures so that the impact of housing market interventions can be closely monitored and schemes can be adjusted if market distortions arise.

Responsibility: Department of Housing, Local Government and Heritage

36. Recommendation 4.3: Ensure that the planning authorities are sufficiently resourced, with appropriate training and accumulation of expertise, to accommodate each stage of the new Large-Scale Residential Developments approval process, so that the approval process for housing and other critical social and physical infrastructure is not delayed.

Responsibility: Department of Housing, Local Government and Heritage; Local Authorities

37. Recommendation 4.4: Make **childcare costs** more affordable by adopting the recommendations from the Expert Group currently examining the funding model that will allow for the delivery of accessible, affordable, high-quality, sustainable ELC and SAC services following the publication of the report in Q4 2021.

Responsibility: Department of Children, Equality, Disability, Integration and Youth

#### ***Chapter 5: A Sustainable and Inclusive Economy***

38. Recommendation 5.1: Undertake research on the interaction between competitiveness and measures to address climate change with the aim of ensuring that Ireland improves competitiveness and productivity while simultaneously achieving emission reduction targets.

Responsibility: Department of Enterprise, Trade and Employment

39. Recommendation 5.2: Make substantial and sustained progress on the actions set out in the Climate Action Plan when it is published.

Responsibility: All Government Departments

40. Recommendation 5.3: Ensuring the work of the Commission on Taxation and Welfare has a focus on making Ireland's tax and welfare model fit-for-purpose in the 21st century.

Responsibility: Department of Finance; Department of Social Protection

## **2022**

#### ***Chapter 1: Immediate Issues Facing the Irish Economy***

41. 2022 Recommendation 1.1: Policymakers must ensure that any policy responses to international inflation do not embed inflationary expectations into the domestic economy which will undermine Ireland's competitiveness.

Responsibility: Whole of Government



42. Recommendation 1.2: As COVID-19 related supports have been withdrawn, any future scheme(s) should be targeted in such a way as to avoid distorting the redistribution of labour or capital in the economy.

Responsibility: Department of Finance, Department of Public Expenditure and Reform, Department of Enterprise, Trade and Employment

43. Recommendation 1.3: In light of the Summer Economic Statement, the NCPC recommends that any additional expenditure is targeted on productive spending that will reduce bottlenecks and foster growth and employment, and on highly targeted supports to assist those most affected by the increased energy and food prices.

Responsibility: Department of Finance

44. Recommendation 1.4: The NCPC recommends that the actions put forward by the Commission on Taxation and Welfare are immediately addressed, with a view to Ireland having a tax and social protection system that enhances economic potential and promotes quality employment so that living standards and quality of life improve for all of society.

Responsibility: Department of Finance

### **Chapter 2: Boosting Productivity**

45. Recommendation 2.1: The NCPC recommends that the required resources are immediately devoted to implement systematically the *Harnessing Digital* strategy, with annual reporting on progress made and transparent identification of all barriers to progressing the implementation process.

Responsibility: Department of the Taoiseach, Department of Enterprise, Trade and Employment, IDA Ireland, Enterprise Ireland, Local Enterprise Offices

46. Recommendation 2.2: The NCPC recommends 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.

Responsibility: Department of Enterprise, Trade and Employment, IDA Ireland, Enterprise Ireland, Local Enterprise Offices

47. Recommendation 2.3: The NCPC recommends that, in order to secure Ireland's position as a strong innovator, the Government should ensure that:

- (i) the Impact 2030 strategy is implemented without delay and progress on targets is monitored on an annual basis;
- (ii) the Research Bill is passed without delay and that the new research and innovation funding agency is established with some urgency to drive and fund research, particularly interdisciplinary research.

Responsibility: Department of Further and Higher Education, Research, Innovation and Science

### **Chapter 3: Enhancing Labour Market Performance**

48. Recommendation 3.1: The NCPC recommends that resources under *Pathways to Work 2021-2025* which are no longer required to deal with COVID-19 labour market recovery schemes are focused towards:

- (i) Increasing the digital skills of the labour force which are not adequate to the rapidly changing digital environment,
- (ii) Developing measures that will increase labour force participation amongst currently underrepresented groups, and
- (iii) Continuing to roll-out engagement programmes through INTREO targeting specific cohorts, including 'returners', (for example, Job Fairs) to re-engage those currently outside the labour force, with a focus on job and skills-matching.

- (iv) Increasing outreach for skilled labour beyond the EU/EEA through INTREO by considering rolling out programmes to target potential pools of skilled labour in identified areas and countries.

Responsibility: Department of Social Protection, Department of Further and Higher Education, Research, Innovation and Science

49. 2022 Recommendation 3.2: The NCPC recommends that to increase participation of people with disabilities and older people in the labour force:

- (i) Finalise Final Action Plan of the CES and combine into one single strategy with the successor strategy of the NDIS, and
- (ii) Continue to examine ways to improve the coordination of policy across Government departments.

Responsibility: Department of Children, Equality, Disability, Integration and Youth, Department of Further and Higher Education, Innovation and Science, Department of Enterprise, Trade and Employment, Department of Health, Department of Social Protection

50. Recommendation 3.3: The NCPC recommends that the relevant entities lead, develop and implement a coherent plan to address the recommendations assigned by the EGFSN in their *AI Skills* report to support the digital transition.

Responsibility: Department of Enterprise, Trade, and Employment, Department of Further and Higher Education, Research, Innovation and Science, Department of Public Expenditure and Reform, Further Education and Training and Higher Education Providers, Department of Education, Industry and other stakeholders

51. Recommendation 3.4: The NCPC recommends that the relevant entities lead, develop and implement a coherent plan to address the recommendations assigned by the EGFSN in their Skills for Zero Carbon report to support the climate transition.

Responsibility: Department of Enterprise, Trade, and Employment, Department of Environment, Climate and Communications, Department of Further and Higher Education, Research, Innovation and Science, Department of Housing, Local Government and Heritage, Department of Agriculture, Food and the Marine, Department of Social Protection, Department of Public Expenditure and Reform, Further Education and Training and Higher Education Providers, Department of Education, Industry and other stakeholders

52. Recommendation 3.5: The NCPC recommends that the *Action Plan for Apprenticeship 2021-2025* adopted by Government is implemented quickly and in full in order to deliver a modern apprenticeship system with expanded programme options and increased take-up.

Responsibility: Department of Further and Higher Education, Research, Innovation and Science

53. Recommendation 3.6: The NCPC recommends a comprehensive, independent evaluation be commissioned and published of the combined impact of the measures proposed to improve working conditions in Ireland, within a comparative EU framework, by 2023 Q4.

Responsibility: Department of Enterprise, Trade and Employment, Department of Social Protection

#### **Chapter 4: Infrastructure Investment for a Better Future**

54. Recommendation 4.1: The NCPC recommends

- (i) Continued focus on monitoring and resourcing of, initiatives such as the new Construction Technology Centre, the MMC Demonstration Park and the Build Digital project, to increase innovation that will contribute to productivity and quality improvements in the construction sector.
- (ii) Ensuring the upskilling of construction workers with the skills relating to Modern Methods of Construction to enable the sector to meet its targets as set out under HFA, NDP and CAP; and that this sectoral upskilling is monitored.

Responsibility: Department of Further and Higher Education, Research, Innovation and Science; Department of Housing, Local Government and Heritage; Department of Enterprise, Trade and Employment

55. Recommendation 4.2: The NCPC recommends that

- (i) Arrangements are put in place in 2022 to ensure immediate implementation of the recommendations from the Attorney General's review of the planning code in a systematic and timely manner.
- (ii) The new planning and environmental division of the High Court is established as a priority, and that it is appropriately resourced to reduce the delays inherent in the current planning system, with specialist training and support being provided for the judges appointed to this new division.
- (iii) An immediate investigation is undertaken to ensure proper resourcing of planning authorities to ensure that they are not a constraint on the meeting the Government's infrastructure targets

Responsibility: Department of Housing, Local Government and Heritage; Department of Justice

56. Recommendation 4.3: The NCPC recommends

- (i) Identifying ways to facilitate greater investment in, and more rapid delivery of, green energy generation capacity. This includes examining any potential blockages and sources of delay, so that Ireland can achieve the targets set under Climate Action Plan 2021.
- (ii) A critical examination be taken of the full regulatory process in relation to the delivery of strategic energy infrastructure to identify delays in the system which undermine efforts to establish a more secure energy supply through decarbonising Ireland's electricity network.
- (iii) Ongoing consideration of energy storage solutions in providing a secure supply of energy to Irish businesses and households.

Responsibility: Department of Environment, Climate and Communications; Department of Housing, Local Government and Heritage

57. Recommendation 4.4: The NCPC recommends that

- (i) The reasons for ongoing delays in the delivery of water and wastewater infrastructure are investigated, and
- (ii) actions are taken to remove the identified barriers to efficient delivery of a robust and efficient public utility for water and wastewater.

Responsibility: Department of Housing, Local Government and Heritage

### ***Chapter 5: Managing the Costs of Doing Business***

58. Recommendation 5.1: The NCPC recommends that the agreed recommendations made by the Retail Banking Review are implemented swiftly.

Responsibility: Department of Finance

59. Recommendation 5.2: The NCPC recommends that:

- (i) As the tapering of government supports to businesses continues, ensure that firms are made aware of the financing options available to them.
- (ii) As FGLS has expired, CCGS closed on 30 June 2022 and BILS expires in December 2022, consider the implementation of a new State backed SME loan scheme in 2023, should the need and demand arise.

Responsibility: Department of Enterprise, Trade and Employment

60. Recommendation 5.3: The NCPC recommends that:

- (i) The CSO continue to expand the SPPI survey with a strong focus on developing granular sectoral data in order to measure services prices.

Responsibility: Central Statistics Office

- (ii) The Department of Justice proceed to the immediate implementation of the findings from The Review of the Administration of Civil Justice

Responsibility: Department of Justice

**2023**

### ***Chapter 1: Immediate Issues Facing the Irish Economy***

61. 2023 Recommendation 1.1: The NCPC recommends that the CCPC:

- (i) undertakes additional analysis of local level competition; and
- (ii) conducts more high-level targeted market studies, to better understand the degree to which competition within selected sectors is effective.

Responsibility: Department of Enterprise, Trade and Employment; Competition and Consumer Protection Commission

62. Recommendation 1.2: The NCPC recommends that, given the recent fall in labour market participation by older males with lower levels of education, a specific focus on reengaging this cohort by rolling out engagement programmes through INTREO should be introduced in order to boost participation.

Responsibility: Department of Social Protection; Department of Further and Higher Education, Research, Innovation and Science

### ***Chapter 2: Cost of Doing Business in Ireland***

63. Recommendation 2.1: The NCPC recommends that the recommendations from the Retail Banking Review are addressed as a matter of priority, by all responsible parties.

Responsibility: Department of Finance; Central Bank of Ireland; CCPC; Retail Banking Sector

64. Recommendation 2.2: The NCPC recommends that:

- (i) the report commissioned by the Department of Justice to carry out an economic analysis of models or approaches to reducing litigation costs is published, and that its findings are progressed as a priority;
- (ii) the CSO continues to expand the SPPI survey with a specific focus on developing a more granular sectoral dataset with respect to legal services on a scale that is statistically robust; and
- (iii) the longstanding recommendation for the provision of a specialist conveyancer profession be implemented in the context of reforms on the digitalisation of conveyancing that will enhance efficiency and competition in legal services.

Responsibility: Department of Justice; Central Statistics Office

### **Chapter 3: Infrastructure – Planning, Development and Delivery**

65. Recommendation 3.1: The NCPC recommends that the Draft Planning and Development Bill 2022 is progressed and enacted without delay.

Responsibility: Department of Housing, Local Government and Heritage

66. Recommendation 3.2: To speed up the delivery of housing supply, the NCPC recommends:

- (i) the accelerated implementation of Housing for All, with a particular emphasis on tackling the viability challenge; and
- (ii) increased emphasis on driving innovation and productivity through Modern Methods of Construction (MMC), by monitoring and reporting on progress of the Roadmap for increased adoption of Modern Methods of Construction (MMC) in Public Housing Delivery.

Responsibility: Department of Housing, Local Government and Heritage; Department of Enterprise, Trade and Employment

67. Recommendation 3.3: To adequately prepare and plan for the development of Ireland's economy, the NCPC recommends that detailed demographic analyses of the Census 2022 results, with a particular focus on the future composition of housing demand in Ireland, is undertaken to inform the First Revision of the National Planning Framework.

Responsibility: Department of Housing, Local Government and Heritage

68. Recommendation 3.4: To improve delivery of water and wastewater infrastructure, the NCPC recommends that there should be increased effort and innovation in Uisce Éireann's project management capability and delivery processes in order to meet important targets in its operations.

Responsibility: Department of Housing, Local Government and Heritage

69. Recommendation 3.5: To increase the capability of the construction sector to deliver on Ireland's infrastructural commitments, the NCPC recommends that, in line with the recommendations as outlined in the OECD's review of Ireland's National Skill Strategy, the Government should promote and strengthen pathways from schools into further education and training and apprenticeships, particularly in relation to the construction sector.

Responsibility: Department of Further and Higher Education, Research, Innovation and Science

#### ***Chapter 4: Energy: generation, consumption and costs***

70. Recommendation 4.1: The NCPC recommends that the Government

- (i) Closely monitor the uptake by enterprise, and in particular that of small firms, of micro-generation support and efficiency schemes - with the view to ensuring targets are reached with potential to review scheme arrangements if uptake is below target.
- (ii) Generate a profile of firms availing of micro-generation and efficiency support schemes in order to better target sectors and firms which are not availing of supports.

Responsibility: Department of the Environment, Climate and Communications

71. Recommendation 4.2: The NCPC recommends that the Government should continue its efforts to deliver offshore wind infrastructure at significant scale, in order to increase the cost competitiveness of Ireland's renewable energy.

Responsibility: Department of the Environment, Climate and Communications; Department of Enterprise, Trade and Employment

72. Recommendation 4.3: The NCPC recommends that the Government:

- (i) Ensures sufficient resourcing within the planning system to minimise delay of energy infrastructure; and
- (ii) Monitors resourcing and considers active international recruitment for specific planning and related skills in light of domestic labour market tightness.

Responsibility: Department of the Environment, Climate and Communications; Department of Housing, Local Government and Heritage; Department of Further and Higher Education, Research, Innovation and Science

### **Chapter 6: Enablers of Productivity – Research, Development, and Innovation**

73. Recommendation 6.1: The Council recommends that obstacles impacting SME engagement with the R&D tax credit be reviewed, with amendments made to the design of the measure, as appropriate. This review should address:

- The benefits of the R&D tax credit by firm size and sector and analysis of the trends that have emerged regarding the profile of claimants and the primary cost drivers;
- The capacity to introduce a pre-approval mechanism for potential claimants of the R&D tax credit, the merits of this, and the potential resource implications; and,
- The scope for a recalibration of the R&D tax credit to support innovation as defined in line with the Oslo manual.

Responsibility: Department of Finance; Department of Enterprise, Trade and Employment; Office of the Revenue Commissioners

74. Recommendation 6.2: The Council recommends that further research be undertaken to provide a more robust view of Ireland’s performance across all dimensions of innovation. This should include:

(i) An assessment of Ireland’s performance on international indices such as the GII, having accounted for the impact of globalisation on Irish GDP, for example, through the use of alternative metrics where appropriate, such as GNI\*; and,

(ii) Engagement with international data providers, where required, to identify and address data gaps that may be undermining Ireland’s performance in international indices of innovation or the interpretation of this performance. This will provide a more robust evidence base on which to frame and develop innovation policy.

Responsibility: Department of Enterprise, Trade and Employment; Department of Further and Higher Education, Research, Innovation and Science

75. Recommendation 6.3: Recognising the key role that the security of digital systems will play in the adoption of digital technologies and the success of digitalisation more broadly, the Council recommends that:

- (i) The required supports be provided to the National Cyber Security Centre, to empower it to fulfil the expanded mandate set-out in the National Cyber Security Strategy; and,
- (ii) As a priority, Government should bring forward legislative proposals giving effect to the planned expansion of the NCSC and the establishment of the NCSC Advisory Council.

Responsibility: Department of Environment, Climate and Communications; National Cyber Security Centre

76. Recommendation 6.4: The Council recommends that outstanding actions set-out in the Government’s AI strategy, and the AI Skills report, be progressed as a priority, and, in support of this, the Council recommends the publication of targets and timelines for its implementation. In addition, the Council recommends that the required supports should be provided to facilitate rapid implementation of the AI Standards and Assurance Roadmap, with annual reporting on progress made.

Responsibility: Department of Enterprise, Trade and Employment; Department of Further and Higher Education, Research, Innovation and Science; Department of Public Expenditure, NDP Delivery, and Reform; National Standards Authority of Ireland

77. Recommendation 6.5: The Council recommends that the Government publish a comprehensive action plan for supporting the growth of Ireland’s quantum computing ecosystem, to be informed by international best practice, with specific priority actions and key delivery milestones. This action plan should:

- (i) Identify the infrastructural needs of Ireland’s quantum sector, including quantum hubs and open-access research facilities.

- (ii) Examine the skills needs of Ireland's quantum sector and consider the training programmes, including postgraduate courses, that will assist in meeting the long-term skills needs of the quantum sector.
- (iii) Consider policies that seek to attract specialist skillsets from abroad as well as inward investment by firms operating in the quantum sector.
- (iv) Identify existing funding vehicles and policy tools that could be leveraged in support of the development of Ireland's quantum sector, for example, the Irish Innovation Seed Fund, the Seed and Venture Capital Scheme, the Disruptive Technologies Innovation Fund, and the R&D tax credit.

Responsibility: Department of Further and Higher Education, Research, Innovation and Science; Department of Enterprise, Trade and Employment; National Standards Authority of Ireland

78. Recommendation 6.6: The Council recommends the adoption of a sector-specific approach to tackling the barriers to digitalisation faced by Irish enterprises, to be reinforced by the Government's existing *Harnessing Digital* framework. This approach should address:

- (i) The relatively low incidence of online or e-sales for smaller firms, and the fall in the share of expenditure on digitalisation for medium and large firms over 2019 to 2021;
- (ii) The low uptake of digital technologies for firms operating in the construction sector; and,
- (iii) Barriers relating to the broader digital infrastructure, including access to a skilled digital workforce, and barriers arising from the costs of finance, that may be prohibiting firms from investing in digitalisation.

Responsibility: Department of Enterprise, Trade and Employment

79. Recommendation 6.7: The Council recommends:

- (i) The Government should reform the National Training Fund (NTF) to better foster lifelong learning in workplaces in line with the recommendations outlined in the OECD's review of Ireland's National Skills Strategy.
- (ii) The Government should ensure that the NTF surplus is deployed to deliver training programmes that assist in meeting skills needs in the areas of the digital and green transitions, AI, and quantum computing.

Responsibility: Department of Further and Higher Education, Research, Innovation and Science; Department of Enterprise, Trade and Employment

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