Investment Reboot

Infrastructure for Better Lives & Better Business

Ibec Submission to the Mid-Term Review of the National Development Plan

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Executive summary

The Mid-Term review of the National Development Plan (NDP) comes at a critical time for the Irish economy and society. Although the initial plan was launched less than three years ago, it is clear that a number of factors, including the twin crises of Brexit and Covid, have significantly changed the policy landscape in the intervening period. The priorities for the remaining adjusted timeframe of the NDP out to 2030 therefore need to reflect these developments. Government must deliver a substantial increase in the resources available to ambitiously address the full scale of the investment challenge now facing the country. Ibec has used this review process to engage extensively across our membership, through our policy committees, trade associations and regions, and this submission reflects the full detail of that engagement.

Responding to seismic changes

The Mid-Term review must reflect the developments in the external environment since the NDP was originally launched and identify, resource and deliver solutions to address these new and emerging challenges. The following summarises the key changes to the external environment and how the revised NDP should address them:

- **Ensure that ambitious investment is central to the crisis recovery strategy:** While the plan for economic recovery must address multiple evolving aspects of both the Covid and Brexit crises, the experience of the past year has shown that Ireland now has unprecedented wealth-generating capacity to ambitiously resource this plan. A substantially enhanced and more ambitious NDP must therefore be central to the recovery strategy.
- **Reimagine our cities, towns and regions:** Covid has resulted in dramatic changes to how people live and work and many of these changes will ultimately become embedded in a ‘new normal’. The revised NDP must provide the tools to help reimagine and revitalise our cities and towns and maximise the new and unexpected employment and investment opportunities for our regions. Changes to ways of working are a potential game-changer in achieving the holy grail of more effective regional development; but this can only be achieved through targeted and ambitious investment, and in particular connectivity, across our regions.
- **Put quality of life at the top of the policy agenda:** The pandemic has resulted in a major reappraisal of individual and societal policy priorities. The role and scale of the State will be greater than before and addressing quality of life challenges in areas such as housing, environment, health, childcare and commuting will become a much more important factor in life satisfaction, and ultimately national competitiveness and prosperity.
- **Plan better to achieve increased ambition on climate change:** The scale of ambition on emissions reduction has been greatly enhanced at both the domestic and EU level since 2018, including through the Programme for Government. This greater ambition must now be translated into a detailed plan with costed climate change action and adequately resourced investment in the NDP.
- **Accelerate the delivery of the digital economy:** The adoption of digital technologies has accelerated rapidly since the start of the pandemic. The significance of critical digital infrastructure has therefore never been greater and is a priority area of further investment allocation. The NDP must support enhanced connectivity in infrastructure provision, including removing obstacles to the rapid delivery of the National Broadband

Plan and ensuring a supportive regulatory environment for the successful rollout of 5G. The NDP should engage and deepen our cybersecurity ecosystem and ensure that national cyber security capacities are adequately resourced.

> **Support the experience economy:** The experience economy of hospitality, travel and related industries has suffered the greatest economic cost in the crisis. Many businesses will unfortunately not reopen and thousands of jobs will be lost. The sector can reinvent itself, however, and new opportunities will emerge. The NDP has a key role to play in providing increased investment for product, skills, and marketing development for the renewal of the experience economy.

> **Prioritise our health and care sectors:** The crisis has shone a light on the implications for our economy and society of under-investment in our health, eldercare and childcare sectors. Healthcare investment priorities will include the rapid completion of ongoing projects such as the National Children's hospital, new investment in maternity and palliative care and the prioritisation of resourcing for mental health services. Sufficient resourcing of childcare and delivery of an integrated long-term care strategy must also be key elements of the review.

> **Upskill and get people back to work:** The crisis will leave significant scars in the labour market requiring increased levels of investment in all areas of upskilling, reskilling and labour market initiatives. The NDP review also provides a critical opportunity to address the long-term underfunding of higher education which continues to pose a significant threat to national economic competitiveness.

> **Strengthen innovation to address the competitiveness impacts of Brexit**: The most effective policy response to the competitiveness challenges posed by Brexit is to drive greater innovation intensity across the economy. For Ireland to become a strong R&D performer in international terms, public investment in innovation needs to increase by 70%. This investment also needs to be supported by a new multiannual programme in research infrastructure.

Other key priorities for the NDP review

In addition to addressing the issues identified above, the review must also deliver the following enhancements to the existing plan:

> **Increase the budget by €70 billion:** The policy ambition of world class public services and infrastructure and enhanced quality of life can only be achieved through a substantial increase in resourcing. For the revised NDP period out to 2030, the total budget should increase by circa €70 billion in order to maintain an investment target of 4% of national income. This target should be maintained over time in order to support a smooth and consistent public capital investment programme which can make significant progress in addressing Ireland's comparatively low level of public capital stock. The policy ambition to maintain a high level of investment should be supplemented by recognising an 'investment rule' within the fiscal rules.

> **Place greater emphasis on the Shared Island agenda and significantly increase the Shared Island fund to €5 billion:** The ringfencing of the Shared Island Fund in Budget 2021 was a significant development for investment in the all-island economy. Over the remaining NDP timeframe much more substantial funding of €5 billion will be required to address long-standing connectivity challenges and maximise the post Brexit opportunities for the all-island economy. The fund should place particular emphasis on building synergy with the city deal projects and the opportunities for the Dublin-Belfast economic corridor and the North West City Region. Brexit and implementation of the Protocol have significantly changed the dynamic and functioning of the all-island economy and the revised NDP must reflect that.

- **Maximise non-Exchequer financing opportunities:** Covid has led to a substantial increase in the financing options for investment projects, including greater EU funding, an expanded EIB lending capacity and intensified interest from private finance to fund long-term infrastructure projects. The NDP should set out an ambitious long-term pipeline of Public Private Partnership (PPP) projects which would develop a stronger interest amongst international project financers in Irish market opportunities. The NDP must also incentivise greater private sector investment in town and city centre renewal and should explore the opportunities of leveraging non-Exchequer financing opportunities through a model similar to the UK City Deals initiative.
- **Accelerate project delivery timelines:** For the NDP to achieve its purpose and realise a meaningful improvement in quality of life, investment projects must be delivered much more quickly. We believe that with the required changes to procurement, planning, compliance processes and project delivery mechanisms, project timescales could be reduced by up to 50%. The revised NDP should set out this bold ambition and a detailed plan to radically improve capital project delivery timelines.

1. The economic rationale for increased investment

The review of the National Development Plan comes at a crucial time for the country. The coming years will prove extremely challenging for the Irish economy and society. But with the right choices, those challenges can provide us with the opportunity to reimagine a stronger, more sustainable, and ultimately more competitive Ireland.

The need for public investment

The next ten years will see a transformation in the country. By 2030 there will be 1.1 million additional people on the island and more older citizens than ever. We have also set ambitious targets to decarbonise society and the economy, implement the National Planning Framework to re-balance regional growth, and encourage major changes in how people live and work, over the coming years. Whilst the short-term focus may be on the challenges and changes brought about by Covid-19 and Brexit, we must plan for these less dramatic but equally important long-term challenges which litter our country's path. We will not maximise the benefits of these significant changes without careful planning and significant investment.

The goal of economic recovery should not be simply a return to business as usual but rather should be taken as an opportunity to improve quality of life in Ireland, further the low carbon agenda and imagine a better future. Only through the co-benefits of this investment will we improve our long-term competitiveness. For example, breaking the link between economic growth and high emissions growth is vital to our long-term wellbeing and international competitiveness. It will incentivise the move to more efficient sources of energy, increase our capacity in growing sectors, and ultimately improve our energy security – all crucial elements of our competitiveness. The crisis has also shown us great examples of resilience and businesses adapting to challenging and rapidly changing circumstances. With the right supports, sustainability can be built firmly into our economic recovery.

All these challenges together mean that the ambition shown in capital spending plans of recent years must be continued and built on throughout the coming decade. Also, we must improve delivery, overcome planning obstacles, and ensure that growing spend translates to improved social and economic outcomes. The continued success of our growth model depends on it.

We are a country with a skilled population, global outlook, and a welcoming business environment, which sits at the core of one of the world's largest markets. Over the coming decade, we must make sure to build on these strengths. This means reimagining some of the ways we live and work to ensure that we continue to thrive regardless of the outside environment.

Ireland's great strength has always been an ability to provide certainty and to be adaptable as circumstances have changed. A major lesson for the business community globally over the past decade has been that the openness to trade, investment, and people which helps sustain our business models is contingent. It is contingent on making sure that the benefits of that openness deliver for all, that they provide improved livelihoods, a better quality of life in all regions, and a more sustainable way of life. The only way to deliver on these goals is to provide ongoing improvements in the capital infrastructure which defines our standard of living.

The fiscal backdrop

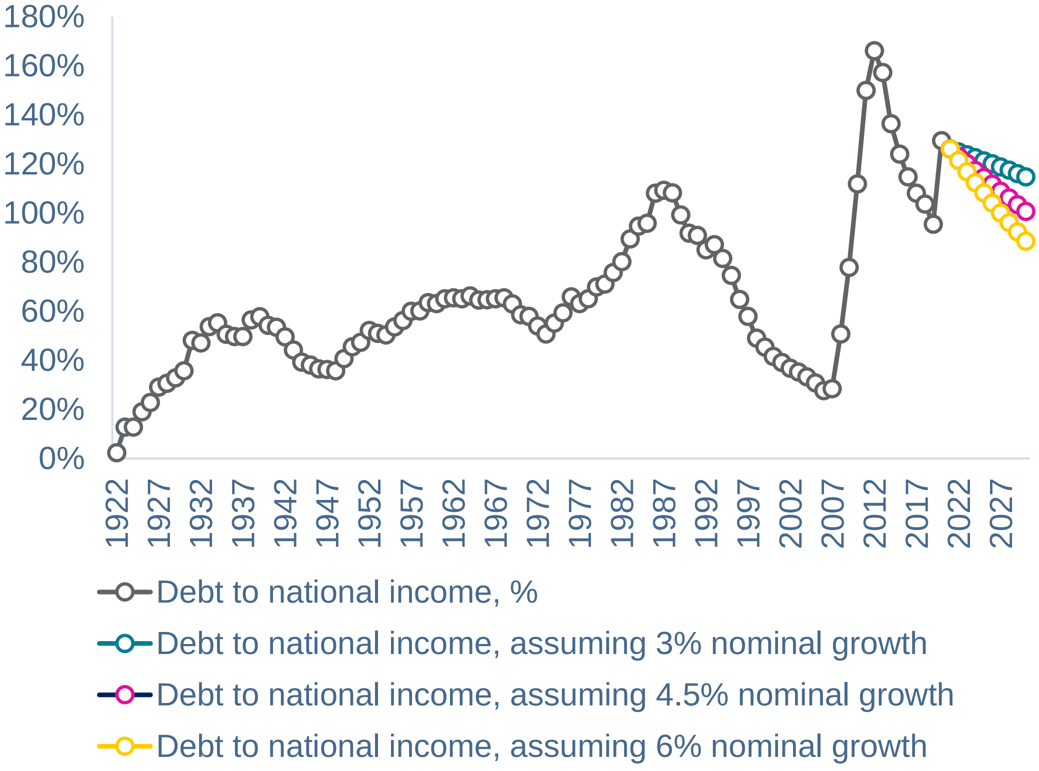
The resources directed toward Covid-19, Brexit, and the broader economic disruption will significantly increase our national debt and reduce our room to finance additional day-to-day spending without commensurate increases in new revenue streams over the coming years. In this context, new capital investment can be debt-financed, but targeting the right projects and delivering on time and on budget will be crucial.

Our expectation, in the event of a modest recovery and broad availability of a vaccine in late 2021, is that the budget deficit, which will hit €21 billion in 2020, would roughly halve to €10 billion in 2021 and again halve in 2022. By 2023 we would expect the deficit will be closed. This implies a total cumulative increase of circa €35 billion on the national debt in a moderate recovery scenario.

Low borrowing costs mean that this can be sustained in the medium-term if the growth path in the years of recovery is strong. A strong growth path is the best way to ensure the refinancing of debt is sustainable in the medium to long-term. But Ireland is now a developed country, our room for the 'catch-up' growth of previous decades is limited.

The renewal of economic progress can only be achieved through concrete policy action. This, in turn, requires that new resources be brought to bear on the effort to grow the economy. Ibec continues to believe that a capital investment target of 4% of national income is appropriate for an economy with our demographic and growth trajectory. We will, however, need to use our wealth wisely to help reframe our economy for the upcoming challenges.

Figure 1: Debt to national income - three different recovery scenarios



Source: Ibec calculations using data from the CSO (post 2000); Fitzgerald and Kenny (2018); and Gerlach and Stuart (2015)

Despite the symmetric and global nature of the Covid-19 shock helping to deliver record low-interest rates, sound fiscal policy will still mean better prioritisation of budgetary measures. This will be needed to maximise the resources available for productive investments which help grow the economy and improve living standards.

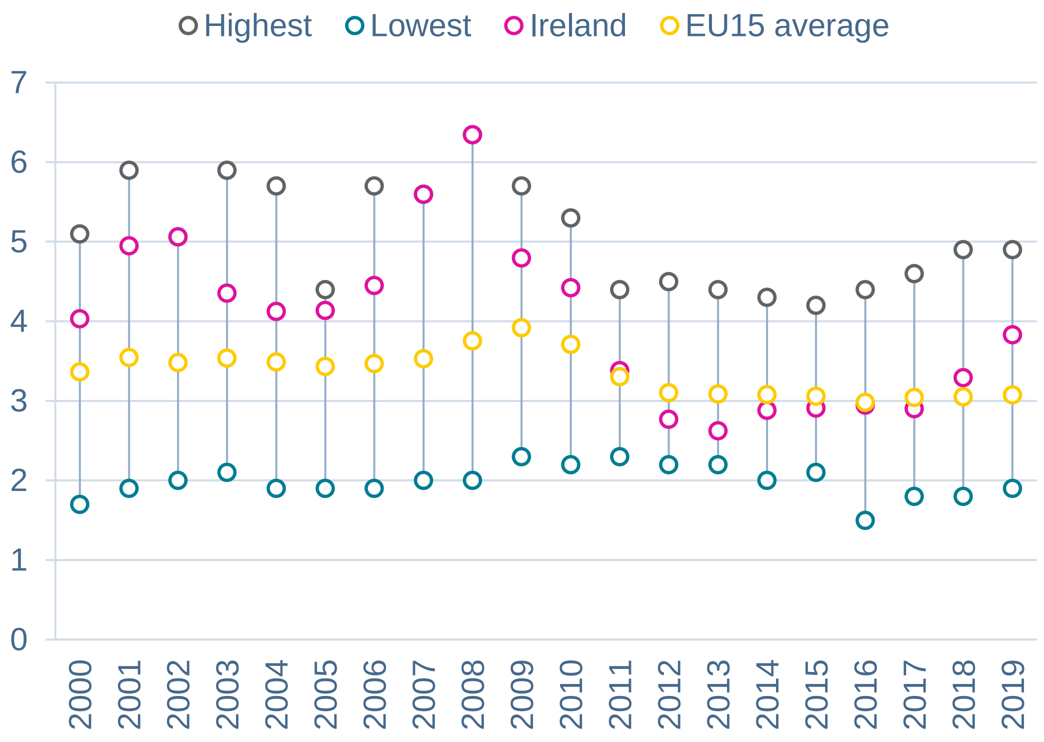
Research by the Irish Fiscal Advisory Council has shown that significant domestic multipliers exist where spending is focused on capital investment over current spending, and particularly over wage spending. Roughly a €1 spend on this type of productive investment delivers over €2 to domestic value-added. This is the case in both the short and long-term.

Spending on productivity-enhancing areas has been shown to boost the potential growth rate of the economy. Ultimately that potential growth rate will have significant implications for fiscal sustainability. This plan must set out clear and ambitious targets for State funding of investment.

Progress in targets and renewing our ambition

State capital investment has been falling across the developed world for decades, often to levels below the replacement rate for depreciation of existing assets. Following the last recession, the legacy of fiscal adjustment saw significant underinvestment in capital infrastructure, even relative to those international competitors. Figure 2 shows Ireland's government capital investment versus other similarly developed EU countries over the past 20 years. Ireland has been a below-average investor amongst those countries for most of the last decade but progress in recent years. Significant infrastructure gaps remain, but we are on the correct policy path to close. In our 2013 document 'Building Beyond the Bailout,' we first outlined an ambition for Government capital investment spending worth 4% of GDP. In 2019, for the first year since 2010, we were in reach of that target.

Figure 2: Capital investment in the EU15, % of national income, 2000 to 2019

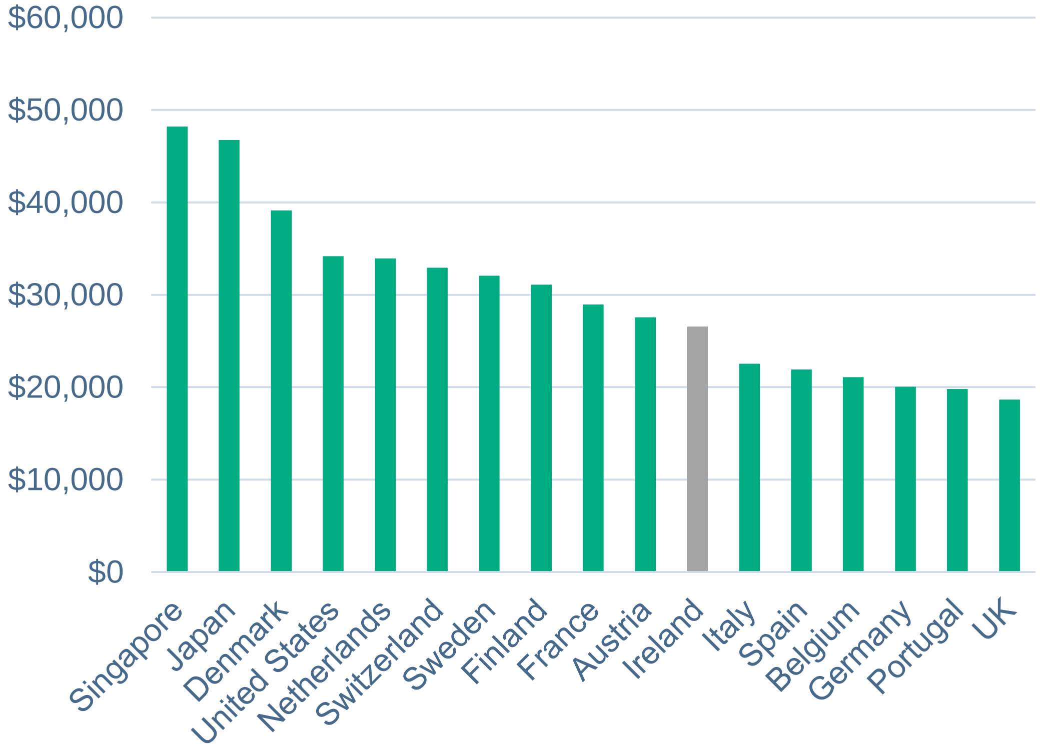


Source: Ibec calculations using data from Eurostat

In more recent times, the €500 million infrastructure stimulus in the July Stimulus plan was rightly focused on the three 'M's - maintenance, minor works, and modal shift. These additional measures are the correct balance of schemes to bring an immediate boost to the economy. However, Ireland has a rapidly expanding population and severe bottlenecks which can only be solved by expanding expenditure on new infrastructural capacity. Over the medium-term, a more comprehensive suite of additional projects to 2030 will be needed in the context of broader developments.

As it stands, Ireland is a low to below-average performer on capital stock relative to our international peers. After a rapid period of catch-up to advanced economy norms in the 1990s and 2000s, progress stalled during the aftermath of the financial crisis. The IMF's 2017 technical assistance report on Irish capital investment acknowledged this point. In recent years, significant progress has been made on again increasing our relative convergence to advanced economies. There are still barriers, however, with the 2017 IMF report stating that "Ireland's investment efficiency is favourable compared to global measures, but significantly weaker when compared to advanced economies alone". Continuing to reach the 4% of national income investment target and improving spend efficiency will both be key to renewing our efforts to close the public capital stock gap with our developed peers.

Figure 3: Public capital stock, per capita, 2017, $PPP



Source: Ibec calculations using data from the IMF

The social implications of our low levels of infrastructure development are obvious in our health, education, and housing systems. The impacts on business are less well documented but are a constant source of feedback from Ibec members. In areas from roads to broadband, poorly developed infrastructure pushes up operating costs directly for business by making trade more difficult or expensive. Improved accessibility also increases the effective size of a local labour market and therefore boosts the productivity of firms and individual workers. There are also indirect impacts. The biggest single domestic driver of competitiveness pressures is the lack of housing supply. A lack of quality outcomes at third level will have a deleterious impact on skills availability, and higher commuting costs for workers means lower productivity.

It is our view that this review should focus on an 'NDP plus' model with new schemes in addition to the existing NDP. Our view is that there should be an increase in the NDP budget by €70 billion over the lifetime of the new plan to 2030, supported through Exchequer, private and international financing sources. This is the only prudent course at a time when interest rates are at an all-time low and demographics mean there have never been more projects with high social and economic rates of return.

Recommendations:

> **Introduce a multiannual target of capital investment worth 4% of national income:** The renewal of economic progress can only be achieved through concrete policy action. Whilst the current spending and expenditure will need to be brought to balance or surplus over the coming years, Ibec continues to believe that a capital investment target of 4% of national income is appropriate for an economy with our demographic and growth trajectory.

> **Avoid the mistakes of the past by introducing an 'investment rule' into the fiscal rules:** To help avoid pro-cyclical shifts in public investment Government should introduce an 'investment rule' into domestic fiscal rules. Government should set an explicit multi-annual investment target compliance which should be assessed under the 2012 Fiscal Responsibility Act.

> **Produce an 'NDP plus' model with new schemes in addition to the existing NDP:** Our view is that there should be an increase in the NDP budget by €70 billion over the lifetime of the new plan to 2030: supported through Exchequer, private and international financing sources.

> **Continue to implement the findings of the 2017 IMF Public Investment Management Assessment:** Improving efficiency in public capital investment is the only way to ensure increased funding turns into improved outcomes. The 2017 PIMA report had strong recommendations which should continue to be implemented in areas such as improving project appraisal, planning and selection in the first instance. These are complemented by improved costing, monitoring and ex-post evaluation.

2. Infrastructure to reboot the NDP

Investment in public infrastructure is fundamental to creating the necessary economic conditions to reboot and reimagine the economy and wider society. Underinvestment over recent years has depleted the country's stock of critical infrastructure, further widening the range and number of areas that have become urgent investment priorities.

The following cross-cutting priorities are critical to supporting the national recovery effort and underpinning long-term sustainable growth. Addressing these areas in the NDP will provide major investment stimulus across the economy, society and in all regions. This can be achieved through delivering a comprehensive programme of well-prioritised infrastructure investment.

Climate action and the transition to net zero

In 2021, Ireland's climate ambition and international obligations will increase significantly because of the European Green Deal, the 2020 Climate Amendment Bill and the 2020 Programme for Government. Ireland will now be targeting 51% emissions reduction by 2030, and net zero emissions by 2050. This increase in ambition reflects a greater understanding of the threat posed by climate change and the closing window for an effective response.

The new ambition will be enormously challenging for Ireland. Our record on climate action is poor and we are struggling to meet even existing obligations. The lockdown of our economy last year, and the temporary 6% fall in emissions, has revealed the full extent to which our economy remains wedded to carbon, and our lack of progress in recent years.

Only through an escalation in sustainable investment, and a major transformation of Irish society, will we be able to deliver the emissions reduction needed to meet our new targets and play our part in the global effort to combat climate change.

In 2018, the NDP allocated €6 billion in Exchequer funds to aid the transition. This allocation will have to increase significantly given the scale of investment needed in our energy system, built environment, transport network, waste management, and land-use sectors. Moreover, the reliance on user charges and non-Exchequer funds is not sustainable in the long run as project costs increase. This review is an opportunity to rethink how we finance sustainable infrastructure projects and mitigation policies.

Because infrastructure built today will affect our emissions profile in 2050, it is critical that the NDP is fully climate-proofed and does not become an obstacle to transition. Too often, major infrastructure projects and developments are pursued without considering the carbon footprint, current and future energy requirements, and the opportunities for mitigation. The NDP, by adhering to the climate smart planning principles of the National Planning Framework, will become the main driver for effective climate action in the years to come.

An electricity system built on renewables

Electricity will be at the heart of our future energy system because of its efficiency, rapidly falling carbon footprint, and end-use flexibility in heating, transport, and industry. However, to achieve Government's target of 70% renewable electricity by 2030, and to keep up with increasing demand, Ireland will need to reinforce the electricity network, scale up the rollout of renewable generation, and develop power storage solutions. With Government now targeting the deployment of 5GW in offshore wind before 2030, investment will also be required in select ports on our east and west coasts.

A net zero gas network

As an island nation with no nuclear electricity or untapped hydro resource, our ability to deliver net zero ambition, while safeguarding our energy security, will depend on the timely arrival of emerging technologies. All evidence currently points to a continued role for natural gas beyond 2030. This was noted in recent modelling by the MaREI Institute and the Electricity Association of Ireland and will likely be a key finding in the 2021 national energy security review. Major investment will therefore be needed to help decarbonise the gas network and make it compatible with our net zero future. NDP funding will be needed to help with the network upgrades, the development of Carbon Capture and Storage solutions, hydrogen production, and the smart integration of our gas and electricity systems.

A national deep retrofit programme

Irish buildings are an outlier in Europe for their inefficiency and continued reliance on fuel oil and solid fuels. Oil is used in 37% of Irish homes and 69% of rural homes. Meanwhile, the average Irish house is D-rated on the BER scale. The 2020 Programme for Government commits to rolling out a new national retrofit programme, upgrading at least 500,000 homes to a B2 energy rating and installing 600,000 electric heat pumps by 2030. NDP funding will be critical to the success of this policy, helping finance a new deep retrofit delivery model and fund an array of financial instruments and incentives to promote uptake. With deep retrofits costing between €35,000 and €75,000 per property, the allocation must increase significantly on the €3.7 billion allocated in the current plan. Funding will also be needed for Ireland’s forthcoming District Heating Strategy.

Heating solutions for industry

For Ireland to remain an attractive and competitive place to do business, the NDP must help support the decarbonisation of Irish industry. The mitigation options in this sector are costly and complex. There is no one solution, and the appropriate alternative fuel will largely be determined by individual production needs and location. Biomass, renewable biomethane, AD biogas, hydrogen, electricity, waste-heat use, and natural gas with carbon capture will all play a role. To deliver large-scale emissions reduction in this sector, the Support Scheme for Renewable Heat must be reviewed and refinanced with NDP support, and the scheme opened to large industry. To aid the decarbonisation of our gas network, the NDP must help fund network upgrades to facilitate biomethane and hydrogen injection.

Delivering sustainable mobility

A major investment programme is needed to support the decarbonisation of our transport system, support alternative fuels, promote active travel, and build a user-friendly integrated public transport system. Direct NDP support will be needed to build out both charging and refuelling infrastructure for electric vehicles, compressed natural gas vehicles, and hydrogen as it becomes available. As biofuel blending remains the most effective means of large-scale mitigation in the sector, NDP funding should also be used to support local production of Hydrotreated Vegetable Oil (HVO) or Hydrotreated Renewable Diesel (HDRD).

Land-use and biodiversity

To achieve our 2030 targets and 2050 ambition, Ireland will need large-scale carbon sequestration, through afforestation and sustainable land-use management. The 2019 Climate Action Plan targets the removal of 29.7 MtCO2eq by the end of the decade. Achieving this will require at least 8,000 hectares of new afforestation each year, with a diverse mix of conifers and broadleaves. This would put Ireland on a pathway to delivering a national forest estate of 1 million hectares by 2050. The NDP will need to fund grants to incentivise greater uptake, especially at farm level. Funding will also be needed to support other modes of sequestration identified in the forthcoming national land-use review.

Supporting waste management and the circular economy

Under UN and EU rules, emissions are counted at the point of production. As such, the true carbon cost associated with our 'take, make and waste' linear economy goes underreported. The NDP must support the implementation of the 2020 Waste Action Plan and the transition to a resource smart circular economy. This includes the provision of supports for Irish enterprise adopting packaging alternatives, eco design practices, and new circular business models.

Recommendations:

> **Support the decarbonisation of our electricity system:** Back Government's 2030 renewable ambition with funding for network development, grid reinforcement, renewable deployment, and storage. Use Exchequer funds to end the overreliance on network charges and the PSO.

> **Ensure Irish ports have the capacity to deliver offshore projects:** At least two Irish seaports will need major investment so they can facilitate the construction and maintenance of offshore energy projects, including floating turbines.

> **Back the national deep retrofit programme:** Provide €6 billion in funding for the delivery of the new national retrofit programme, upgrading at least 500,000 homes to a B2 rating and installing 600,000 heat pumps by 2030.

> **Support the delivery of the planned national policy framework on district heating:** Ensure the new policy has adequate funds for implementation. District heating is ideal for built up areas, it offers a low resistance path for decarbonisation, and can take advantage of waste heat from industry.

> **Refinance the EXEED and the SSRH schemes:** Both programmes provide critical support for businesses looking to increase their efficiency and break away from fossil fuels. The SSRH needs to be opened to large industry and both schemes refinanced to manage greater uptake.

> **Support the transition to a net zero gas network:** Provide funding for the development of renewable gas infrastructure, anaerobic digestion systems, grid injection hubs, farm supports to ensure a continuous supply of feedstocks, and hydrogen and CCS pilot projects.

> **Support the electrification of road transport:** Ireland's ambition to put 800,000 electric vehicles on the road by 2030 will require a major expansion in the national charging network and, until a dynamic second-hand market emerges, additional subsidies for buyers.

> **Help decarbonise road freight and large vehicles that cannot be electrified:** NDP funding must be set aside to incentivise the uptake of Compressed Natural Gas vehicles, hydrogen fuel cell vehicles, and the rollout of advanced biofuels like HVO or HDRD.

> **Fund carbon removal and sustainable land-use management:** Support carbon sequestration and sustainable land-use projects as identified by Teagasc and the forthcoming national land-use review. Help finance the planting of 8,000 hectares of new forests each year as part of a revitalised national afforestation programme.

> **Expand supports to eliminate waste and transition to a resource smart circular economy:** Help promote eco design and support businesses developing circular products and services. The NDP should also help finance an online platform to help businesses build cross sectoral partnerships and exploit asset sharing and reuse opportunities.

Water and wastewater infrastructure

Irish Water continues to face huge challenges in rectifying years of inadequate investment by local authorities in raw water treatment, water supply and wastewater treatment. Fourteen major projects, at varying stages of assessment and approval, are listed in the NDP pipeline published in December 2019.

Greater Dublin's water supply/demand balance remains on a knife-edge with an uncomfortably high reliance on abstraction from the River Liffey. The lack of resilience is having a damping effect on new house construction in some areas. Irish Water's proposal to supplement supplies to the Eastern and Midlands Region with water abstracted from the Shannon at Parteen Basin, if approved by the Commission for Regulation of Utilities (CRU), should not also be subject to Oireachtas sanction. It will, however, require the timely completion of new abstraction legislation, without which the planning application cannot commence.

The country faces EU sanctions for continuing to discharge inadequately treated municipal sewage at multiple locations, including Dublin Bay. Poor water quality in our estuarine regions can be a serious problem not just for marine life, but also for leisure and tourism activity. Irish Water's proposed new framework for the National Water Resources Plan, and the subsequent rollout of regional implementation plans, is likely to identify the need for additional investments across a multitude of water supply zones. It is also imperative to accelerate the programme of network maintenance to bring the leakage rate more into line with EU norms.

The current funding model for Irish Water is unusual in that the Exchequer is effectively a payment agent for domestic water users, who are collectively accountable for circa 78% of approved revenues. Funding for essential water services has experienced a degree of uncertainty. For example, in the run up to Brexit, the Exchequer announced a temporary reduction of its contribution to the funding that had been approved by the economic regulator. This necessitated putting multiple projects on hold, including some for which contracts had already been signed. Such uncertainty undermines business investment decisions and hurts economic development.

Recommendations:

> **Increase support for Irish Water's leakage remediation programme and capital investment programme for water and wastewater:** The proposed allocation of €8.5 billion in the current NDP will boost the system resilience and help address serious non-compliances with EU environmental legislation. However, the allocation must be increased to ensure a service that is fully fit for purpose.

> **Provide a guarantee of predictable multi-year funding:** It is vitally important that Irish Water can plan and execute long-term investments, subject to oversight by the CRU, in the sure knowledge that its future funding stream is secure and not subject to competing demands on the Exchequer.

> **Provide additional supports for drinking water source protection:** Ireland's third cycle River Basin Management Plan is likely to identify the need for additional remediation projects.

> **Prioritise abstraction legislation to enable the Water Supply Project, amongst others, to proceed:** Scrutiny of the Water Environment (Abstractions) Bill 2020 has highlighted serious drafting problems that must be urgently addressed.

Digital infrastructure

The pandemic has greatly accelerated the economic and societal imperative for digitally enabled transformation of government and public services, enterprise, and human interaction. Most of this digitally enabled change depends on access to high-speed broadband and will endure beyond the pandemic.

Inclusive and trustworthy digital transformation is acknowledged as a key enabler of further connectivity, economic growth, and enhanced wellbeing (e.g. through digitally enabled healthcare, and environmental action). Access and the ability to use digital and data infrastructure ensures balanced regional development, 'digital' inclusion in social and cultural engagement opportunities and in the evolving labour market, and access to increasingly digitalised public and private services.

Ireland has made progress in its digital development; however, very significant gaps remain in the relative 'state' and 'rate' of our digital readiness. In parallel, external pressures such as the ongoing development of Europe's Digital Single Market (DSM) and the evolving EU-UK relationship underline the urgency of deepening strategic investment in trusted telecommunications, digital and data infrastructure to further enable inclusive digital readiness, opportunity, and resilience across our economy, regions, and society.

Key principles underpinning digital investment priorities for the NDP include:

- Promote conditions that further enhance secure connectivity.
- Enable further digital opportunity and resilience for everyone.
- Protect strategic assets, services, business, and citizens, and preserve trust online.
- Harness telecommunications, digital and data infrastructure in meeting broader policy objectives.

An investment friendly climate is essential as none of the above can happen without major capital investment in telecommunications networks and in digital infrastructure generally.

Enhanced connectivity matters

Although progress is being made, Ireland has more to do in developing its digital connectivity. High speed broadband provision in Ireland is challenging due to our much-dispersed population. Currently some 76.9% of Irish households and businesses have access to high-speed broadband (30 Mbps or greater) from commercial operators with a further 0.6% rural development planned. The National Broadband Plan (NBP) will provide the infrastructure for high-speed broadband that could not be provided commercially. It will connect over 1.1 million people across some 544,000 homes, business, farms, and schools.

Rapid rollout of the NBP is essential to bring high speed broadband to the remaining 23% of homes and businesses in the State currently without high speed broadband. Covid-19 has highlighted the urgent need to accelerate the process as fast as possible. It is imperative that local authorities, government departments and state agencies act to remove any unnecessary administrative or regulatory obstacles to achieving this. Government's Mobile Phone and Broadband Taskforce should oversee a process audit to ensure a 'whole of Government' approach to facilitating the speediest possible rollout. Local Authority Broadband Officers should be empowered to co-ordinate the local implementation of any necessary changes. The requirement for state intervention is highest in the Northern and Western regions.

The Taskforce has played an important part in helping to maximise the value of capital investment by has helped to reduce some of the obstacles to network construction, something essential to the improvement of telecommunications coverage and quality. The country benefited from this work during the Covid lockdown when industry was able to make faster progress in expanding networks and making them more resilient than would otherwise have been the case. The retention of the Taskforce by Government is welcome.

The scope for State and industry collaboration to address mobile blackspots in rural areas should be separately explored while acting complementary to the work of the NBP. The forthcoming spectrum licensing should be used to maximise investment in expanding the capacity of national mobile networks and strengthening resilience while avoiding unnecessary diversion of capital budgets towards spectrum fees. 5G will be very important to Ireland's economic recovery and future competitiveness. In the context of Brexit, Ireland must not fall behind its nearest neighbour when it comes to digital competitiveness. It is significant that the UK authorities have prioritised 5G rollout in a stated effort to capture a significant share of the estimated €12 trillion of global economic output enabled by 5G in the period to 2035.

Addressing online disinformation about 5G, the timely availability of spectrum and a standardised process whereby public assets can be accessed are important to a timely and effective 5G rollout. A communications campaign by Government will be needed to counter a deluge of sophisticated online disinformation that 5G is harmful to human health, a claim contrary to all reputable scientific opinion. Government must also ensure local authority development plans support 5G infrastructure deployment. Disinformation about 5G can indirectly encourage criminal damage to masts which risks disrupting telecommunications essential to hospitals and the emergency services as well as for contacting family, for home working, home schooling and home entertainment.

ComReg estimates that total data traffic carried by mobile networks will be 33 times their current levels by 2035. 5G should also accelerate data communication speeds by up to three times compared to 4G/LTE. It will deliver major advances to agriculture, education, healthcare, manufacturing, retail, and transport. It will accelerate the rollout of the Internet of Things and an enable a range of applications such as virtual classrooms and remote medical consultations. This is the next step towards the digitisation of our society and economy. Devices, objects, and people will be better interconnected through communication networks leading to enhanced processes, products, and services. It is more energy efficient, leading to reduced carbon emissions and makes activities that are highly time-sensitive possible. Two thirds (64%) of Irish SMEs believe effective 5G investment will be important to Ireland's economic recovery and it has been estimated that the opportunity cost of low 5G adoption in Ireland is a loss in GDP of €6.1 billion by 2025, rising to €20.9 billion by 2035 (Amárach Research, 2020).

Cloud computing offers enormous advantages in terms of cost efficiency, security, flexibility, and ease of scaling, especially important to SMEs. For example, Cloud allows firms to only pay for the IT services they consume and avoid the capital IT investments traditionally required. Nordic and Irish enterprise features strongly in the use of cloud computing across the EU. OGCIO/DPER research into Ireland's progress as a 'smart society' in the period 2012-2017 concluded that Ireland could expand the scale, scope, and reach of digitised public services through secure Cloud technology. There is an opportunity to build trust with Government and citizens on the use of Cloud through joint projects between industry and government.

Trusted digital and data infrastructure matters

Adequate data privacy, security and safety underpin any competitive economy in the digital era. Trusted digital and data infrastructure are important considerations in protecting the privacy, security and safety of people and organisations online; protecting services, assets and securing further inward investment; and supporting the further uptake of trusted data driven solutions.

Ibec welcomed the publication of the National Cybersecurity Strategy (NCSS) in 2019. The workplace upheaval caused by Covid resulted in a rise in attempted and successful cybercrime, highlighting the need for urgency in the rollout of this strategy. The proven importance of trusted data-driven solutions in essential services and the evolving international governance of data innovation and data flows underlines the importance of investing in national capacities that further enable beneficial data innovation while protecting and upholding fundamental human rights.

Coherence with other policy objectives

Plans for further investment in digital and data infrastructure should be embedded in a holistic national digital strategy (NDS). Digital transformation may impact many aspects of our economy and society in both discrete and interrelated ways. There are 11 government departments and 11 statutory bodies, with plans and initiatives, who with EU partners, influence the direction and pace of our digital change. There are dependencies between existing and expected 'decentralised' digital strategies. In addition, our broader ambitions in healthcare, education, innovation, and sustainability have dependencies on enhanced digital and data infrastructure. The EIB (2019), while acknowledging the benefits of these governmental initiatives, note that they "are not fully coordinated between government entities and are not embedded in a holistic national digital strategy." Ireland's current NDS, established in 2013, is quite narrow in scope and outdated. The lifetime of digital strategies in OECD countries is reported to be between 4 and 6 years. A new NDS is now expected in the lifetime of the current Programme for Government, subject to political direction.

Recommendations:

> **Ensure the rapid rollout of the National Broadband Plan:** Enhance connectivity, regional development, and inclusion in further digital opportunities. Government must address any obstacles to the speedy rollout of the National Broadband Plan and other telecommunications infrastructure so that networks are improved, and fibre broadband delivered as rapidly as possible.

> **Create a supportive regulatory environment for the rollout of 5G:** an important technology for enhanced connectivity, growth, and wellbeing. Introduce incentives such as exemptions from development contributions for 5G infrastructure to support faster private sector deployment.

> **Re-convene Government's Mobile Phone and Broadband Taskforce:** Implement the decision to re-establish the Taskforce, which should focus on the removal of administrative, planning, and regulatory obstacles to the deployment of telecommunications infrastructure.

> **Address mobile blackspots:** Explore scope for State and industry collaboration to address mobile blackspots in rural areas.

> **Resource and implement the National Cyber Security Strategy:** Engage and deepen our cybersecurity ecosystem. Ensure national cyber security capacities are adequately resourced. Provide clear co-ordinated structures for relevant stakeholders to engage and collaborate in enhanced national cybersecurity.

> **Support the further uptake of trusted data-driven solutions:** Ensure national data protection and safety capabilities are adequately resourced. Invest in the development of a national centre of excellence for data governance that supports public and private organisations in beneficial data innovation and the expected development of sectoral and European data spaces.

> **Advance further inclusive digital access, innovation, entrepreneurship, and application:** Invest in infrastructure that enables public and private organisations (small and large) and individuals to further collaborate, adopt, innovate and be entrepreneurial with digital tools and data across our economy and society.

- **Invest in digital literacy and digital skills across our society and economy:** Improve our educational infrastructure and our network of Digital Innovation and Entrepreneurial Hubs. Enable further access to digital opportunities for everyone. Implement the national Industry 4.0 strategy 2020-2025. Increase collaboration between the public sector, research, and business on digitalisation.
- **Prioritise strategic infrastructure that supports Advanced Manufacturing:** Support technology diffusion, skills and training development and research commercialisation and introduce accelerated capital allowances for several areas of advanced manufacturing (including computerised/computer aided machinery and robotic machines).
- **Deliver a new National Digital Strategy:** Provide a coherent vision across 'sectoral' policies to position Ireland to maximise economic and societal benefits from further digitalisation.
- **Establish governance to support digital policy coherence:** The Department of An Taoiseach should adopt a "centralised governance" approach in the development and implementation of a new NDS and digital aspects of a new national economic plan. A new 'Digital and Data Affairs Forum' should be established to co-ordinate all relevant governmental and non-governmental stakeholders to support a new NDS and digital aspects of a new national economic plan.

Digitalisation of public services

The pandemic has accelerated national digital transformation of organisations, processes, services, and the interactions between people and between people and technology by several years. Much of this digitally enabled change will endure beyond the pandemic. Inclusive and trustworthy digital transformation is acknowledged as a key enabler of further connectivity, economic growth, and wellbeing. Further digital transformation of Government and public services can further develop people and enhance services to public bodies, businesses, and individuals. The further development of our GovTech ecosystem can be a catalyst for broader economic development.

Ireland ranks 9th amongst EU countries in digital public services. This is above the EU average. While progress is being made, international comparisons carried out by the European Commission, InCiSE and the Irish OGCIO indicate that there is much more to do in further developing our digital public services.

Digitalisation of public services has been a positive enabler during Covid-19. MyGovID is important in enabling access to digital public services. There were 640,000 verified MyGovID accounts in April 2020.The Covid tracker app, whose development and deployment involved private sector partners, has had 2.1 million registrations since its launch and has an active user base of 1.31 million.

The Cruinniú GovTech report made recommendations to Government on actions that could further enable the development of an Irish GovTech ecosystem. Separately, the digitalisation could support enhanced and accelerated rollout of the NDP from the deployment of e-procurement, e-planning, building information management (BIM) and other tools related to project management and performance monitoring (see section six).

Recommendations:

- **Provide for enhanced public services:** Lead and invest in online government services, data innovation, and the digitalisation of public service delivery for organisations and citizens. Address any administrative barriers to procurement in digital services, including Cloud. Develop Ireland's GovTech ecosystem.

- > **Encourage further digital adoption and inclusion:** Promote further public awareness of the benefits of digitalised government and public services.
- > **Foster further digital talent across government and public bodies:** Develop digital skills and attract mobile digital talent to public bodies.
- > **Develop a national digital credentials ecosystem:** This should be developed through public-private collaboration to securely enhance trusted interactions between government and public services, businesses, and people.

Housing and sustainable urban development

Housing is a critical part of the country's physical infrastructure. Demand for housing has not decreased during the current crisis. In fact, supply issues have been exacerbated due to Covid. The impact of public health restrictions on construction sites, including full site closures, has resulted in a worrying slow-down of output. This has only added to the pent-up demand. Finally, Ireland's current housing strategy is due to end in 2021. This must be immediately addressed to get back on track to ensure delivery of 35,000 homes annually.

Government has signalled its intention not to renew the Strategic Housing Development process, which is a fast-track planning process and is due to expire at the end of the year. The planning process and the slow pace of bringing local development plans into alignment with the National Planning Framework represent risks to meeting housing demand. Reform to the planning process and other regulatory barriers such as consents are needed to support the necessary supply increase across all housing types.

Increased housing supply requires availability of zoned and serviceable land

Increasing the availability of zoned and serviceable land will be essential to meeting Ireland's housing needs. It is critical that funding is available to ensure sites can be provided with the necessary supporting utilities and infrastructure. Only 45% of the cost of delivering a new home is accounted for by the build cost. The Land Development Agency is to free up land in State ownership, which would not ordinarily be considered for home building. However, it has yet to be put on a solid legislative basis. Additional measures such as a bridging finance scheme will be required to better utilise the supply of zoned and serviceable land suitable for housing.

Enhanced delivery of social housing

The State must be more ambitious in its approach to direct building. Increased housing provision by the local authority sector would provide immediate economic and social benefit across the country. The current delivery target of 12,000 units per annum will not be met in 2021. It was also missed in 2020. The public health restrictions played a part. So too has been a perceived lack of public tendering for direct building of social houses. A new pipeline of social housing procurement opportunities needs to be urgently developed. This could be a combination of Public-Private Partnerships (PPP) or non-Exchequer funded social housing bundles, leased, and traditionally procured developments.

Over the lifetime of the NDP, maintenance and refurbishment of the existing social housing stock will come to the fore. The social housing stock is ageing in key urban areas. By 2030, for example, a considerable share of social housing units in the cities of Dublin and Cork will be between 80 and 100 years old. Maintenance, refurbishment, and potential replacement will become an increasing focus of local authorities in metropolitan areas. The age and condition of units impact the reletting time of social housing. The social housing stock will also require deep and substantial retrofitting.

Local authorities will need financial support, including the identification of non-Exchequer funding, to support effective housing maintenance, retrofitting and refurbishment. Local authorities should focus on this area either independently for the larger council areas or jointly through a shared service approach. A new model to effectively deliver and manage social housing in the longer term should be explored.

Enhanced delivery of affordable housing

The State's focus must not be solely on social housing. Affordable housing must make a greater contribution to Ireland's housing mix. A twin-track focus would increase the funding the State could borrow from the EIB. Funding is available to support the rollout of affordable purchase and cost-rental housing schemes. Separately, the introduction of a state-backed shared equity scheme would help families who are able to pay back a mortgage but fail to meet the Central Bank macro-prudential rules to buy a new home. This would free up rental accommodation and provide certainty for homebuilders.

Avail of innovation in the construction sector

Government should support innovation in the sector by using modern construction methods as part of social housing public procurement. The construction industry has undertaken investment in recent years in critical delivery areas such as improved procurement, supply-chain management, on-site execution and finally improving take-up of new technologies in BIM, analytics, and automation. This expertise is not being fully utilised by Government.

Recommendations:

> **Deliver quality and affordable homes:** Put in place a new long-term national housing strategy to deliver 35,000 homes per annum. Complete the legislative passage of the Land Development Agency Bill.

> **Introduce a Shared Equity scheme:** The State co-purchases an agreed percentage share of a home, to support affordable home ownership. This will ensure that demand for housing is retained and certainty provided for new private home construction.

> **Change housing design guidance to allow greater density of new home development:** This will facilitate greater density house, rather than apartment, development for those locations where apartment development is unviable and not desired by purchasers.

> **Continue investment/capital spend on social housing by Government:** The demands for purpose-built social housing have not dissipated and only been exacerbated by the economic shock brought on by Covid. Social housing should be a key part of the PPP project pipeline.

> **Encourage the use of modern methods of construction:** Government should support innovation in the sector by using modern construction methods as part of social housing public procurement.

Transport and sustainable mobility

Ireland's transport infrastructure must be more connected, integrated, and efficient. We must continue to prioritise infrastructure that supports regional accessibility and connectivity, including the shared island agenda. A wholesale return to pre-Covid commuting patterns will be unsustainable. The country is far too car dependent for most of its journeys. The NDP must support sustainability measures with increased investment in public transport. The challenges presented by Covid and Brexit require Ireland to enhance global connectivity through our ports and airports.

Continue to upgrade the road network

The national road network is a crucial element of our transport infrastructure and is vital for continued economic growth and sustainability. The network links cities, towns, ports and airports, and other major employment and population centres. It is critical to the safe and efficient movement of people and goods. Investment in the road network will create opportunities and enhance competitiveness by improving connectivity across local, regional, and national areas. Failure to deliver the necessary upgrades will continue to affect quality of life, exacerbate peripherality, stifle opportunities for economic growth and reinforce regional imbalances.

Given the expectation that transport demand will grow in line with forecasted economic and population growth, investment in critical road infrastructure projects will become increasingly important over the coming decade and must be prioritised in the revised NDP. It is vital that strategic road projects listed in the current NDP are fast-tracked and delivered and new road projects are added, to address the major infrastructure deficits and regional inequalities that exist.

During the period up to 2008, there was considerable investment in road transport connections between Dublin and most of the regions. However, the motorway network was never completed and the urban centres across the country remain poorly connected to each other. This makes it more difficult for them collectively, to provide an effective counterweight to Dublin.

We recognise that alleviating traffic congestion will increasingly focus on encouraging a modal shift to public transport, walking, and cycling for commuting and short distance trips. Notwithstanding the critical need to reduce transport-related greenhouse gas emissions, there remains a need to urgently upgrade sections of the national road network that are hindering the economic potential of regions. A comprehensive transport system, will require a focus on all modes of land transport, including upgrades to the national road network.

The NDP should prioritise connecting regions, spreading the economic and population growth that is currently concentrated on the east coast, around the entire coastline, via a C-ring road from Belfast to Wexford via the north, west and south coasts (e.g. N25 Waterford to Cork, M20 Cork to Limerick, M17 Tuam to Sligo, N15 Letterkenny to Sligo). Road projects supporting the shared-island agenda and providing enhanced accessibility to the North-West should be supported in the NDP (e.g. N2/A5, A6, N3). Funding is also needed to improve road access to ports and airports (e.g. N11/N25 and N80 to Rosslare Europort, N19 to Shannon Airport, N27 to Cork Airport, M28 to Ringaskiddy, N21/N69 Foynes to Limerick Improvement Scheme including the Adare bypass).

Many intra-regional and inter-regional road upgrades across the country are urgently required to tackle traffic congestion, improve the quality of life of commuters and enhance regional connectivity. For example, enhanced north-south interconnectivity between the main economic centres in the Midlands. Examples of other key projects include the following:

- Limerick Northern Distributor Road
- N6 Galway City Ring Road
- N8/N25 Dunkettle Interchange
- N21 Newcastle West and Abbeyfeale Schemes
- N24 Waterford to Limerick
- Cork Northern Ring Road
- N14 Manorcunningham to Lifford/ Strabane

- N5 Westport to Longford
- N4 Sligo to Dublin.

Increased provision should be made in the NDP to support maintenance of the road network. Poorly maintained roads have a significant impact on competitiveness, in the form of increased journey times and capital overheads. They are also an additional cost on businesses at a local level. Sufficient funding should be made available to improve the existing stock and to implement substantial works on the existing national road network incorporating national, regional, and local roads. A new approach to funding road maintenance is required. For example, in 2020 Dublin City Council could only facilitate the repair of 14km or 1% of its road network in need of structural restoration or reconstruction. This highlights the shortcomings of current resource allocation and without a restructuring the quality of our roads will continue to deteriorate. Finally, the issue of surface quality does not solely detriment motorists, as bus and cycle lanes also need to be kept to a high standard for safety and comfort. Therefore, improving the quality of our roads retains relevance in the transition to more sustainable modes of transport.

Increased ambition in sustainable mobility

Notwithstanding current concerns about social distancing, sustainable mobility will require a package of investment measures and behavioural incentives to deliver a lasting modal shift for commuting. They will not be cheap or easy to implement but are fully justified in terms of wider societal co-benefits, including improved air quality and public health. Investment in sustainable mobility is essential to reduce the country's reliance on private motor vehicles. The commuting "experience" can be expected to have a greater impact on a commuter's preferred mode of transport, or whether to continue to work remotely.

The BusConnects concept is a good example of progressive measures aimed at improving the public transport system. It should be rolled out across the five metropolitan regions. The bus network will continue to be the key to mass transit across metropolitan areas, and the improvements promised through the BusConnects concept are welcome. Late-night transit provision is essential to supporting a sustainable and vibrant night-time economy so an increase in 24-hour or dedicated night bus services needs to be supported.

Commuter rail services must be prioritised, including the DART+ Expansion Programme. The capacity of light-rail services in Dublin should be dramatically increased. Key projects such as upgrading LUAS services and the extension to Finglas should be advanced. Delivery timelines for MetroLink must be accelerated and utilise the opportunity to access private finance. A business case must be developed under the NDP for a new rail link between Limerick and Shannon. It would be a useful complement to the current draft Metropolitan Transport Strategy and may well be incorporated into a revised draft.

New major intra-urban transport projects should be earmarked for capital investment. The DART Underground must be included as a major project in the re-prioritised NDP. This would complement investment in infrastructure, expand the network and the electrification of rail lines. It would also support improved commuter services through network integration and freeing-up platform capacity in key stations. It could also connect the Enterprise service to Cork and/or allow passengers to connect easily to intercity services at Heuston. Provision should also be made in the NDP to deliver the proposed Urban Light Rail Project in Cork.

The NPF and the three RSESs have identified rail as a core component of supporting sustainable inter-regional connectivity. The NDP must provide for enhanced inter-urban rail along with inter-urban bus connectivity. This will require investment in new and upgraded rail infrastructure, including a progressive electrification of the network. This will not only reduce greenhouse emissions but will also support improved frequency and journey times, increased capacity, and reliable service provision. Investment priorities should be underpinned by business cases. The NDP must urgently progress the case for track and signalling upgrades on key inter-city rail routes, Athenry-Galway, and Limerick Colbert to Limerick Junction. This includes the potential enhancement of freight capacity and making provision for high-capacity rail connecting Dublin and Belfast. The revised NDP should incorporate the plans set out in the upcoming rail capacity review. Over the lifetime of the NDP, the ambition for improved interurban public transport, both bus and rail, must be advanced.

The number of pedestrians and cyclists in the urban centres will increase over the coming years. This underpins the necessity to increase investment in active mobility to better reflect the changed hierarchy of road users. Programmes of investment must support the provision and maintenance of quality footpaths and dedicated cycling infrastructure. Over time, there should be a conscious effort by public authorities to continue reallocation of road space to more sustainable modes. Regulators will need to ensure that mobility-as-a-service initiatives can be safely deployed across Irish cities and towns.

International connectivity (Airports)

The Covid pandemic has impacted severely on the Irish aviation sector, leading to sharp reductions in passenger numbers. The additional once-off funding recently announced for Ireland's national and regional airports was a welcome development in securing their short-term viability. However, as noted by the Department of Transport, even the most optimistic projections (with rapid Europe-wide rollout of effective vaccines) feature only a gradual recovery of pre-pandemic volumes. All of Ireland's airports anticipate extended periods of financial distress, implying an unprecedented requirement for long-term Exchequer support. Government also needs to be cognisant of the impact of extended travel restrictions on the future viability of strategic aviation routes into and out of Ireland, in line with the recommendations of the Aviation Taskforce.

The existing funding model for our largest State airports (Dublin, Shannon and Cork) requires urgent review. It would be preferable that this occurs within the context of a revised National Aviation Policy, with targeted multi-year Exchequer subvention until they have returned to profitability and rebuilt their battered balance sheets. The maintenance of international connectivity for regions outside Dublin will be important for their continued economic development. For this reason, such new funding should not be to the detriment of the four smaller regional airports (Ireland West, Kerry, Donegal and Waterford) for whom a new Regional Airports Programme 2021-25 has recently been announced.

The sudden and sharp reduction in passenger volumes has temporarily relieved some of the pressure on terminal and apron capacity at Dublin Airport. This may lead to the timing of some projects in the 2035 Masterplan being reviewed by the Commission for Aviation Regulation. It is important that projects such as those intended to improve the airport's environmental sustainability are not deferred. Moreover, once the recovery in aviation begins, capacity at Dublin may become constrained somewhat sooner than expected. There are extremely long lead times involved in the development of large-scale airport infrastructure. Policy and process changes must be made to accelerate and prioritise prompt delivery of key enabling infrastructure for our island economy. It is vital to maintain as much momentum as possible. Failure to do so would impair the airport's ability to compete as an international hub, and its associated role in attracting foreign direct investment and international tourism. Supporting the amendment of restrictive conditions which impact the production capacity of our airport assets should also be identified as a Government policy priority.

International connectivity (Ports)

As an island nation, Ireland's seaports are of vital strategic importance and in many cases underpin our regional economies. Most Irish imports and exports move through our ports. In recent years there has been an unprecedented level of investment in the sector, with large scale capital projects under way or planned at Dublin, Ringaskiddy, Rosslare, Shannon-Foynes, Waterford and Galway. Although this has partly been in anticipation of

Brexit, much of the need for additional capacity has been driven by record increases in economic activity. All evidence points to future growth. A recent analysis by the Irish Ports Association suggests that as international trade volumes continue to grow, feasibly by as much as one million tonnes per annum, further investments totalling several hundred million Euros will be required. Climate change will also be a key driver of increased port activity, with ports critical to delivery offshore energy projects, and with many businesses taking advantage of the reduced carbon footprint of marine freight.

The NDP will play a critical role in enabling Irish ports meet this demand. Given the level of borrowings already incurred by the sector, it is unlikely that the next phase of infrastructure can be adequately self-funded under the current 2013 National Ports Policy. The NDP will also need to ensure greater port access for rail and road freight.

Recommendations:

> **Prioritise investment in critical road infrastructure projects:** Strategic road projects already in the pipeline should be brought forward. New road projects should be added out to 2030, to address the major infrastructure deficits and regional inequalities that exist.

> **Put in place a funding mechanism to support maintenance of the road network:** Sufficient funding should be made available to improve the existing stock and to implement substantial works on the existing national road network incorporating national, regional, and local roads.

> **Provide for upgrading of key inter-city rail services:** Establish the business case for track and signalling upgrades on key inter-city rail routes, including Dublin-Belfast and Athenry-Galway. The objective is improved frequency and reliability, followed by reduced journey times. Opportunities for increased rail freight should be explored in line with the recent Strategic Freight Review.

> **Incorporate new, strategically important public transport investment projects:** The NDP must include the DART+ Underground project in Dublin and the proposed Urban Light Rail Project in Cork and develop the business case for a new commuter rail link between Limerick and Shannon These projects would complement existing planned investment such as MetroLink.

> **Roll out BusConnects across all five metropolitan areas:** BusConnects is a progressive measure improving the public transport system and will reduce commuting by private car. The bus network will continue to be the key to mass transit. Funding should be provided to support BusConnects in Cork, Dublin, Galway, Limerick-Shannon, and Waterford.

> **Provide increased Exchequer support to the State airports:** Provision should be made in the NDP for appropriate increase in financial support to Cork, Dublin, and Shannon airports for a period of at least five years. This will preserve international connectivity and will help underpin long-term economic development, including trade, tourism, and winning new investment.

> **Provide for enhanced accessibility to ports:** The NDP should provide continued investment for enhanced port accessibility by road and develop the business case for enhanced rail freight connectivity to our ports.

> **Instigate a review of National Ports Policy (NPP):** It is increasingly clear that Exchequer support will be needed over the coming decade. The Department of Transport should undertake a review of the NPP. The review should also address funding and risk-management constraints preventing the ports sector becoming actively involved in the rollout of offshore renewable energy infrastructure.

Enhancing higher and further education

As our economy, our societies and our world of work continue to evolve at a rapid pace, enterprise demand for the availability of talent, skills and people will remain a constant priority for Irish business. With global megatrends related to communications, climate change, digitalization and new consumer behaviours and priorities set to continue, the global competition for talent, skills, and people will further intensify.

A high quality, engaging and dynamic education system is the cornerstone of how we respond to these trends while underpinning our long-term social and economic development, and is undoubtedly critical for addressing the immediate challenges posed by Brexit and Covid.

Preparing for the future

Higher and Further Education providers have huge potential as an ‘anchor’ for ambitious economic recovery, particularly in regions disproportionately impacted by the Covid crisis. By working closely with industry, education institutions can provide a valuable pipeline of specialised talent to address localised skills needs, while also acting as a partner for innovation and a conduit for knowledge exchange in the surrounding communities.

The investments made in the forthcoming National Development Plan present an opportunity to consider and create a new paradigm for higher and further education. The world has experienced extraordinary levels of disruption in the last decade. The Irish education system is no different and needs to prepare for a new approach to learning to reflect the changing profile of learner and the dynamic enterprise base. Education, innovation, and skills will be key to Ireland’s brighter future.

Vocational and further education is highly valued by enterprise. Further education offers significant potential to unlock the growth mindset of individuals, particularly those who may be more vulnerable to the impacts of digitalization, and to allow individuals to invest in their employability. Further education also provides real choice for learners to identify and select programmes, disciplines and learning opportunities that are appropriate to their distinct needs and allows enterprise to broaden their search for talent.

The FET College of Future concept presents significant opportunity to realise the true potential for further education and training to become a learner- and enterprise- centred, dynamic college sector that develop agile training programmes to respond to evolving skills needs. To deliver this concept will require significant capital investment to induce step change in the offering and the environment for further education.

The advent of Technological Universities is a unique opportunity to build upon how enterprise and education institutions cluster on strategic issues that underpin regional development. A plan for a significantly higher level of sustained investment is immediately required to unleash the maximum potential of the education system as a partner for delivering Ireland 2040 and as a driver of economic recovery and regional competitiveness.

Continuous underinvestment in higher education is threatening the quality of Ireland’s education system, widening the gap between Irish universities and their international counterparts and damaging Ireland’s international reputation including our ability to attract research and business investment. The financial impact of the Covid crisis has further highlighted the difficult and uncertain funding environment facing higher education.

There are longstanding challenges for the funding of further and higher education that require urgent attention. Education institutions face difficulties in obtaining increases in core funding to support institutional planning and mission delivery. Existing levels of core funding are not sustainable, do not cover the full economic cost of deliver and inhibit capacity for institutional planning and mission delivery. This is particularly evident for STEM education where it is acknowledged that the Irish higher education system has a major equipment deficit. A lack of capital investment programmes prohibits the development of modern and engaging learning spaces, particularly at the Further Education level. The funding system is not sufficiently flexible to encourage and reward agility and innovation in delivery. As a result, teaching methods are misaligned with society, student, and industry needs.

It must be noted that five years after the publication of the recommendations of the Expert Group on Future Funding for Higher Education, progress is still lacking on a long-term, sustainable funding approach for higher education. Given the current demands on the education system to respond evolving external challenges, financial pressures and national deficit facing education institutions and the impact of changing demographics and technological trends, this requirement is becoming more urgent. The process surrounding higher education funding must be expediated in the short-term. It is unacceptable that the Irish system is starved of resources at a time of unprecedented levels of business investment and economic activity, and when the demands of the system continue to intensify.

Embrace digital transformation of teaching and learning

A key area for immediate investment in the coming decade is the digital transformation of teaching and learning. 21st century learning spaces and resources are an essential requirement to develop graduates with general and specialised ICT skills and to instil flexibility in education, facilitating more people to engage in lifelong learning. A lack of investment in capital programmes has inhibited the development of fit-for-purpose modern and engaging learning spaces. The Covid crisis has unlocked the potential of education institutions to provide emergency digital and remote learning, but further investment is needed to embed new practices and develop digitalised learning in the education system in a more strategic way. Digital infrastructure can increase efficiency and impact within the education system in terms of digital student records, cyber security, data and analytics, digital learning platforms, staff development and enterprise engagement.

Recommendations:

> **Implement a sustainable long-term investment plan for higher education:** Increased investment is needed to boost core and programmatic funding, infrastructure investment, industry-academic research collaboration and to help recover the losses incurred due to the Covid crisis. Capital investment of €3.5 billion (2021-2030) is required for quality and dynamic higher education, and to manage growing demand.

> **Maintain investment commitments to establish Technology Universities:** The €90 million TU Transformation Fund and the roadmap outlined in the Technological University Research Network report is necessary for post-crisis regional activity and development to ensure enterprise access to innovation spaces, expert knowledge, and cutting-edge training resources.

> **Expediate the rollout of the FET College of the Future:** Enable the ETB network to deliver a cohesive suite of education and training programmes, complimented by technology and dynamic learning spaces that facilitate learning, accessible at all stages of life and career. This will require investment of over €300 million under the NDP.

> **Invest in digital education capacity:** The 21st century requires a true digitally enabled education system. A multiannual investment (2021-2030) of approximately €60 million per annum is required to support the installation and upgrade of ICT. This will build digital capacity across further and higher education to support learners and enterprise.

Boosting Ireland’s innovation capacity

Innovation is critical to build resilience in businesses and the economy. Ireland must continue to invest in research, development, and innovation in order to boost its national productivity and economic competitiveness in the aftermath of Covid and Brexit. The aim of this NDP must be to support innovation at the business level, build human capital and maximise the return on R&D investment for economic and social progress. Developing and maintaining a fully integrated, functioning research and innovation system, that addresses short-term needs as well as explores longer-term research opportunities, is recognised as an integral part of a small, advanced country’s infrastructure.

More acutely, at a regional level, investing in the high-functioning and stability of the ecosystem must be a priority to support regional development through innovation specialisation, enhance business productivity and resilience through increased innovation capacity, and create quality employment.

Ireland has many of the necessary building blocks to deliver a world-class innovation ecosystem. We have high performing, quality research intensive institutions, cutting-edge businesses and Ireland remains attractive for talent and mobile investment across the globe. But Ireland’s spending on research, development and innovation has stagnated at just less than 1% of total government expenditure for the last eight years.

While acknowledging that Ireland was coming from a low base, following 20 years of deliberate innovation and research policy, progress has been made in building a competitive research and innovation ecosystem. We are now at a critical point where this investment needs to be protected and enhanced to maintain Ireland’s global competitiveness, to develop excellent and highly skilled people, and to diversify and broaden the enterprise and export base.

The innovation intensity target is predicated on both public investment and industry direct and indirect contributions and it also assumes that industry’s total investment will be represent approximately two-thirds of all investment. In 2019, Gross Expenditure on R&D (GERD) reached €4.027 million with Business Expenditure on R&D (BERD) contributing €2,777million to this figure. This represents an increase of over €788 million from 2007, while during the same period total government investment in R&D (GBARD) decreased from €894.1 million in 2007 to €739.3 million in 2017. This highlights that public investment is not keeping pace with the rapid growth in the economy and Ireland’s productivity potential.

A globally competitive research, development and innovation system is required to deliver breakthroughs in economic and social impacts; develop the best talent - students who will be educated in cutting edge science and technology by talented and research informed educators; and protect our reputation internationally as an innovative country so that we can continue to attract world leading MNCs and increase R&D capacity of SMEs.

At the business level, innovation has the potential to unlock productivity growth in firms. The returns from investment in innovation are central to increasing productivity performance, building internal innovation culture and capacity, supporting product and market diversification. The National Development Plan must enhance productivity at the firm level to increase the country’s overall capacity for innovation. There are strong international supports for research, development and innovation in other countries and Ireland’s offering must remain internationally competitive and stable for projects that have a positive net benefit to cost ratio for Ireland. Ensuring such stability impacts on the attractiveness of Ireland as a location for R&D investment both by indigenous and multi-national companies.

For Ireland to achieve its ambition of becoming an Innovation Leader in Europe and globally, a significant investment in innovation infrastructure is needed. World-class infrastructure is necessary for attracting and developing leading research professionals, allowing researchers to undertake cutting-edge studies, developing Ireland as a destination for international investment and competing for European funding from programmes such as Horizon Europe. This investment must be strategically managed and balanced across the continuum of research, development and innovation to continuously refresh the input to the pipeline with new ideas, creativity and talent.

Continued underinvestment over the last decade means that Ireland is now facing an innovation infrastructure crisis, undermining its ambition to become a world-class research and innovation hub. Ireland remains behind the OECD and the EU average across all major measures of RDI investment and significantly behind leading countries. Current public investment in research and development is far below Ireland's national research intensity target of 2.5% GNP and the target of 3% of GDP for the EU. Public expenditure on R&D has not kept pace with private investment. Increased public expenditure is needed to protect FDI in an increasingly competitive international environment and to better leverage private investments.

Underinvestment has allowed equipment and facilities used by researchers to deteriorate and become out of date compared to international counterparts. The 2015 Technopolis review of Ireland's future research infrastructure needs made several important recommendations which remain unfulfilled. This included the need for a long-term financial commitment to the upgrade, maintenance, and development of national research infrastructure. A lack of a multiannual successor to the Programme for Research in Third Level Institutions has made it challenging for institutions to not only make investments in critical resources, but also to make long-term plans for future infrastructure needs.

Without a significant shift in Ireland's strategy towards innovation infrastructure investment, Ireland's economic potential as well as its ability to retain FDI and compete internationally are undermined and are at risk of degradation. Ibec looks forward to engaging in a consultation on the successor to the Innovation 2020 Strategy where it will be critical to identify areas of strategic investment priority. The review of the National Development Plan is an opportunity to support the successor strategy by putting in place the necessary programmes and mechanisms for sustainable innovation investment.

Recommendations:

> **Recognise and promote innovation through increased public investment:** Grow public investment by 70% to €1.26 billion per annum. This will drive the overall R&D intensity from €3.2 billion to €5.6 billion, leveraging higher levels of private investment. Ensure investment is strategically managed across the RDI continuum. It must address HEI core funding, agency specific programmes, infrastructure, and industry-led innovation.

> **Deliver a new multiannual funding programme for research infrastructure:** Build on the progress of the PRTLI to ensure Ireland's researchers have the necessary equipment and facilities to undertake cutting edge research and allow research institutions to plan for future research infrastructure needs. An immediate injection of €100 million per annum to an infrastructure fund is required.

> **Create a network of innovation districts and incubation centres:** This network would support regional development as an anchor for innovation. It would support a culture and connection between the innovation ambitions of global and local enterprise. It would enrich opportunities and synergies between business, academia, innovators, and educators in Ireland.

> **Boost business capacity for innovation:** Enhanced State supports for enterprise RDI investment and capacity are required and should be aligned with enterprise needs. Embed RD&I skills in SMEs, reducing the productivity gap between SMEs and larger businesses. Support FDI to win innovation investment for Ireland. Increase management capability for innovation project management.

Healthcare

Public health services in Ireland are delivered across a network of 47 public hospitals, 22 voluntary hospitals and 19 private hospitals. Nearly one third of hospitals in Ireland are voluntary hospitals in partnership with the State. The voluntary sector nationally accounts for just under 30% of all inpatient care.

2020 was a year in which the agility, resilience and extraordinary importance of Ireland's voluntary hospitals came into sharp relief. In a year which saw sources of funding in voluntary hospitals being further eroded by the intensely increasing demands driven by Covid-19, coupled with a reduced ability to fundraise, now is the time to strategically target capital investments in healthcare.

Investment is needed in providing new and upgraded facilities and equipment across acute hospitals, palliative, mental health and social and older person's care. Additional resources are required to ensure adequate equipping and commissioning of such facilities. to provide improved standards of patient care and deliver additional capacity into the healthcare system.

Waiting lists

The waiting list crisis in Irish hospitals has been exacerbated by Covid-19, among other factors. At the end of December 2020 there were 606,230 patients waiting for outpatient hospital consultations, up by more than 50,000 since the start of 2020 according to latest figures from the National Treatment Purchase Fund (NTPF). Some 72,475 patients were waiting for inpatient or day case treatment, with a further 32,539 patients waiting for an appointment for a GI Endoscopy. In total, there were 838,675 people on hospital waiting lists at the end of 2020.

Mental health

Covid-19 is not restricted to physical impairments. It has also led to higher levels of anxiety and poor mental health across Ireland in adults and children alike. Saint John of God Hospital, specialising in mental health treatment and care, said in May 2020 that over the second month of the pandemic, half of its admissions related to the intense pressure from Covid-19 restrictions. Throughout 2020 our health services have seen a dramatic increase in patients struggling with mood and anxiety disorders, addictions and issues stemming from severe isolation. However, further shocks will face employees and employers including the challenges of the future of work, large scale automation and certain jobs becoming obsolete. Increased investment is urgently required in mental health services due to the growing psychological toll of the pandemic. In addition, greater investment in resilience approaches will enable individuals to maintain their wellbeing and increase adaptability to future crises from a stronger foundation.

Innovative healthcare technologies

The NDP should support the deployment of digital, telehealth and other healthcare innovations delivering improved patient outcomes. Telehealth can play an important role in treating patients in non-hospital settings. Finally, innovation is essential to the healthcare sector. Government must take full advantage of the opportunities to facilitate innovation across the sector through pre-commercial procurement tools (e.g. SBIR scheme) funded nationally and through EU research programmes.

Recommendations:

> **Expand critical care and isolation capacity in Irish hospitals:** Capacity expansion is needed to facilitate patient isolation and physical distancing while maintaining the existing bed capacity in our public hospitals. In addition, the opening of 2,600 permanently funded additional beds needs to be realised.

- **Ensure safe, standardised, high-quality maternity and neonatal care:** In line with the National Maternity Strategy, capital funding is required for a new critical care wing in The Rotunda Hospital, Dublin.
- **Accelerate the delivery of the new National Maternity Hospital:** This is a key project in the NDP and fundamental to the National Maternity Strategy. Site enabling works must continue at pace. The procurement process and appointment of the main contractor is an urgent priority.
- **Meet Health Information and Quality Authority (HIQA) obligations:** To ensure ongoing viability of voluntary services in compliance with safety & legislative requirements, capital funding is required for the upgrading and construction of older facilities. This includes construction of a replacement hospital at Leopardstown Park Hospital, Dublin.
- **Implement the National Policy on Palliative Care:** Serving an increasingly complex and elderly palliative care patient group and providing for enhanced infection control requires increased capital funding, including construction of a new 24 bed single room inpatient unit, replacing the 30-year-old multi-bedded unit in St Francis Hospice Raheny, Dublin.
- **Complete essential healthcare construction projects:** Critical building projects and timelines have been impacted by public health restrictions on the construction sector. Projects such as the National Children's Hospital must be completed. All healthcare and related building projects must be deemed essential, allowing construction to resume in a safe manner.
- **Reduce waiting lists:** Review healthcare planning needs in light of Covid-19 to make serious inroads into adult and paediatric waiting lists in the second half of 2021. Put in place funding to address constraints without delay. Secure capital investment to address capacity issues, equipment and ICT and other roadblocks to reducing waiting lists.
- **Protect our mental health:** Reverse recent reductions in adult and paediatric mental health services funding as a proportion of the overall health budget (6.3% in 2020). Sláintecare recommends 10% of the health monies should be allocated to mental health. This figure is still below international recommendations.
- **Increase adoption of telehealth and innovative healthcare technologies:** There is a growing interest in how telehealth aspects of a product /service offering can be leveraged by hospitals/clinicians. Telehealth can play an important role of treating patients in a non-hospital setting contributing to improved patient outcomes.

Childcare

Despite significant increases in funding to the early childhood care and education sector over recent years, albeit from a low base, as well as a very welcome and ambitious First Five Years Strategy, Ireland remains one of the most underfunded childcare systems in Europe, failing to meet the EU average or UNICEF targets for investment. A lack of State investment has contributed to Ireland having one of the highest costs of childcare in the OECD, accounting for 53.5% of the average wage in Ireland. This lack of investment means that the sector is characterised by low-paid employees with a lack of a clear career path and providers struggling to sustain business under significant administration, inspection and regulation demands and increasing commercial rates and insurance costs.

Strong investment in a sustainable childcare and education system is essential for lifelong economic and social outcomes for children and families. Access to quality services has been proven to benefit a child's education and labour market outcomes while making parents available for work and training, helping to break the cycle of inequality and poverty. A lack of quality and accessible childcare services can reduce the availability of skilled and educated workers, particularly women, which will impact Ireland's economic growth potential. To support children, parents and a strong functioning labour market over the coming decade, existing structural challenges related to the future funding of the early childhood care and education sector must be addressed to enable the provision of high quality, affordable and accessible early learning and care and school age childcare.

A sustainable funding model is needed to maintain and develop the sector. Financial stability of providers is undermined as capitation rates are not fit for purpose and insufficient to provide the service required. Existing fee structures are also not fit for purpose. They fail to reflect the differing cost of delivering services in urban vs. rural areas, the difference between the costs of providing a 0 – 3 years services, a preschool service and an afterschool service, and the impact that this has on business. Other issues related to the funding model include the built-in attendance criteria which penalises providers should children not attend non-mandatory services, and the reduction in provision of places for Under 3s due to a lack of capitation provision.

Flexibility in service provision needs to be developed. The current available hours of formal care do not reflect the needs of many working parents and the lack of a formal, regulated after-school care system is a further issue. After-school or out-of-school services are ad hoc, unregulated, geographically inconsistent, and often expensive, impacting both the availability and quality of provision. Schools also need to be incentivised to make their space available to out of school hour services to avoid the logistical complications involved for children and working parents.

To provide a quality service, a highly trained and skilled staff and low turnover in the workplace is required. Addressing structural issues such as the 38 week ECCE model where many professionals need to apply for Job Seekers Allowance throughout the summer, is important to boost the desirability and status of the sector.

Recommendations:

> **Develop a sustainable funding model for the childcare and education sector:** A sustainable funding model is needed to enable parents to access quality, affordable childcare from the age of 12 months; to facilitate staff in having an appropriate salary, security in their role and a career path; and support providers in maintaining commercial viability and quality centres for education and care.

> **Review the regulatory system:** Review regulations to unblock greater investment into early childhood care and education sector to grow the supply of quality provision including pre and after-school care.

> **Expand the provision of childcare and education services:** Where gaps in the availability of quality childcare exist, grants should be provided to seed more provision.

Long-term care

Ireland's population is ageing rapidly with the share of population who are aged 65 and over projected to increase from one in eight to one in six by 2030, and the number aged 85 and over projected to almost double. Ireland needs to be ready to meet both the associated increase in demand from older people for long-term care services, as well as the multifaceted nature of care for older people due to their financial, accommodation, social and health considerations. Although much of the increasing demand for long-term care is driven by the ageing population, the care system must also support individuals with disabilities or medical needs. Waiting lists for homecare and other social services show that there already exists a significant gap between the demand and supply of adequate services for long-term care, which is at risk of widening if significant investments are not made.

UCD research found that most people would prefer to remain living at home for as long as possible and receive care when it is needed in their home. Care in the home can also lead to more positive health and social outcomes. However, there is no statutory entitlement for homecare as exists for nursing home care. This has led to a consistent underfunding of homecare services and a fragmented system of unequal access, as characterised by the Forum on Long-Term Care for Older People, with low levels of provision; having inadequate needs assessments; entitlement which is frequently arbitrary; geographical inconsistencies resulting in a 'postcode lottery' of access to services; poor availability of good quality respite care services and prioritisation of funding for nursing home care under the Fair Deal scheme.

Without significant development of homecare services, people with care needs will increasingly be at risk of not receiving the level of service they require and entering long-term residential care unnecessarily and prematurely at a greater cost to the State.

Family carers have become the main source of care provision in Ireland, filling the gap that formal care cannot provide. As Ireland's population continues to age, it is expected that by 2030 one in five of us will become carers. More and more people will need to combine care responsibilities with employment. Without adequate supports they may struggle to provide care or participate in the workplace, and face deteriorating mental, physical and financial health. This is a particular concern for members of the 'sandwich' generation who are faced with caring for both their children and older parents, as well as women who traditionally bear the brunt of caring responsibilities.

Addressing existing and future demand for long-term care will require a significant expansion of existing services and a reimagining of long-term care in Ireland to explore innovative and holistic care options such as sheltered or supported housing options. To prepare for the next decade, a continuum of care is needed that is guided by user needs as they evolve over their lifetime; provides real choice and quality options; and which supports users in leading active, healthy, and dignified lives. This continuum with a philosophy of early intervention at the level needed, has the potential to sustain people at a lower level of care in their homes for longer.

Recommendations:

> **Create an integrated statutory system for long-term care:** A statutory system for long-term care is needed to direct investment towards services such as homecare where there has traditionally been an underinvestment. This would support the preference of most people to receive care in their homes and facilitate equal access to such services.

> **Increase the supply of social care facilities:** Significant capital investment is needed to expand access to daycare, respite and other social service facilities to meet demand in the coming decade.

> **Reimagine long-term residential care:** Develop the continuum of long-term care services to increase the supply of sheltered and supported housing options, including providing funding to support the implementation of actions identified in the Housing Options for Our Ageing Population policy statement.

Tourism, culture, heritage & sport

Tourism, hospitality, and leisure businesses are highly inter-dependent. They also support significant employment through their supply chain such as agri-food producers, the drinks industry, aviation, and other transport sectors. They represent Ireland's largest indigenous industry grouping, which generate significant tax revenues and crucially, provide employment right across the country.

Long-term Covid restrictions will completely change the environment in which these businesses operate. Businesses within these sectors are also particularly exposed to Brexit, with exchange-rate pressures impacting visitor numbers from the UK even prior to the impact of Covid. Without specific government supports, many businesses may not re-open and high levels of sectoral unemployment will continue. Targeted investment is necessary for supporting sustainable employment and enterprise, re-establishing international access, enhanced marketing investment and unlocking much-needed investment across different areas and activities. Government should also work to increase the level of non-Exchequer finance available to businesses within the experience economy. For example, the eligibility criteria for accessing EIB finance should be extended to include tourism, hospitality, and leisure businesses of sufficient scale.

Enhanced tourism marketing and promotion

An increase in tourism promotion and marketing will need to occur in tandem with the re-opening of the country. There needs to be a serious ramping up of expenditure by Tourism Ireland and Fáilte Ireland over the coming years. This will need to target both domestic and international visitors, as there is an expectant lag in the return to the pre-pandemic levels of international visitors. Funding should be provided for an ambitious domestic tourism campaign strategy, promoting staycation, short-stay, and day-trip opportunities. This should also leverage existing promotional campaigns (e.g. Wild Atlantic Way, Hidden Heartlands, and Ireland's Ancient East) and to connect them to the wider experience economy. Local authorities should also be given assistance and direction to better promote local tourism opportunities. Finally, a programme providing marketing support to visitor attractions should be rolled out.

The country must continue to attract international tourists. The priority should be to target international visitors in the higher spending source markets and segments. This will result in sustainable growth in employment across the sector, which will in turn boost employment levels. Government investment in tourism capital projects should be focused on improving product quality and innovation, and the development and enhancement of cultural and heritage experiences to attract a wide range of visitors to Ireland. Overall investment in international accessibility will benefit the experience economy. In addition to supporting the opening of new air routes, Government should also work to achieve a relaxation of EU State Aid rules in support of the re-instatement of air access networks. In addition, thematic promotional campaigns should be expanded, and new areas added such as continuing to promote indigenous food and drink.

Investment in tourism infrastructure and product development

Attractions and infrastructure will need to be upgraded over the coming years, in addition to developing new experiences that could be enjoyed by locals and visitors alike. Stakeholders will need to work together to facilitate the better targeting of tourism investment across visitor experience development, visitor awareness and accessibility, and critical enablers. Local, regional, and national public bodies must continue to advance projects that leverage placed-based assets and catchments sustainably. This includes the development of infrastructure assets such as greenways and blueways. The pragmatic response of local authorities to Covid in terms of actively supporting outdoor seating and the use of the public realm should be become a positive legacy of the crisis. Efforts such as this, pedestrianisation initiatives, and the creation of new public spaces will improve local destinations.

Supporting the experience and night-time economies

Our cities will have to work harder than ever before to entice people into the urban core. The wider experience economy, particularly those activities in the evening and night-time, is a key pillar underpinning sustainable city recovery. Looking at a night-time economy by itself will not be enough. We need to connect with complimentary strategies such as those for culture and events. Conference, sports, concerts, and events are proven for their ability to drive footfall and deliver wider business benefits. Ireland requires a new events strategy. This would cover areas such as short-stay visits, conferences, events, markets, and other local visitor attractions.

An effective strategy must address, facilitate, and encourage formal and informal events from large-scale to smallish, more intimate or boutique events. It also must incorporate festivals and markets such as general music festivals, the St. Patrick's Festival, Christmas to food and other specialist markets; both outdoor and indoor. Events can be inclusive and can also be targeted at specific demographic or customer-bases. Local authorities and other regulators must adopt a partnership approach to events. This includes consistent, predictable, and simplified licensing procedures; a constructive approach to risk management; and incorporating short-term and long-term economic benefits into the decision-making process. This includes the role events play in supporting the night-time economy; increased footfall; and local economic benefits such as direct (e.g. venue owner, events contractors etc) and indirect (e.g. neighbouring bars and restaurants, accommodation, transport, supply-chains etc). Finally, local authorities must be supported to identify and allow their own to be used for events, complete with a simplified licensing and permit regime.

Recommendations:

- **Prioritise investment in the tourism infrastructure and new product development:** Investment should support visitor experience development, upgrading of existing attractions and sites, visitor awareness and accessibility.
- **Launch an ambitious marketing and promotional strategy:** Double the overseas tourism marketing budget, targeting higher spending source markets and segments; develop a new national events strategy; and provide for enhanced domestic tourism promotion.
- **New sports capital funding programmes:** New call for proposals covering investment and upgrading of sports facilities and infrastructure across the country.
- **Support development and enhancement of the night-time economy:** Prioritise immediate investment in supporting infrastructure, such as late-night transport provision, for the recovery and growth of the night-time economy. Local authorities must actively support local night-time economic development, which includes rethinking the use of public space and reimagining under-utilised spaces.

3. Effective regional development

The current infrastructure deficits in the regions have the potential to undermine national economic recovery efforts. While it is difficult to quantify what the eventual economic impact of the pandemic will be on the regions, it is undoubtedly being exacerbated by pre-existing challenges and regional disparities. Decades of under-investment, particularly in digital and transport infrastructure and higher education, will leave some regions significantly challenged in their ability to fully recover. Actions must be taken now to build economic resilience and stimulate the regional economies to mitigate the lasting impacts of the Covid crisis.

One of the most effective means of stimulating regional economies is by investing in infrastructure including housing, education, transport, broadband, health and making urban centres vibrant and attractive places to work and live. Dublin accounts for almost half of all economic output, making us more reliant on our capital city than any other country in the EU. Without ambitious investment in the regions, the imbalance is set to continue. Addressing infrastructure deficits and tapping into the economic potential that remains unused in our regions is essential to move forward. Doing so will significantly enhance the overall national economic recovery effort.

The NDP must ensure that underpinning infrastructure and appropriate capital investment occurs in the five metropolitan city areas, all regional growth centres, and all key towns across the country designated under the NPF process. These have been targeted to deliver the compact, urban growth objective. They are drivers of sustainable economic, social and employment growth across their respective regions. Each urban centre was selected due to its location and scale of population, employment, and services. These centres will require better infrastructure and increased service provision to service a growing population, ranging from transport, broadband and 5G, energy, and water infrastructure through to healthcare, social services, and investment in education. However, to achieve effective regional development, we must also place special focus on towns right across the country. Smaller towns and villages should be assessed and where necessary, strategically targeted for interventions through the NDP.

Regional accessibility

Ireland retains one of the highest levels of regional economic disparity in the EU. Investment in critical infrastructure in the regions that enhances inter-urban connectivity and accessibility is more important than ever. Any shortcoming in regional transport infrastructure could hinder investment and job creation, thereby reinforcing the perception of a two-tier economy. Effective regional development will require accelerated delivery of projects. First, existing projects in the NDP must be re-prioritised with planned timelines for delivery brought forward. Second, project delivery timelines for all projects should be reduced by up to 50%. The delivery of projects essential to a region must not be unnecessarily held back due to public procurement procedural issues or problems within the planning system.

The economic recovery presents an opportunity to improve accessibility between cities and major urban centres outside Dublin. The current NDP, despite an envisaged €116 billion capital spend, does not adequately address all the major deficits in transport and public infrastructure. More needs to be done. Improved inter-urban connectivity would enhance the prospects for enterprise development and job creation, especially at strategic locations along the Atlantic Economic Corridor and in the relatively under-developed North West region.

The upgrade of key road projects in the North-West will be essential to secure the long-term future economic wellbeing of the region. Enhanced connectivity and accessibility will be more important than ever post-Covid and post-Brexit, to secure the region's long-term future economic growth. The lack of investment in infrastructure in the North-West over many decades has left the region lagging behind other parts of the country and is having a direct effect on business expansion plans, business productivity, and ability of companies to attract and retain talent. The economic recovery of the region is dependent on significant capital investment to make it more accessible and remove any sense of isolation or disadvantage due to peripherality.

An improved public transport system would facilitate access to key tourism and cultural assets. The best outcome, however, will require a focus on all modes of land transport, including upgrades to the road network. There will be a need for continuing public capital investment in critical road infrastructure projects, without which the urban transport strategies would be sub-optimal. The proposed Galway City Ring Road is a case in point. Convenient access to strategic infrastructure such as ports and airports is also essential to the functioning of resilient regional economies. It will, however, be vital to mitigate road transport emissions through utilising clean renewable fuels.

There is a strong case for enhanced rail connectivity between Ireland and Northern Ireland. This would require a coordinated all-island approach. The re-prioritised NDP should support investment in high-capacity rail connecting Dublin and Belfast and to other cities. This would better support the sustainable development of a network of strong urban centres along the Dublin-Belfast Economic Corridor, which in effect stretches from Larne to Rosslare and supports connectivity across the island.

Reimagining and rethinking our town centres

The post-pandemic economic fate of our city and town centres across the country cannot be left to chance. It must be planned for and invested in. Immediate challenges, if not mitigated or addressed, will cause lasting damage, and undermine any recovery effort. Metropolitan city centres have been deeply affected by the crisis. Town centre renewal will take on added importance because under-performing towns can be a drag on regional and national growth.

Town centres that work

There is a strong interdependence between the planning, development and creation of an attractive environment and enterprise development. Companies are attracted to invest in locations where they can access skills, where people will want to live and work and where the surrounding infrastructure is supportive of business (including, for example, transport and broadband networks; education and training facilities etc.). Establishing a strong sense of place contributes to the attractiveness factors for entrepreneurship, for business investment, for foreign direct investment (FDI), talent and tourism.

The focus must be on re-intensification of existing business locations. This strategy aims to create the right conditions for enterprise to thrive, to create wealth and improve quality of life for all. Key aspects are orderly growth, placemaking, smart specialisation and clustering. Consideration is given to future-proofing risk management so that growth is sustainable, competitive, inclusive, and resilient. Skills, talent, and innovation are identified as drivers for resilient and sustainable growth.

Towns and cities must be developed in terms of their economic self-sufficiency to minimise the need for commuting and support the development of surrounding areas. This would support locally generated employment and create prospects for growth. Employment creation will come from a broad base of possible activities; it is critical that potential is recognised and supported across a range of possible sources, both indigenous and from overseas. We must help firms: attract and retain scarce talent; maintain a greater focus on supporting indigenous enterprises; and commit to underscore Ireland as a beacon of certainty for mobile investment in an increasingly uncertain global economy. Employment, along with social protection and pension systems, needs to support easy career transitions.

Reimaging town centres

Town centres will have to be rejuvenated but they will also need to be reimagined. They must be able to adequately respond to trends that have accelerated over recent years, including those that experienced hyper-acceleration at the outset of the crisis. These include the effects of continued growth in remote working and online retail on town centres. Increasing footfall is one priority and is important to helping town centre businesses navigate the current crisis. However, people working at home coupled with restrictions on the experience economy have had an immediate knock-on effect on other town centre businesses. Suddenly the traditional draw-factor of Dublin city centre or other city centres has been seriously weakened. They will have to compete harder than ever to encourage people to return. It is time to address the long-term sustainability and resilience of town centres.

Over the years, peoples' shopping habits have changed. Year-on-year increases in e-commerce by households has been witnessed. Retailers across the country are facing challenges of online shopping, new shopping destinations in neighbouring local authority areas and people who want to shop later in the day and after work. Town centres will require a greater mix of specialist shops, which contribute to the character and attractiveness of the town centre as a destination for shopping. Increased availability of cafés, bars and different types of restaurants will not only relieve the pressure on the retail sector but also support it.

A renewed focus on the retail mix across the regions would be welcome. However, the focus on in-town versus out-of-town retail is unhelpful. Some retailers operate in out-of-town stores. Some operate in towns and city centres. Many operate in both. We must recognise that out-of-town shopping can bring multiple benefits to both retailer and consumer alike. Efforts to rejuvenate town centres do not require a loss of focus on the shopping centre or out-of-town retail experience.

The importance of daily services and accessibility, including last-mile delivery, for the retail sector should be taken into consideration for future investment. Given the significant contribution the sector makes to our town centres, consultation should be made with businesses regarding rejuvenation and restructuring plans.

Finally, incorporating the needs of the night-time economy is key to reimagining our town centres. Local authorities must actively support the needs of their local night-time economy, which includes rethinking the use of public space and reimagining under-utilised spaces.

Urban living key to sustainable town centres

Achieving greater diversity of land use within urban areas will aid sustainable rejuvenation. This requires a better and more appropriate balance between residential, retail, and other commercial or business activity. According to the OECD, the crisis provides an opportunity to develop a new long-term strategy for urban spaces based on accessibility to amenities and services. This replaces previous thinking of designing cities from solely the logic of mobility, which has led to unsustainable commuting patterns. It requires a focus on the "localisation of the Sustainable Development Goals", "the 15-minute city" and "tactical urbanism". Above all, it is a core pillar of the National Planning Framework (NPF). This fundamental shift will require a collaborative approach between local businesses, the local authority and Government to be successful.

Encouraging higher density within our towns will prove important. For example, we must not ignore the changing dynamics within our urban areas, including Georgian or historic quarters. Not too long ago these areas were favoured for office-use, but demand for these traditional types of premises has shifted, leaving such buildings either vacant or partially unused. New regulations regarding the conversion of vacant commercial premises for residential use can be used to provide additional housing supply. This would help to breathe new life into inner-core urban areas. A renewed focus on our Georgian quarters can help rejuvenate key areas within our cities, in addition to identifying other commercial premises that could be suitably and sustainably converted to residential use. The new regulations regarding conversion of vacant commercial premises for residential use also help to make our urban centres safer. This measure, which supports a diversity of uses within a public space, is highly effective at promoting the concept of passive or natural surveillance and is a key component of crime prevention through environmental design.

Smart cities can enhance quality of life

Ireland's five metropolitan cities are facing a broad range of challenges, such as housing, climate change, digitalisation, population growth, demand on services, and ageing or inadequate infrastructure. Pre-existing trends impacting large urban centres, including remote/flexible working and online retail, have experienced hyper-acceleration under Covid. Action will be required to positively respond to, and mitigate the effects from, the legacy of Covid on the metropolitan landscape. Ultimately, the response of each city will have to be smart, sustainable, and inclusive.

Each metropolitan area must fully embrace the 'smart city' concept. Technology can be utilised to solve the challenges our cities are facing. A 'smart city' does not solely focus on efficiency, it also strives to provide a higher quality of life for those that live and work there. Initiatives seek to deliver smart mobility, a healthier and safer city, a cleaner and more sustainable environment, public realm improvements and better use of space. Smart cities seek to connect government, business, academia, and inhabitants in delivering lasting and sustainable transformation.

Existing initiatives such as Smart Dublin should be supported and expanded across the five metropolitan regions. People living and working in cities increasingly expect a greater use of technology to support their daily lives. This requires the adoption and rollout of technology and smart city-related infrastructure. Investment in skills and innovation to support the development of smart cities will be required. Consideration should be given to scaling-up existing projects for wider-deployment across cities.

The 'smart city' concept can be connected to 'smart regions'. Metropolitan and regional growth are inter-dependent. Government must also allow the regions to develop urban centres of sufficient scale, particularly designated Regional Growth Centres and Key Towns. The benefits of such growth can be spread to surrounding rural areas. Enhanced funding and alternative mechanisms to support investment and financing must be utilised. In some cases, the freeing up of development land in city centres is contingent on port facility expansion or relocation projects.

Local plans and renewal strategies must address the full range of issues from housing and enterprise, through to specific sectoral activities such as retail mix. This would support towns to recover and realise their full potential in contributing to economic growth. Opportunities to better utilise funds such the Urban Regeneration & Development Fund (URDF) should be explored. Flagship regeneration projects should be actively supported by government through the National Development Plan (NDP) and through access to international financing. Large-scale and ambitious development projects can have a transformative effect on metropolitan city areas such as Waterford North Quays Project, the South Clare Strategic Development Zone (SDZ) and the Grand Canal Innovation District.

Ibec regional structure

Ibec is a national organisation with a strong regional structure. This includes a network of eight regions, with members supported by six Ibec offices across the country. Ibec's regional network ensures that members are serviced regionally in addition to Ibec's national and international services.

Regional business priorities are driven by the Ibec Regional Executive Committees (RECs). They are made up of nominees from Ibec member companies operating within the regions, including both multinational and indigenous companies, and reflect the diversity of business in terms of business sectors and company size. The committees work to inform and influence business policy priorities for the regions that contribute to sustainable economic growth and employment.

The RECs are committed to shaping a better and sustainable future for their region. This includes ensuring the region has the right enabling infrastructure and services to drive sustainable development, meet economic goals and improve the quality of life. Skills, talent, connectivity, and quality of life are critical to a region's productivity and a key part of a value proposition to attract and retain businesses and workers to a region.

The RECs were actively engaged throughout the development of the NPF and the NDP published together as Project Ireland 2040 and subsequent Regional Spatial and Economic Strategies.

Ibec Regional Executive Committees

Ibec has consulted with the RECs in response to the review of the NDP and compiled the capital investment priorities. Each offers opportunities to enable the region to achieve the growth and transformation envisioned in Project Ireland 2040.

The recommendations throughout this submission will contribute to growth across the country. Specific projects have been identified by each REC that will enable more effective regional development to occur. These priorities are set out below. They have been developed in accordance with the following principles to allow such a levelling up to occur and represent the key challenges and bottlenecks that need to be addressed by the NDP.

The key principles underpinning regional investment priorities:

- Support the ambition of the NPF and its implementation at a regional, metropolitan, and local level.
- Reduce the timelines for delivery of capital projects. Far too many projects have experienced significant delays. The slow pace of delivery of key projects will continue to hamper regional growth.
- Consider all options of funding regional projects. The potential of Exchequer and non-Exchequer funding of regional and local projects must be fully exploited. This includes encouraging new partnership models such as City Deals and leveraging the potential of competitive financing.
- Continue to prioritise the strategy of 'smart' specialisation, clustering, and place-making.
- Build capacity, capability, and infrastructure to support an agile, innovation digital whole of education system and rectify the decades of underinvestment to deliver state-of-the-art learning technologies, spaces and lab facilities.
- Ensure higher education institutions, through increased capital investment, continue to be key drivers of knowledge-based regional development and act as regional anchors of economic growth and sustainable, long-term prosperity.

- Invest in Technological Universities (TUs) to support economic development, regional R&D capacity and deliver for the benefit of their region.
    - Support the further education and training sector, through the provision of modern facilities and ICT, to perform the vital role of addressing regional employability skills to meet the needs of regional enterprise.
    - Support the requirements of traditional and emerging business sectors across the region to boost local employment opportunities, attract people to the region and crucially retain talent in the region.
    - Put in place the necessary infrastructure to support start-ups, allow all businesses to grow and scale, and attract foreign direct investment.
    - Support the transition to a low carbon, climate resilient, and environmentally sustainable regional economy.
    - Ensure that each region delivers the right housing and tenure mix (e.g. apartment focus, rental sector, ageing population, students, social housing, affordable housing etc).
    - Prioritise regional accessibility and connectivity through ambitious investment.
    - Support the investment in sustainable mobility to increase public transport capacity and services, and investment in active travel.
    - Promote strong transport links within and between regional cities, including connections to strategic infrastructure and employment locations.
    - Continue to invest in the national, regional and road network from completing the motorway network, addressing key regional projects, and improving the maintenance of all roads.
    - Provide increased capacity in and global connectivity with ports and airports.
    - Better support the post-pandemic economic fate of city and town centres across the country. Town centre renewal will take on added importance because under-performing towns can be a drag on regional and national growth.
    - Accelerate the rollout of the National Broadband Plan (NBP) and stimulate investment in 5G. High-speed broadband is key to the rejuvenation of rural areas and addressing the regional imbalance. Covid has highlighted the urgent need for investment in digital connectivity.
    - Increase investment in tourism infrastructure, new product development and an ambitious marketing and promotional strategy to support regional employment growth.

Cork

Regional overview

Cork is earmarked to be the fastest growing metropolitan area in the country under Project Ireland 2040. This requires the support of substantial investment in key infrastructure. These growth-enabling projects must be delivered in a timely and accelerated manner. The NDP will be a key enabler to ensure Cork fulfils its potential as a modern city of scale with strong local, regional, national, and international connectivity. Through ambitious investment, it must ensure that Cork remains one of the most attractive locations for FDI and continues to provide the skills, talent and quality of life that draw these vital employers to Cork.

The proposed upgrades to Cork's road network in the current NDP are welcome. However, the timescale for the delivery of these vital projects is taking far too long. Traffic congestion caused by insufficient road capacity and public transport deficiencies risk undermining Cork's growth and impacts its ability to attract and retain staff and compete for investment. Currently, the access to the Port of Cork is inadequate. Given the location of the port, the strong industrial base in its environs, and having regard to the fact that Ringaskiddy is a Strategic Employment Area, the upgrade of the N28 Cork to Ringaskiddy road is vital.

Each of our regional cities have very significant individual potential. However, the combined potential of our regional cities is key in creating a counterbalance to Dublin and achieving balanced regional development. Improved connectivity between Cork, Limerick and Waterford is essential. Road projects, such as the M20, must be fast-tracked along with other key public transport projects, including light rail.

Housing is another critical part of the region's physical infrastructure, and the continued shortage of affordable housing threatens to undermine the region's economic growth, including the attraction of talent and overseas investment.

By international standards, Ireland is overly reliant on Dublin, with 43% of GDP accounted for by the capital. The NDP must prioritise the reduction of this imbalance, particularly post-Covid-19. Cork's future growth will depend on plans set out in Project Ireland 2040, including high density housing, transport, education, urban regeneration, and investment in social and economic infrastructure to support a growing population. The ambition for Cork and for balanced regional development must be matched by a commitment to the capital investment that is needed enable growth and prosperity. In addition, key infrastructure project delivery must not be impeded by unnecessary and costly delays. The aim should be to halve project delivery timelines.

Specific NDP investment priorities

- Implement the Cork Metropolitan Area Transport Strategy (CMATS), an integrated multi-modal transport network including the proposed Urban Light Rail.
- Bring forward strategic road infrastructure projects, including the N8/N25 Dunkettle Road Interchange, the Cork Northern Ring Road, and the N28 Cork to Ringaskiddy, to ensure the port is served by high-quality roads.
- Complete the M20 Cork to Limerick motorway and upgrade the N25 Cork to Rosslare, to enhance inter-regional connectivity and achieve better regional balance.
- Develop the Docklands (City Docks and Tivoli), to support major urban regeneration.
- Provide accelerated high-speed broadband access to households and businesses under the NBP.

- Create a supportive regulatory environment for the rollout of 5G.
- Develop a 'smart' city to benefit quality of life and wellbeing of citizens and act as a magnet for knowledge, talent, creativity, high value jobs and investment and revitalise town centres to underpin recovery across the region.
- Deliver the right housing and tenure mix (e.g. apartment focus, rental sector, ageing population, students, social housing, affordable housing etc).
- Provide increased Exchequer support to Cork Airport for a period of at least five years to preserve international connectivity. The existing National Aviation Policy, which excludes Exchequer support for larger State airports such as Cork, needs to be reviewed and revised.
- Prioritise investment in tourism infrastructure in the region, to stimulate demand and build upon tourism potential. This includes the development of new visitor experiences, upgrading of existing attractions and sites, and enhancing visitor awareness and accessibility.
- Upgrade Further Education and Training (FET) facilities leading to the development of a flagship FET Centre in the Cork region to meet the changing needs of the world of work and lifelong learning.
- Invest in physical infrastructure development at Munster Technological University (MTU) including: upgrading the existing 1974 building within the MTU Bishopstown campus, completing development of the Sports Arena and the Learning Resource Centre and investment in planned new developments including: The Engineering Learning Factory; the Centre for Science Education; two business/humanities facilities (the Track Boulevard and Gateway Building); a Centre for Excellence in Apprenticeship; and the Art, Design and Media project.
- Expand business incubation hubs, such as the MTU's Rubicon Centre and Tom Crean Centre and the IGNITE Centre in UCC, to support more start-ups and provide state-of-the-art facilities. This will also accommodate regionwide cluster offices and HQs, along with the co-location of cluster HQs with start-ups.
- Develop a new Cork University Business School building located between Copley Street, Union Quay and South Terrace in Cork City centre, providing new modern fit-for-purpose facilities consistent with its scale and ambition and those of an internationally accredited business school.
- Invest in physical Infrastructure at UCC including, for example, the Kane Science building, to provide the skills and talent to support the Pharma/Biopharma sector.
- Embrace digital infrastructure and digital transformation in UCC, to bring the university into line with international higher education standards of investment in digital.
- Expand the Tyndall National Institute (TNI) to upgrade and expand its world-leading capabilities and expertise in cutting edge, state-of-the-art, ICT research. This expansion is central to advancing the national ICT skills agenda.
- Invest in coworking smart 'hubs', to embrace economic opportunities arising from new ways of working post-Covid. This will also help attract and retain high-value talent and support towns and villages.
- Expand the Cork Science and Innovation Park at Curraheen, including the development of the 'Health Innovation Hub Ireland' building which will guide the development of the site towards innovation and will act as a magnet for additional FDI.

- Develop the ‘Cork Innovation Corridor’ through the city, along the route of the planned light rail system from Ballincollig in the West through to the docklands and Mahon in the East of the city.
- Deliver flood relief measures to ensure protection against flood risk.
- Enhance investment in future Port developments and expansion and ensure the Port of Cork has the capacity to deal with increased economic activity and deliver offshore projects.
- Develop business case for the reintroduction of freight rail linkage to Marino Point, contingent on investment to redevelop port facilities at the old IFI factory site.
- Upgrade of the R624 Regional Road, linking the N25 to Marino Point and Cobh.
- Continue to invest in healthcare institutions in Cork to ensure a world class health care service.

Dublin & Mid-East

Regional overview

Businesses across the Dublin & Mid-East region will be at the heart of the national recovery; both large and small, selling products and services locally or sending them to the four corners of the globe. Yet, no sector of the regional economy has been left untouched by the Covid crisis. The region is an engine for growth for the whole country. It has been proven to be more resilient than others due to our diverse enterprise base and better broadband. The region will have to innovate, adapt, and be creative in how it responds to external threats such as Brexit and climate change. With the right focus, investment and planning, the region can continue to grow and be successful, and provide a vibrant and sustainable environment where future generations can live and work.

The Dublin & Mid-East region is home to four out of every ten people in the country. The region has one of the youngest populations in Europe, with 49% aged under 35 years old. Density must be part of planning for a post-Covid world. Spatial planning policies at local, metropolitan, and regional levels must resist making rash and misguided changes to the sustainable development objectives at the heart of the NPF. By extension, NDP priorities should not be re-oriented away from the region.

Covid has altered the labour market, resulting in job losses in all sectors. Work is needed to make the region more resilient and globally competitive due to Covid, Brexit, and other global threats, with sectors such as tourism, hospitality, and leisure particularly exposed. The Dublin-Belfast economic corridor has an important role in protecting economic and social linkages that currently exist, in addition to further contributing to the future development of the all-island economy.

Urban planning is an area of priority for the Dublin & Mid-East region. The development of a ‘smart’ region and revitalising town centres will underpin recovery. It is essential that land use and transport are developed and planned through a coordinated approach to avoid the mistakes of the past that handcuffed the growth to urban sprawl. Compact, urban growth must be actively supported through the NDP. Remote working and digitalisation of services, including retail (e.g. omnichannel) were growing trends prior to the pandemic; they have accelerated since March 2020. The Dublin & Mid-East region will see a steady increase in the number of new households being formed, reflecting the growth in population coupled with a decline in average household size. We need the right mix of housing in the right areas, in accordance with suitable and sustainable development practices.

The region's economy is driven by innovation and knowledge intensive industries. Education is core to the revitalisation of the region. Higher education institutions and the student population make a significant contribution to the vibrancy and diversity of the region. Restrictions on students attending courses on campus have a direct impact on the wider regional economy. In addition, the collapse of international student fee incomes, campus accommodation rentals and other revenue sources are compounding the funding challenges faced by the region's higher education institutions.

The region's transport network must be more connected, integrated, and efficient. A whole-sale return to pre-Covid commuting patterns will be unsustainable. Dublin was the 15th most congested city in the world in 2019. The commuting "experience" will play a key factor in encouraging people back into the workplace. This will have a knock-on impact on a commuter's preferred mode of transport or whether to continue to work remotely. Sustainable mobility will require a package of investment measures and behavioural incentives to deliver a lasting modal shift for commuting. As an island-economy, the success of our economic recovery will be shaped by our capacity to engage in international connectivity and mobility.

Specific NDP investment priorities

> Ensure the regional investment framework set out under the NDP is delivered and incorporates additional projects required to deliver the growth objectives set out in the NPF and RSES to 2030.

> Enable local authorities across the region to develop an international funding strategy to deliver additional and/or innovative projects that could access sources such as the EIB.

> The NDP must support compact, urban growth, through supporting investment that allows for higher density development across metropolitan Dublin.

> Facilitate urban resilience and recovery through investment in mitigating against legacy issues caused by Covid, remote working, changes to retail and other external factors.

> Provide a focus on re-intensification of existing business locations, to create the right conditions for enterprise to thrive such as placemaking, 'smart' specialisation and clustering.

> Avoid delays to supporting infrastructure, such as the Water Supply Project for the Eastern & Midland Region, so that housing and other key projects in Dublin and other urban centres can progress without delay.

> Support the delivery of the right housing and tenure mix (e.g. apartment focus, rental sector, ageing population, students, social housing, affordable housing etc).

> Allow the region to be an early adopter of 5G, in addition to providing high-speed broadband access to households and businesses under the NBP.

> Transport investment should be integrated with land use and development objectives, established resulting in an ambitious multimodal transport network.

> Provide for the recovery and growth of the night-time economy, through investment in supporting infrastructure such as late-night transport provision.

- Progress the Metrolink, LUAS extension to Finglas, and LUAS Green Line Capacity Enhancement projects without delay,
- Conduct an evaluation of new underground metro routes within the M50.
- Prioritise the DART Underground project in the revised NDP, supporting overall commuter and inter-city rail capacity increase on the existing rail line and at Connolly and Heuston stations.
- Progress the review of the proposed Navan extension rail line and develop a business case, if necessary.
- Continue to support investment in and expansion of Dublin Airport and Dublin Port as global gateways; the NDP must address accessibility and other supporting infrastructural requirements.
- Invest in roads which enhance the interaction between 'key towns' and other urban centres within the Dublin Metropolitan Area, such as the N11 upgrade and N3 Clonee to the M50.
- Provide capital funding to local authorities to support active mobility, through measures such as pavement works, greenways and urban cycling infrastructure.
- Accelerate the rollout of planned alternative road fuel transport infrastructure, such as charging and refuelling projects, to support the region's decarbonisation roadmap.
- Launch an ambitious deep retrofit programme to begin upgrading large sections of our building stock to B1 and A BER ratings.
- Increase capital investment in education infrastructure (primary, post-primary, further and higher-education sectors), to address deteriorating and/or inadequate buildings, outdated ICT facilities, and the increased need for online education, specialist laboratories and equipment.
- Address the funding deficit in higher education to allow the region's institutions to attract students from across the globe and ensure the institutions climb the global rankings.
- Continue to support existing, and encourage new, flagship urban development projects, such as Grangegorman and the Grand Canal Innovation District.
- Provide for increased capacity in healthcare across acute hospitals, social and older persons care, primary care, and mental health services.
- Complete construction and commissioning of the National Children's Hospital and the new National Maternity Hospital.
- Prioritise investment in leisure and tourism infrastructure. This includes supporting the development of new visitor experiences, upgrading existing attractions and sites, and enhancing visitor awareness and accessibility.

Midlands

Regional overview

The NDP will be vital to support economic recovery of the Midlands in order to raise economic activity and productivity. An updated NDP must take account of the changed environment and support the sustainable development of the region with ambitious investment.

Capital investment in the region needs to be expanded to address the impacts of Covid and offset the decline in economic activity. Recent studies show that the economic impact of the pandemic will hit the Midlands harder than any other region.

Investment is needed to make the region more resilient and globally competitive due to Covid, Brexit and other global threats, with sectors such as tourism, hospitality and leisure particularly exposed. The importance of resolving the infrastructure challenges including transport, housing and connectivity challenges will be critical in generating economic activity and prosperity. Key enabling infrastructure for underpinning future growth must be prioritised.

The urgency of bridging the digital divide has been exposed by Covid. It has never been more important that everyone can connect. Access to high-speed broadband has become essential during the pandemic as home-working and education systems move to online platforms. We must prepare for a future that is more online than ever. Government must accelerate the rollout of the NBP and deliver on its ambition as quickly as possible to support growth across rural areas and enable the region to embrace economic opportunities arising from digital connectivity and new ways of working.

The post-pandemic economic fate of towns across the Midlands cannot be left to chance. It must be planned for and invested in. Immediate challenges, if not mitigated or addressed, will cause lasting damage and undermine any recovery effort. Town centre renewal will take on added importance because under-performing towns can be a drag on regional growth. Incentives must allow urban centres of sufficient scale to develop, particularly the designated Regional Growth Centre of Athlone and 'Key Towns'. The benefits of such growth can be spread to surrounding rural areas. Enhanced funding and alternative mechanisms to support investment and financing must be utilised. The development of a Technological University has the potential to be a major driver of growth. Significantly greater investment will be needed to deliver on the needs of a TU.

The capital budget for the region needs to be expanded to address the impacts of the Covid crisis. Investment in infrastructure including housing, education, transport, broadband, health, tourism and town centres is vital to give the region a much-needed boost and raise economic activity and productivity across the region. Slow implementation of the NDP will hamper growth. Effective and timely delivery will be crucial to achieving the stated objectives of population growth and creating a strong regional growth centre.

Specific NDP investment priorities

> Upgrade the N4 Mullingar to Longford (Roosky) and the N5 Longford to Westport road to act as key economic catalysts supporting the development of the Midlands and providing critical access to the North-West and West.

> Enhance North-South interconnectivity between main economic centres, connecting Athlone and the region's key towns, to deliver a central well-connected region for industry and tourism.

- Targeted investment in infrastructure, including significant Information technology (IT) and systems upgrading to deliver for students and stakeholders and drive a viable and sustainable Technological University.
- Upgrade and modernise Further Education and Training (FET) facilities, in line with the strategic priorities of the region and the Just Transition (Sustainable Development) focus for the ETBs, ensuring efficient and effective FET provision across the region. Planned developments include the development of the ETB Longford Campus, a new FET Centre in Mullingar, a combined Library and FET Centre in Kinnegad and expansion of apprenticeship training facilities within FET locations in Longford and Westmeath.
- Prioritise investment in tourism infrastructure in the region, to support the development of new visitor experiences, upgrading of existing attractions and sites, and visitor awareness and accessibility to stimulate demand and build upon the tourism potential of the Midlands.
- Invest in walking and cycling trails, greenways, and blueways, to enhance the variety and appeal of leisure activity infrastructure, boost tourism and enhance quality of life offering.
- Provide key enabling infrastructure for revitalising town centres, with an emphasis on public realm and placemaking.
- Ensure an adequate and affordable housing supply to meet population growth throughout the Midlands which will be a key enabler in supporting employment within the region.
- Provide accelerated high-speed broadband access to households and businesses under the NBP.
- Create a supportive regulatory environment for the rollout of 5G, an important technology for enhanced connectivity.
- Invest in coworking ‘smart’ hubs, to embrace the economic opportunities arising from new ways of working post-Covid. This will also help attract and retain high-value talent, and support towns and villages.
- Prioritise critical enabling infrastructure for Athlone to deliver its function as the Regional Growth Centre and primary urban centre, to support an overall growth in population of 40%.
- Continue investment towards a green and sustainable regional economy, to capitalise on its potential for green growth and opportunities to develop new green industries, employment, and technologies.
- Support the development of the Midlands as an advanced manufacturing centre of excellence.

Mid-West & Kerry

Regional overview

The NDP review is an opportunity to be the platform for achieving economic recovery of the Mid-West and Kerry. It is vital that key investment projects are included and delivered with urgency. The Mid-West labour market was in a strong position prior to Covid with an unemployment rate of 4.9% but now faces major challenges with the recent pandemic. The adverse impact of this is evident with unprecedented increases in unemployment, and with some businesses in the region permanently closing as a result.

2020 was an exceptionally challenging year for the aviation and tourism sectors. The impact of Covid on the operations of Shannon Airport is of significant concern as the airport contributes €3.6 billion to the economy and supports 43,700 jobs. Shannon Airport’s already challenging economic position has been further exacerbated by Covid. Overall passenger numbers were down 80% in 2020. Key sectors of the regional economy are reliant on good air connectivity. The existing National Aviation Policy, which excludes Exchequer support for larger State airports such as Shannon, needs to be reviewed and revised.

The Mid-West is particularly exposed to the adverse effect of Covid on tourism’s significant visitor and revenue decline. Limerick has a high dependency on foreign tourism, coupled with its higher-than-average dependency on North American tourism. Kerry’s dependency on the tourism sector is highlighted by the fact that almost 1 in 5 jobs are dependent on the sector.

International business also relies heavily on functioning global connectivity. Permanent connectivity to strategic routes is vital to doing business in the Mid-West and winning new investment. Connectivity is a key driver of economic development. As an asset of strategic regional and national importance, underpinning regional development, NDP support is essential from both a policy and funding perspective.

The Shannon Estuary and Shannon Foynes Port Company is well placed to provide the region with substantial growth opportunities in the years ahead, whether by expanding marine freight in the region or facilitating the harnessing of the Atlantic coast’s immense renewable energy resources. The NDP will be key to realising its growth potential.

Under the NPF, Limerick City and Suburbs are expected to grow to support a minimum population growth of 50% by 2040. A strong transport network including connections to strategic infrastructure including the airport and port will be vital to achieving this growth objective. Bringing forward road projects such as the N21/N69 Foynes to Limerick Road including Adare bypass, the Limerick Northern Distributor Road (LNDR) and the M20 Limerick to Cork motorway will be key enablers to the overall growth of the entire region and achieving better regional balance. However, any delays to road and public transport infrastructure investment could undermine growth targets. Timely delivery will be key.

Education and research are key drivers of growth. The Limerick Northern Distributor Road (LNDR) has been coined the ‘Knowledge Corridor’. The NDP will be key in unlocking its potential. Furthermore, supporting Limerick as a vibrant Student City will require significant infrastructure development, particularly the Limerick Institute of Technology (LIT) Technological University aspirations, further development of the University of Limerick campuses, and modernising Further Education and Training (FET) facilities.

Specific NDP investment priorities

- Provide increased Exchequer support to Shannon Airport for a period of at least five years to preserve international connectivity.
- Advance the Coonagh to Knockalisheen Distributor Road (NDR Phase 1), a cornerstone of the Limerick regeneration project.
- Fast-track delivery of the entire Limerick Northern Distributor Road (LNDR), a strategic investment priority for the Limerick-Shannon MASP.
- Bring forward strategic road infrastructure projects, including the N21/N69 Foynes to Limerick Road including Adare bypass, enhancing connectivity to Shannon Foynes Port, a Tier 1 port of national significance and a TEN-T Core Corridor Port.
- Progress the business case for the reinstatement of the Foynes to Limerick rail freight corridor.
- Include the N19 Shannon Airport Access Road Improvement Scheme in the NDP and accelerate its delivery.
- Implement projects identified in the forthcoming metropolitan area transport strategy for the Limerick-Shannon Metropolitan area to ensure the implementation of an integrated, multi-modal public transport network across the Metropolitan Area servicing strategic residential, higher education and employment growth location.
- Complete the M20 Limerick to Cork motorway, leading to enhanced inter-regional connectivity and better regional balance.
- Upgrade the N24 Limerick to Waterford strategic route and improve interurban and interregional connectivity.
- Develop a business case under the NDP for a new rail link between Limerick and Shannon.
- Support the delivery of the right housing and tenure mix (e.g. apartment focus, rental sector, ageing population, students, social housing, affordable housing etc).
- Support LIT's infrastructure developments to accommodate the critical mass of students that will be needed to drive a viable and sustainable TU, prioritising completion of the Engineering Centre of Excellence at Coonagh , the Applied Science & IT building and Library Information Resource Centre at Moylish, and refurbishment to expand research facilities and increase capacity for research workspaces at Clare St.
- Develop new and extensions of existing co-located Research, Community Engagement and Enterprise Acceleration Centres across LIT campuses.
- Upgrade and modernise Further Education and Training (FET) facilities (26 colleges/centres and flagship developments in Limerick and Clare) to ensure efficient and effective FET provision across the region.
- Sustain investment in refurbishing existing school buildings as well as replacing outmoded buildings.
- Extend and renovate existing buildings at the University of Limerick (UL) Castletroy campus, as well as developing the UL Limerick city campus. A significant investment in digital infrastructure is also required.

- Invest in coworking ‘smart’ hubs, to embrace the economic opportunities arising from new ways of working post-Covid. This will also help attract and retain high-value talent and provide resources and facilities to support towns and villages.
- Accelerate high-speed broadband access to households and businesses under the NBP.
- Create a supportive regulatory environment for the rollout of 5G, an important technology for enhanced connectivity.

North-West

Regional overview

The NDP will be crucial to addressing the infrastructure and investment needs of the North-West to support its economic recovery and future prosperity. Investment in the region needs to be significantly increased to address the adverse effects of Covid and Brexit, as well as the legacy of underinvestment in the North-West. Decades of underinvestment has left the region lagging behind other parts of the country. The failure to address critical investment shortfalls in the past has resulted in a two-speed economy and these inequalities are likely to worsen as a result of Covid and Brexit.

The Northern and Western region has not performed economically as well as other regions or relative to the EU norm and was reclassified by the EU as a ‘Region in Transition’. The downgrading from a ‘More Developed Region’ provides further evidence of the region’s continued economic decline relative to other regions. Investment in infrastructure is vital to drive growth and halt the decline.

Out of the three Regional Assembly Areas, the Northern and Western region was shown to have the highest “Covid-19 Exposure Ratio”. The hospitality sector, which is a significant employer in the region, has been severely impacted by Covid and faces a hugely uncertain future. An estimated 13% of jobs in Donegal alone are directly dependent on the success of the tourism and hospitality sector, with many more jobs supported indirectly.

Connectivity and accessibility will be more important than ever post-crisis to minimise the potential damaging impacts of Covid and Brexit, to which the North-West is particularly exposed. The North-West region is the most vulnerable to the Brexit fall-out and this will also inevitability add to regional disparities.

Remote working provides an opportunity to rejuvenate towns across the North-West. The region offers a high quality of life and lower cost of living compared to other regions. There is, however, a stark regional divide in the potential for remote work, with almost half of all workers in parts of Dublin having the potential to do so versus only one-third of workers in most rural counties. The digital divide is one of the many inequalities exposed by Covid.

Investment in broadband, roads, education, including a Technological University, tourism, health, housing, and digitally ‘smart’ and vibrant communities is vital to attract and retain businesses and workers in the region. The NDP provides an important opportunity to reverse the trend of underinvestment in the North-West and enable the region to achieve its growth potential.

Without an ambitious NDP for the North-West and timely delivery of key projects, Covid and Brexit make the challenge of reducing regional inequalities even greater than before. We cannot afford to repeat the mistakes of the past.

Specific NDP investment priorities

> Complete the N4 priority route upgrade to connect the North-West to Dublin and address the ongoing challenge of peripherality.

> Develop the Atlantic Economic Corridor from Galway northwards by completion of the M17 Tuam to Sligo and upgrade of the N15 Sligo to Letterkenny.

> Deliver key road infrastructure projects including the N14 Letterkenny-Lifford/Strabane and the A5 from Derry to Monaghan/Dublin.

> Provide critical enabling infrastructure for Letterkenny to enable its function as a Regional Growth Centre to support an overall growth in population of 40% and its role within the North West City Region.

> Provide critical enabling infrastructure for Sligo to enable its function as a Regional Growth Centre and primary urban centre to support an overall growth in population of 40%.

> Invest significantly in the campuses of the new Technological University located in the North-West (Letterkenny, Killybegs and Sligo) to realise the potential for growth and support regional businesses.

> Provide capital investment in the campus at St Angela's College, Sligo which will facilitate expansion in student numbers and will contribute to wider regional development.

> Support the Further Education and Training (FET) facilities to provide the infrastructure and resources to deliver upskilling and reskilling in the context of the region's existing enterprise and ongoing/future investment.

> Ensure key enabling infrastructure for underpinning the revitalisation of the town centres with an emphasis on public realm and placemaking.

> Provide accelerated access to high-speed broadband to the households and businesses under the NBP is a key priority.

> Create a supportive regulatory environment for the rollout of 5G, an important technology for enhanced connectivity.

> Invest in coworking 'smart', to embrace the economic opportunities arising from new ways of working post-Covid. This will also help attract and retain high-value talent and support towns and villages.

> Deliver the right housing and tenure mix to meet population growth, which will be a key enabler in attracting talent and overseas investment.

> Prioritise investment in tourism infrastructure, in order to stimulate demand and build upon the tourism potential of the North-West. This includes the development of new visitor experiences, upgrading existing attractions and sites, and enhancing visitor awareness and accessibility. Improved road connectivity to the North-West is also essential, to make the region more accessible for tourists.

South-East

Regional overview

Like every other region the South-East was dealt a huge setback with the Covid pandemic. However, the South-East was already underperforming before the pandemic took hold. It experienced slower economic recovery than the national average in recent years, which has been acknowledged by Government.

The minimum projected growth for Waterford City and suburbs to 2040 is 50%. To achieve this growth, the NDP must ensure that priorities in relation to connectivity, skills development and infrastructure provision in the South-East are realised, to mitigate the impact of Brexit and strengthen the region's competitive position. Targeted and ambitious investment is needed to address the challenges it faces.

The South-East region sees 60% of its third level students leave the region to study in other regions. The first step in encouraging students to remain in the region is the creation of a Technological University. The South-East is at a disadvantage through the lack of an internationally recognised University. The TU must redress that disadvantage through targeted and sufficient investment.

Accelerated investment in education infrastructure in the initial phase of the NDP will provide a platform to support local industry in responding to the challenges post-Covid and Brexit through access to education, research and innovation, and highly skilled graduates. A thriving business community is dependent on a strong education and research infrastructure.

Covid emphasises the real need to accelerate the roll out of the NBP to assist in the post-pandemic recovery. Its rollout will prove crucial to the future of remote working in the region and enable the South-East to benefit from the economic opportunities remote working may offer. Retaining remote workers in high-value jobs in the South-East provides an opportunity to rejuvenate both rural and urban areas. Brexit highlights the importance of continuing investment to further improve the quality of port facilities in the South-East, given the importance of maintaining transportation linkages with crucial EU markets.

Addressing long-standing regional inequalities is now more urgent than ever. The NDP must deliver investment in the South-East on a scale needed to drive recovery that is sustainable both economically and environmentally. Faster and more efficient delivery of key infrastructure project will be crucial.

Specific NDP investment priorities

- Increase investment in physical teaching and research infrastructure in the Institute of Technology Carlow and the Waterford Institute of Technology to increase capacity to meet the needs of the region and the ambition of the new Technological University in the South-East.
- Upgrade Further Education and Training (FET) facilities, including the development of FET 'Colleges of the Future' in the region, a Regional Outdoor Education, Training and Adventure Park and a National High Performance Building Alliance Training (HPBA) Centre.
- Provide accelerated high-speed broadband access to households and businesses under the NBP.

- Create a supportive regulatory environment for the rollout of 5G, an important technology for enhanced connectivity.
- Invest in regional co-working smart e-hubs to embrace economic opportunities arising from new ways of working post-Covid, attract and retain high-value talent and provide resources and facilities to support towns and villages.
- Provide funding for the future development and expansion of the region's ports, including the facilitation of offshore renewable energy projects.
- Accelerate delivery of an integrated sustainable transport across metropolitan Waterford, capable of supporting significant levels of population and employment growth.
- Upgrade strategic road infrastructure projects, including the N24 Waterford to Limerick and N25 Rosslare to Cork, to ensure vital port access and greater collaboration between the three cities and metropolitan areas and drive the region's growth, as a counterbalance to Dublin.
- Accelerate delivery of the N11/N25 Oilgate to Rosslare and upgrade the N80 inter-regional route, enhancing access to Rosslare Europort.
- Develop a 'smart', sustainable, city and region to optimise economic growth and revitalise town centres by ensuring they are connected, vibrant and accessible to everyone and underpin recovery across the region.
- Deliver the right housing and tenure mix (e.g. apartment focus, rental sector, ageing population, students, social housing, affordable housing etc).
- Increase investment in tourism infrastructure, in order to stimulate demand and build upon the tourism potential of the South-East. This includes the development of new visitor experiences, upgrading existing attractions and sites, and enhancing visitor awareness and accessibility.

West

Regional overview

An ambitious NDP will be vital to support the economic recovery of the West and preventing the rise of regional inequality after the Covid pandemic. Investment is needed to make the region more resilient and globally competitive due to Covid, Brexit and other global threats, with sectors such as tourism, leisure, and hospitality particularly exposed. In rural areas across the West, tourism is a key economic driver. Tourism should be placed at the centre of the NDP as it has huge potential to contribute to the national policy of balanced regional development. Covid has been an existential threat to the industry. The NDP must position the Western seaboard to benefit from a post-Covid bounce in visitor numbers.

Investment in key enablers of growth in the West will play an important role in offsetting the decline in economic activity in the aftermath of Covid. The downgrading of the Northern and Western region from a "More Developed Region" to a "Transition Region" has shown that the region has not prospered economically compared to the other regions of Ireland and the EU27 in recent years, making a compelling case for accelerated investment. Out of the three Regional Assembly Areas, the Northern and Western region were shown to have the highest "Covid-19 Exposure Ratio", with Galway city identified as the city with the highest 'Exposure Ratio'.

Delivery of key regional investment projects that will drive regional employment growth, which in turn will drive population growth, will be crucial post-pandemic. Infrastructure delivery will stimulate recovery of the region's economy and pave the way for better regional balance. The Atlantic Corridor is the key to balancing future development on the island, which would benefit all regions.

Strong transport links within the region and between regions are vital, and key projects need to be progressed and delivered. Lengthy timelines and slow delivery for projects will hamper the region's growth. The planning system needs to be reviewed and streamlined.

The existence of world class wind resources off the Atlantic Coast represents a significant economic opportunity for the region. The NDP presents an opportunity for targeted capital investment to enable the region to capitalise on offshore wind projects.

A significant factor in the rejuvenation of rural areas and addressing the regional imbalance will be access to high-speed broadband. Covid has shown the urgent need for investment in digital connectivity. Remote working provides an opportunity to rejuvenate towns and villages across the West. The NBP must be delivered to enable the region to embrace the economic opportunities remote working may offer.

Without ambitious investment and the timely delivery of vital projects, the impact of Covid on the West will be a further deepening of the regional divide that currently exists.

Specific NDP investment priorities

> Upgrade the Atlantic Economic Corridor from Galway northwards by completing the M17 Tuam to Sligo and N15 Sligo to Letterkenny.

> Implement the Galway Transport Strategy (GTS) and deliver vital public transport across metropolitan Galway, to improve the connectivity and quality of life in the city region.

> Progress the business case for track and signalling upgrades, including a dual track on the Galway-Athenry rail route, to reduce journey time between Galway and Dublin.

> Complete the N6 Galway City Ring Road, a key component of the GTS, supporting the economic development of the entire region, in addition to relieving congestion within the City centre and improving its liveability.

> Upgrade the entire N5 Westport to Longford route, improving connectivity between the West, Midlands, and Dublin.

> Invest in future Port of Galway developments and expansion, including the facilitation of offshore renewable energy projects.

> Develop the audio-visual and digital creative industries, especially within clusters in the NWRA/WDC area, building on the region's unique creative assets in the sector. This includes strengthening Irish language media and the creation of high-quality content.

> Prioritise leisure and tourism investment to fulfil the huge potential of the sector on the Western seaboard as one of the main drivers of balanced regional development. In a post-Covid era, Ireland needs to be front and centre in all key markets and this will require significantly increased international marketing budgets.

> Invest in walking and cycling trails, greenways, blueways and signature discovery points along the Wild Atlantic Way and enhance provision of tourism and leisure amenities.

> Accelerated developed of the GMIT campus infrastructure. This includes a new School of Engineering and refurbishment of the old building, to allow it to accommodate a viable and sustainable Technological University.

> Develop a new national innovation and creativity hub and riverside campus in Galway, involving a significant redevelopment of a large brownfield site, at NUI Galway, in the city centre.

> Develop a modern purpose-built Further Education and Training (FET) 'College of the Future' in Galway City, to deliver an integrated programme of education and training.

> Provide accelerated high-speed broadband access to households and businesses under the NBP.

> Create a supportive regulatory environment for the rollout of 5G, an important technology for enhanced connectivity.

> Develop a 'smart' city and region, to improve quality of life and stimulate economic growth.

> Revitalise town centres to ensure their future viability and underpin recovery across the region.

> Invest in coworking 'smart', to embrace the economic opportunities arising from new ways of working post-Covid. This will also help attract and retain high-value talent and support towns and villages.

> Support the delivery of the right housing and tenure mix (e.g. apartment focus, rental sector, ageing population, students, social housing, affordable housing etc).

> Ensure that the funding priorities relating to operational and capex supports under the Regional Airports Programme 2021-2025 are reflected in the updated NDP.

4. The Shared Island

The twin crises of Covid-19 and Brexit have demonstrated the ongoing importance for substantive all-island collaboration to address the collective challenges faced by business on both sides of this island's border. This collaboration is imperative to both overcoming and recovering from the Covid crisis and adapting to the economic and social challenges posed by the new Brexit-induced North/South dynamic.

All-island cooperation and the all-island economy have been central elements of the NDP to date. Despite the severe impact of the previous recession that was experienced across this island, the ambitious plans for transformation set out in the document were slowed, but not stopped.

Shared Island investment strategy

The stated objectives of this current NDP for our shared island were prepared in 2018 in the wake of the United Kingdom's decision to leave the European Union. At this time, the NDP updated the commitments of the 2007-2013 plan, by placing the eight central tenants of Government's economic policy in response to Brexit firmly in this connected all-island context. This strategic approach addressed the area of North/South infrastructure development and supported the detailed spatial planning objectives set out for the all-island dimension of the National Planning Framework. In doing so it identified key investment goals for cross-border regions and set an ambitious connectivity target.

As a result of the EU and the UK agreeing on an Ireland/Northern Ireland Protocol, the target set in 2018 for the NDP to ensure that previous commitments on issues such as avoiding a hard border were implemented has been achieved. In this review, the crucial role of the revised NDP must be reaffirmed, reset, and evolved to continue as an underpinning foundation for a successful, prosperous, peaceful island post-Brexit.

This work needs enhancing. The Protocol on Ireland/Northern Ireland as the mechanism agreed to protect the all-island economy, the Good Friday Agreement, and the integrity of the EU Single Market (SM) now and into the future provides an immediate focus for doing so. The NDP must therefore invest to maintain the conditions for North/South cooperation, such as those described in Article 11 of the Ireland/Northern Protocol, whilst remaining cognisant of the 2024 Northern Ireland Assembly vote to retain or reject the arrangements now in place, to avoid a hard land border for the movement of goods and retain the Common Travel Area.

Implementing the Protocol is a unique and unprecedented challenge. Even with the Protocol and the EU-UK Trade and Cooperation Agreement (TCA), there will be an impact on business operations on the island of Ireland. The considerable progress already made on developing our shared island must be protected. Cross-border co-operation, coordination, and collaboration has led to collective benefits in a multitude of areas. These areas range from environmental collaboration, accident and emergency services, education, energy, tourism, recreation, social cohesion, and transport. In fact, the EU/UK mapping exercise undertaken while the Protocol was being negotiated identified 160 individual North/South policy areas of interaction. Commitment to continue such North/South cooperation is now enshrined in two legally binding international agreements: The Good Friday Agreement, and the Protocol.

The core economic driver of the NDP's Shared Island investment strategy is the two jurisdictions on this island, with the support of the EU and UK. It is imperative that these jurisdictions continue to work together, and do so even more effectively, to secure long-term strategic investment opportunities that will enhance competitiveness and productivity of the all-island economy, as well as to fuel recovery.

Peace, stability and an invisible border for goods, services, labour, and finance has evidently been of substantial economic benefit to Ireland and Northern Ireland. It enables businesses to leverage the economies of all-island scale, and/or North/South proximity to support their capacity and opportunity to develop, expand and grow. There is a new environment for all-island business and the all-island labour market to continue to do so. The revised NDP, and all the Departments and Agencies tasked with its implementation, must ensure it works for business.

Such a whole-of-Government approach is reflected in the creation of the Shared Island unit in the Department of An Taoiseach and the announcement in Budget 2021 of support for both new and existing all-island initiatives in areas such as research, education and infrastructure investment. This is a positive step as wider and deeper collaboration on a full range of issues such as skills, climate change, investment and connectivity will ensure that both businesses and citizens across this shared island enjoy greater opportunities, and of course reap the potential rewards. However, a much greater of funding will be needed through the NDP to support this work.

The regional dimension of a Shared Island economy

Local and regional economies function across both jurisdictions, creating an all-island market spanning many sectors. Our ambition is for a fully connected all-island market that post-Brexit continues to support and sustain greater prosperity and employment through increased flows of people, goods, services, energy, and investment. As highlighted above, cross-border economic activity plays a crucial role in driving growth in both Ireland and Northern Ireland, including at the regional level.

Cities and local economies in Northern Ireland have a strong influence on the economies on this side of the border. Towns within the region derive economic benefits by their proximity to urban centres in Northern Ireland. This has been clearly demonstrated by developments since the Single Market, and the subsequent removal of security barriers following the Good Friday Agreement restored the pre-Partition opportunities for 'Ulster's' second city of Derry and two of its leading market towns - Enniskillen and Newry – to trade freely with their natural economic hinterland.

The substantial economic benefits to be gained from developing a shared island include considerably expanding the scope and possibility for shared public service provision. It allows for a deeper pool of labour, knowledge spill-overs, and supply chain integration between centres of economic activity. It also significantly improves the lives of citizens and communities when and where joint and/or coordinated public service provision eliminates the geographic impediments of the border. Proven benefits to support this include:

- In health, including acute and community services, along with all-island centres of excellence.
- Best practice examples of the most substantial energy and the Single Electricity Market.
- Mutually beneficial local economic projects benefitting tourism and hospitality, such as the development of cross border Greenways with Interreg funding.

The outcome of this Mid-Term Review of the NDP must be to invest in a scale and ambition that protects and sustains the all-island economy. An economy that efficiently functions as a 'natural economic zone' of scale that recovers to its pre-Covid competitiveness, productivity, performance, and positive trajectory.

Examples of these significant economic benefits include:

- An all-island consumer market of 6.6 million people, growing by 33% to 8.8 million by 2048.
- Employment totalling 2.869 million, up 32% since the Good Friday Agreement in 1998.
- A single all-island labour pool greater than that of Denmark, Norway or Scotland.
- €3.2 billion (£2.84 billion) trade in goods only between Ireland and Northern Ireland.
- Gross consumer spending of €72.2 billion and per capita GDP greater than London.
- 110 million people border crossings annually.
- 3,600 light goods vehicles crossing the border every day.

Ongoing positive and proactive political and institutional engagement to deliver the NDP's plans will be essential. The inter-personal relationships to progress this task are in place across the highest levels of government in both jurisdictions and in the adjacent regions. However, there is a need to nurture and support North/South interaction and partnership, where prior to Brexit, agencies did not have specific all-island remits. The interdependence created by the task of implementing the Protocol in all its parts, including to protect the integrity of the Single Market, means many more agencies and regulators have shared North/South responsibilities, possibilities, and management tasks. Investment is necessary to support the skills required to implement the Protocol, given its unique nature and circumstances. This is particularly important to sustain and expand the all-island business operations, and so such upskilling should be done in partnership with business.

Infrastructure priorities

Significant investment in essential infrastructure across both jurisdictions will be required to sustain economic gains. Failure to do so will result in chronic infrastructure deficits negatively impacting both competitiveness and quality of life. Road projects such as the N2/A5, N3, A6 and the N15 must be progressed and finally delivered. Not only were these projects promised and agreed in previous NDPs, but they were reconfirmed as shared tasks for both administrations in the New Decade/New Approach agreement that restored the Northern Ireland Executive.

The North-South Interconnector is a pivotal all-island investment project. It will help ensure key climate actions for carbon reduction are delivered by shared 2030 deadlines. It has been granted planning permission in both jurisdictions and should proceed at pace, pending its most recent legal hurdle. Also central to all-island climate action investment is high-capacity rail connecting Dublin and Belfast, with the potential of providing onward connections to Cork and other urban centres across the island. On-going work to accelerate this project needs NDP support.

The North-West City Region

The North-West Strategic Growth Partnership (Donegal County Council and Derry & Strabane District Council) is a key enabler and building block for the North-West City Region. Letterkenny's Regional Growth Centre strategy is framed in the context of it evolving into the North-West City Region with deep connectivity across the border to Derry. Joining up this Region with the Atlantic Corridor has the potential of building a metropolitan region of critical mass, with a population target of approximately 200,000 people. This potential metropolitan region could then be linked with the metropolitan regions of Galway, Limerick, and ultimately Cork in an economic ‘C-ring’ mirroring the successful ‘Wild Atlantic Way’. The NDP should support the border region and its wider functional area as outlined in the respective RSESs. Innovative financing mechanisms seen in (UK) City Deals, currently underway in Northern Ireland, should be carefully ‘joined up’ with equivalent enterprise or other development supports in the Republic. This task should be part of the NDP and put in place to support cross-border placemaking and spatial collaboration. Deepening collaboration within the Central Border Region must not be overlooked.

Dublin-Belfast Economic Corridor

The NDP should prioritise investment in underpinning and supporting the necessary infrastructure to build out the Dublin-Belfast Corridor, in which a ‘Belfast’ City Deal has a key role. This is recognised as a strategic priority in the NPF and the RSES for the Eastern and Midland region. It has the “*capacity to provide the only potential paired city growth pole on the Island of scale - reaching a European benchmark 5 million population target to compete with similar city regions in the EU*” (EMRA RSES, 2019). The corridor is a cluster of high growth and strong performing centres and cities such as the Drogheda-Dundalk-Newry economic zone, which acts as a North/South economic interconnector. It has the capability of stretching from Larne to Rosslare, boosting national all-island and international accessibility and connectivity, particularly in terms of port, road, and rail. It is important that the three local authorities from this jurisdiction along this corridor should be given the resources to properly plan, develop and build this strategically important inter-regional and North/South shared island initiative.

Recommendations:

- **Invest to protect and sustain the all-island economy:** The NDP must provide a clear commitment to provide investment of a scale and ambition to support recovery and growth in the all-island economy. We estimate that a total shared island fund of €5 billion is required in the period to 2030. The NDP must allow for the inclusion of new and more ambitious post-Brexit projects to underpin further development of the shared island so they can be rapidly advanced.
- **Align the NDP with Government’s Shared Island programme:** Previous commitments given under the NDP process should be revisited and reviewed. Progress on delivery and implementation should be assessed and update the NDP accordingly.
- **Support wider and deeper collaboration on key priorities:** To maintain, strengthen and sustain conditions for North/South cooperation, the NDP should support all-island initiatives in critical areas such as climate change and the decarbonisation agenda, energy, education and skills, R&D, healthcare, connectivity, joint spatial planning, and infrastructure provision.
- **Accelerate the delivery of existing and previously agreed North/South infrastructure projects:** The NDP must continue to prioritise the delivery of key all-island projects such as the North-South Interconnector. Projects such as the N2/A5, N3, A6 and the N15 must be progressed and finally delivered. Deliver high-capacity rail on the Dublin-Belfast line, connecting to Cork and to other urban centres.
- **Utilise innovative financing mechanisms:** Create finance mechanisms that can be joined up with Northern Ireland’s two ‘City Deals’, supporting the development of both the Central Border Region and beyond.
- **Realise the potential of key commitments under the NPF:** Cross-border economic and spatial development must be supported by the revised NDP. Funding must be provided to support the development of the Dublin-Belfast Economic Corridor, and the North-West City Region post-Brexit. This includes support for key enabling infrastructure.

5. Innovative Funding Solutions

Although Government is the principal funder of national infrastructure projects there is a need to embrace a greater diversity of funding and co-funding options. Non-Exchequer funding sources need to be fully integrated into long-term national infrastructure planning. The NDP review is timely as the potential sources of finances to allow greater diversification in how infrastructure is funded has never been greater.

A partnership approach to infrastructure delivery

A new partnership approach based on using non-Exchequer funding models such as public-private partnerships (PPPs) should underpin the delivery of key projects over the coming years. This offers a cost-effective means of spreading public funding over a greater number of projects. It provides flexibility in terms of stretching capital budgets and added assurance to the delivery of complex or large projects, where the private sector partner assumes all or a substantial portion of the project risk.

PPPs have been used to date in the transport, education, and civic building sectors. Both availability-and concession-based models have been utilised to deliver infrastructure in Ireland. Investment opportunities will increase over the coming years for the right projects if we can provide greater certainty of delivery. However, the PPP project pipeline under the NDP has dried up. Government must now commit to maintaining an attractive partnership project pipeline.

Key areas for delivery via partnership delivery models includes Metrolink, the Dart Underground and other large transport projects; public housing; further schools and education bundles; water and wastewater infrastructure; primary care centres and other healthcare infrastructure; and projects across the justice sector. Concession-type arrangements, including those generating user-charges, should be prioritised in the future.

Alternative investment models

Alternative investment models should be considered for delivery of projects in the NDP including lease finance for transport fleet, housing, and other property requirements. Value capture mechanisms such as tax increment financing (see below) can be structured to derive a return from the value added to property prices due to investment in the underpinning or improved infrastructure such as transport investments. Energy performance contracting could also be considered as a delivery mechanism.

Successful infrastructure delivery benefits from genuine collaboration between contracting authorities and contractors. PPPs and other partnership models often involve design and delivery in addition to operating and financing specific projects. Collaborative or partnership models such as ‘alliance contracting’ could be considered for less complex or smaller (>€50 million) projects.

Infrastructure bonds, including those backed by the European Investment Bank (see below), can be structured to provide off-balance sheet provision of infrastructure. They have gained in prominence internationally in recent years due to the flexibility they offer in supporting sustainable investment in projects addressing key climate and environmental challenges.

Fully exploit EU funding opportunities

Ireland needs to embrace a greater diversity of funding and co-funding options. We must build on our past track record of successfully utilising funding from the European Union to support development right across the country.

The biggest EU budget ever has been agreed, operating in part as a recovery budget with a substantial €1.8 trillion earmarked to support investment. It includes the new multiannual financial framework, which is the traditional EU budget until 2027. There are also important new funding mechanisms under the €750 billion Next Generation EU initiative specifically designed to support immediate recovery and growth-enabling projects.

Strategically target EU funding programmes

The scale of available EU funding reflects key challenges that the NDP must address, which are supporting the resilient, green, and digital agendas. Approximately 30% of expenditure will be earmarked for climate action measures. It is vital that the investment strategy underpinning the NDP is closely aligned to the EU funding and supports available.

Aligning the NDP with EU priorities would be an important pathway securing funding to support the immediate recovery agenda through the Recovery and Resilience Facility (RRF) under the Next Generation EU and effective utilisation of the national allocation under the Brexit Adjustment Reserve Fund. It would support and identify priority projects that could access the new EU Cohesion Programmes 2021-2027; and locate other potential sources of finance. Initiatives under the *Shared Island* agenda could potentially secure funding under PEACE PLUS, the new €1 billion cross-border EU programme focusing on Northern Ireland and the border counties of Ireland, although there is scope for activity to extend beyond that area.

Grant and loans should be considered, in addition to blending of EU investment sources, to finance projects and programmes under the NDP. For example, the national public consultation on the RRF is focused solely on the €853 million in grants Ireland is expected to receive under the Facility in 2021 and 2022. However, Ireland could double that amount should it opt to access loans under the RRF. Consideration should be given to financing projects under the InvestEU initiative, which includes a stronger relationship with the EIB (see below). We also need to identify and pursue opportunities that could support or compliment NDP priorities across the full range of EU funding programmes including the Connecting Europe Facility (€18.4 billion), LIFE (€4.8 billion), Digital Europe (€6.7 billion), Just Transition (€17.5 billion), and EU4Health (€5.1 billion).

Funding for innovation and innovative funding models

Nationally, we need to build on progress in securing funding under the EU framework programmes for research and innovation. Horizon Europe (€81.4 billion) takes a new approach. It has identified Mission Areas, which aims to connect research and innovation better to society and citizens' needs, with strong visibility and impact. Five ‘mission areas’ have been identified. A mission is a portfolio of actions across disciplines intended to achieve a bold, inspirational, and measurable goal within a set timeframe, with impact for society and policy making as well as relevance for a significant part of the European population and wide range of European citizens. There will be opportunities to fund the deployment of innovative infrastructure and technologies under this programme, in addition to bidding to host cutting-edge technology test beds. This would support regional development. Finally, key research and innovation investment priorities could secure additional financing through the European Investment Fund. This can boost economic development through the promotion of private sector innovation investment, support for technology clusters, and benefitting smart cities and regions.

Ireland should explore the opportunities to participate in innovative, pan-European mechanisms such as IPCEI (Important Projects of Common European Interest). An IPCEI is a structured model for boosting implementation of major projects that make a significant contribution to economic growth, jobs and the competitiveness of the European industry and economy. These projects benefit from accessing EU investment in higher risk or cutting-edge sectors. They are not subject to traditional State-Aid limitations and will support key enterprise sectors through the deployment of new technology or solutions.

A national strategy for EU funding

Ireland must target securing an ambitious share of the available funding to support projects and investment priorities. A national EU funding team and strategy should be put in place, targeting EU funding programmes. It must not be solely grant focused. It should identify and develop project and investment opportunities of scale that could secure blended financing involving national or other non-Exchequer sources. Separately, enhanced support should be provided to the three regional assemblies, including for the Irish Regions European Office, and local authorities to develop and implement processes and strategies to pursue EU funding opportunities to support their key activities.

An active role for the European Investment Bank

Ireland needs to avail of the full support the European Investment Bank (EIB). The EIB has provided finance to key infrastructure projects in Ireland over the years. However, we have yet to fully utilise the entire suite of supports the EIB offers. For example, support has been sought for social housing, but we have yet to use the EIB to support the rollout of affordable housing schemes. The EIB is a key source of funding for long-term capital investment in line with EU strategic priorities. The EIB also has an advisory role, which the region and local authorities should seek out when designing projects, including but not limited to issues of funding. Other funders to be considered include the Council of Europe Development Bank.

The EIB's infrastructure priorities have evolved over recent years. Priority areas include energy efficiency; smart, accessible, and sustainable mobility; sustainable urban development; and water and wastewater management. Each of these areas will be consistent with key pillars of the revised NDP. Government must actively engage with the EIB in identifying the most appropriate funding models for specific projects and investment programmes. These could be accessed by either public bodies, companies or individual households depending on the targeted area.

Innovative and diversified funding streams

The Irish experience of utilising EIB finance often involved direct lending to infrastructure projects. In recent years, Government has signalled a willingness to involve the EIB at an early stage in the development of new funding models such as the St. Michael's Estate pilot cost-rental scheme. New investment structures could be put in place to fund key outcomes. For example, the EIB could be utilised to back green mortgages or deep retrofitting programmes, available through intermediary lenders. A dedicated Climate Awareness Bond (CAB) is another innovative product offered by the EIB. Eligible areas for support under this green bond include energy efficiency; renewable energy; RD&I in innovative low-carbon technologies; sustainable transport (e.g. electric rail infrastructure & rolling stock; electric busses etc). It is in sustainable or green finance that offers the greatest potential and flexibility to Government in diversifying funding of the NDP.

While the EIB is a strategic partner of the European Commission in implementing the Green Deal, it has its own target of supporting €1 trillion of investment in climate action and environmental sustainability by 2030. Half of all funding by the EIB will be dedicated to green investment by 2025. In effect, the EIB will be the world's climate bank. One of the fundamental objectives of the EIB is to address critical investment gaps, particularly in decarbonisation of the energy supply. The EIB now offers more Green advisory services and financing of innovative low carbon technologies; and specific support for green capital markets, climate change adaptation and *Just Transition* projects. In essence, the EIB will back initiatives that will support the following themes:

- Increase substantially adaptation efforts (e.g. in line with EU Adaptation Strategy).
- Increase investment in innovative green technologies from early-stage research through to pilot demonstration of technologies, complemented with support for new business models (battery storage, demand response, low-carbon hydrogen, e-charging).
- Drive down the long-term cost of capital in capital-intensive green infrastructure.
- Greater aggregation, scalability and replicability to ensure investment at scale (i.e. adaptation, energy efficiency and sustainable agriculture).

The EIB also makes diversified funding streams available to dynamic and growing businesses, with Covid-19 emergency measures in place to alleviate liquidity and working capital constraints for SMEs and mid-caps. The EIB must be allowed to invest in sectors particularly impacted by the crisis such as tourism, hospitality, and leisure. These are critical to the national and European economy but are currently prevented from fully accessing EIB finance. More opportunities to open up EIB funding opportunities for Irish business should be explored.

The EIB can support local and regional development

The local authority sector should be encouraged to leverage funding support from the EIB. This could be on a bilateral basis, through investment in programmes such as housing, or involve local authorities on a regional or local authority basis. Local authorities should also follow the example of Limerick City and County Council, Fingal County Council and Cork County Council in developing a funding framework in partnership with the EIB. These were the first three areas to receive EIB finance for a local authority programme anywhere in Ireland since 1993.

Limerick secured €85 million to support the Limerick 2030 initiative, a specific urban investment programme for the city. A €70 million Framework Loan Agreement was put in place by Fingal with the EIB, triggering a €180 million investment in strategic infrastructure projects. Cork County Council has put in place a €50 million loan facility. Whilst the three local authority projects are different in scope, they underpin both key NDP and NPF objectives. They indicate the EIB is open to local and regional projects but also how such finance can be used to support project delivery.

Transform urban investment through City Deals

The City Deal model should be developed and rolled out under the NDP. City Deals are tailored agreements between central government and economic regions that transfer power and resources for specific infrastructure funding and delivery issues to local areas. The deals tend to have a timeline of 10 years and identify context-specific infrastructure goals and projects to boost each region’s productivity, employment, and economic growth. They have been used internationally, such as in the UK, to secure high-quality regional development outcomes.

The NPF emphasises support of urban development through priorities such as the compact, urban growth. Under the NPF, specific economic and social development plans have been identified for our five metropolitan city areas (Cork, Dublin, Galway, Limerick-Shannon, and Waterford). In addition, specific objectives have also been developed for strategically important towns across the country. This has been tacit acknowledgement that the one-size fits all approach to development has only served to exacerbate existing regional disparities. City Deals can be the game-changer in delivering the ambitious and sustainable urban agenda set out in the NPF.

The City Deal model

City Deals are a structured growth and investment framework. They are tailored to the specific urban centre. Collaboration is at the core of the City Deal model. They are refined and produced through calculated deliberations between all relevant stakeholders, crucially from both the public and private sector. Targeted areas are provided greater autonomy over their own long-term success and incentivise localities to increase their economic competitiveness through allowing them to 'earn back' some of the tax gains generated from speedier economic development. Furthermore, the model provides City Deal partners diversity in financing options, as though partners acquire baseline funding, innovative finance is encouraged through engaging in public-private partnerships or other collaborative models. They would be important structures for leveraging additional EU funding.

This model can be deployed in Ireland. The investment framework would boost delivery of the objectives already identified for an urban centre through the applicable RSES and MASP. Together with the NDP, these statutory plans have identified key growth enablers, strategic residential, employment and regeneration development opportunities and the infrastructure deficits or constraints that need to be addressed. The City Deal's structure would better enable collaboration and coordination between all local authorities and public sector stakeholders within a metropolitan area.

The UK experience has demonstrated that City Deals are a successful and innovative way of stimulating urban and regional growth. For example, the initial group of deals are predicted to create 1750,000 jobs over the next 20 years and 37,000 new apprenticeships. Such a model could be of great utility to Ireland in addressing the need to regenerate city centres and wider metropolitan areas. This model could form an element of the crucial adaptability Ireland needs in adequately responding to pre-existing trends facing our towns and cities, that have only been accelerated by Covid-19. Regional cities would benefit from tailored and vital investment, but Dublin could also use such a fund to diversify development in the city centre.

Targeted funding for regeneration and growth

Existing funding sources such as the Urban Regeneration and Development Fund (URDF) support key urban development projects, but they are far smaller in scale and funding than the City Deal model. City Deals are an agreed and structured programme of investment, whereas the URDF supports specific projects. There can be synergies between the two funds such as allowing a metropolitan area to use the URDF to seed the design and development of a City Deal.

Specific co-financed town centre renewal funding is also needed to reboot and reimagine urban centres across the country. A specific €200 million annual "town growth fund" should be created under the NDP to support the revitalisation of town centres. Funding can be sourced from local resources but based on a match funding principle. Projects will be funded through a competitive bidding process. Such as fund would unlock a minimum of €1.2 billion investment over three years.

Competitive funding streams under Project Ireland 2040

Project Ireland 2040 introduced four new competitive funding streams: Urban Regeneration and Development Fund; Rural Regeneration and Development; Climate Action Fund; and the Disruptive Technologies Fund. Competitive funding streams such as these can improve the effectiveness of regional, social, and economic development strategies.

These competitive funding streams should be expanded and better promoted throughout the lifetime of the NDP. Successful draw-down of these funds will require strong local public-private partnerships. It is important that all local stakeholders are engaged early in the development of proposals.

Calls under these funds should be increased during the recovery phase. These could form the basis of developing strong local and regional projects that could leverage international funding as they scale. Specific co-financed town centre renewal funding should be introduced to reboot and reimagine urban centres.

Utilise the Irish Strategic Investment Fund

We must continue to consider the role of the Irish Strategic Investment Fund (ISIF) as a quasi-national infrastructure bank. ISIF can play a key role in the recovery agenda. Investment priorities are aligned with Project Ireland 2040, with a focus on regional development. Specific activities include urban regeneration, housing, connectivity infrastructure, commercial property, and regional economic development through collaboration, clustering, and partnerships.

ISIF will be a key public stakeholder along with the National Development Finance Agency (NDFA) and Land Development Agency (LDA) in supporting infrastructure finance and delivery under the NDP. The commercial semi-states will continue to deliver off-balance sheet investment, in addition to some areas requiring State intervention and support. Other bodies such as the Housing Finance Agency will be required to provide increased levels of finance based on strategic need.

The role for tax increment financing

Urban regeneration and rebuilding will require a more hands-on role from local authorities. Cities and towns across the country will undergo substantial change over the coming decade. More housing is to be situated within urban centres according to the NPF. We need to encourage a more sustainable and resilient mix of enterprise, along with providing attractive areas to live and work to secure new investment. A new model for stimulating local economic development should be implemented to support the ambition set out under Project Ireland 2040.

Tax increment financing is a structured scheme enabling a local authority to support redevelopment or regeneration initiatives in a specific location. It is used successfully by local, regional, and municipal authorities internationally. Under this scheme, a local authority will be allowed to borrow against future local property tax or recurring commercial property charges in the area targeted for development.

This allows early intervention in regeneration initiatives, with local authorities being able to self-finance its share of the larger project. It would limit the need for local authorities to rely on central government transfers to finance its activities upfront. It also allows more ambition and innovation to occur than ordinarily would be supported through the development contribution scheme process. Finally, the local authority would stand to benefit from any uplift in recurring property tax payments due to increase in property valuations generally across the locality on foot of the development.

This model could be a game-changer in future Strategic Development Zones (SDZs) or other flagship regeneration initiatives such as the Grand Canal Innovation District. Government approval could be set before a tax increment financing scheme is established. It could also support the transformation of retail or town centre initiatives, in addition to supporting housing provision.

Ensure local charges support the investment agenda

It must be recognised that infrastructure across the country is not solely funded, provided and operated by Government. Key areas such as energy and telecommunications are provided by industry. Specific incentives should be adopted to encourage further non-Exchequer investment such as exemptions from local authority charges.

Local authorities should encourage commercial investment in economically productive infrastructure through government-backed exemptions from commercial rates and development contributions. This approach could unlock non-Exchequer finance to provide additional infrastructure such as 5G fibre-network rollout and transition to a low carbon society through supporting investment in renewable technologies such as wind farms.

Use commercial rates exemptions to support additional capital expenditure

Consideration should be given to the potential of using commercial rates to incentivise private sector investment. Infrastructure providers and operators pay a significant share of the total commercial rates paid by Irish business to the 31 local authorities. Approximately €1 out of every €5 paid in commercial rates comes from utility network operators. This excludes fixed assets such as power stations. Operators of key infrastructure are often the largest rates payers in a local authority area. They have been excluded from the commercial rates exemption scheme introduced as part of the response to the current crisis. Government should incentivise these operators to undertake maintenance, upgrade, or additional investment in infrastructure networks through a time-limited exemption scheme.

More generally, the commercial rates exemption scheme should be revamped to incentivise occupiers of commercial property to carry out much needed maintenance, improvements and retrofitting or energy saving investments. Commercial premises across key urban centres from office to retail have also been excluded from the commercial rates exemption scheme.

Most physical premises across the economy have been effectively closed for much of the past year. A once-off and government-backed commercial rates exemption scheme could support such investment. Retailers will require support to adapt to an omnichannel world, which will require fresh thinking around physical stores. It will also be particularly important to businesses within the experience economy such as hotels, restaurants and bars who could use such investment to recommission premises, carry out upgrades and support new product development.

The valuation system must not disincentivise climate action investment

Finally, the valuation process, and by extension the commercial rates system, must not inadvertently discourage or disincentivise major energy efficiency upgrades to commercial premises. For example, a serious upgrade or renovation to a premise should not be classified as “Material Change of Circumstances” and be liable for a new valuation certificate to be issued by the Valuation Office. In short, energy efficiency upgrades through structural/physical alterations or investment in specialist infrastructure which affects the value of the property should be exempt from the valuation process for a fixed period (e.g. until next county revaluation phase). This innovative mechanism would incentivise infrastructure investment at no direct cost to the Exchequer.

Development contributions must be consistent with national objectives

The NDP review, together with implementation of the NPF at a local level through the development plan process, offers an opportunity to examine development contributions and their effects on capital investment. Development contribution schemes are set for each local authority in respect of public infrastructure and facilities provided by, or on behalf of the local authority that benefit development in the area. They are designed and apportioned across pre-designated classes of public infrastructural development. There is a lack of consistency over the 31 schemes operating across the country and often between neighbouring local authorities.

Many of the development contribution schemes currently in operation are inconsistent with the national priority of compact, urban growth. For example, there is a general discrepancy between levies on urban and rural residential development. Schemes tend to favour out-of-town development, where rates can be as much as 50% cheaper. Yet, dispersed development is generally much costlier where the provision of infrastructure is concerned.

Local authorities should be mandated to ensure development contributions actively encourage the compact growth and urban regeneration agendas. There are models that could be followed. Limerick City and County Council has designed its development contribution scheme to facilitate urban regeneration and infill of brownfield sites. A special rate (€7 per m²) applies to encourage residential development in key urban cores, which is 65% lower than the county-wide charge.

Targeted measures would incentivise urban brownfield or infill development, recognising the fact that the infrastructure and services are largely in place already within the urban core. Incentives can be tailored to achieving certain density levels, specific height or mix of use.

Recommendations:

- **Publish a new PPP project pipeline:** Published as part of the reprioritised capital expenditure programme, the PPP project pipeline must use innovative partnership models to fully leverage non-Exchequer investment opportunities. It should include projects such as Dublin Metrolink, new social housing bundles, housing delivery through the Land Development Agency and projects in education, health, and justice sectors.
- **Align NDP investment priorities with EU funding sources:** A new strategy must be put in place to identify, qualify, and pursue specific funding opportunities from the EU that could support the NDP growth and recovery agenda. This includes targeting an ambitious share of funding to support green, resilient, and digital projects and investments.
- **Establish a new EU funding centre of excellence:** within the Department of Public Expenditure & Reform to assess, analyse and pursue EU funding sources that could be competitively secured by Irish entities, be they public or private. Continue to ensure the National Contact Point network for individual programmes is resourced.
- **Enhanced engagement with the European Investment Bank:** Government should support work with the EIB in the design and development of projects and investment programmes that could leverage or blend EIB financing with national or non-Exchequer investment. Specific initiatives to unlock private sector investment and support key priorities such as low carbon transition. Local authorities should be encouraged to work with the EIB on urban regeneration and housing priorities.
- **Use the City Deal model to fund urban transformation:** City Deals are a long-term structured growth and investment framework. They are tailored to the specific urban

centre and are highly collaborative, involving the public and private sectors in their development. City Deals are a hook to leverage additional non-Exchequer finance over their lifetime.

- **Expand the Project Ireland 2040 competitive funding schemes:** The four new competitive funding streams (Urban Regeneration and Development Fund, Rural Regeneration and Development, Climate Action Fund, and the Disruptive Technologies Fund) should be continued and expanded. They should be expanded and better promoted and actively seek bigger engagement with the private sector.
- **Place regional development at the heart of recovery:** Create a €200 million annual "town growth fund" to support the revitalisation of town centres. Funding can be sourced from local resources but based on a match funding principle. Projects will be funded through a competitive bidding process. It would unlock a minimum of €1.2 billion investment over three years.
- **Develop a tax increment financing model for local authorities:** Government should give local authorities approved tools to stimulate local economic development. A local authority will have a structured approach to seeding strategic development or flagship transformation projects to be repaid from the future property tax liabilities.
- **Unlock non-Exchequer investment in infrastructure provision:** Introduce government-backed exemptions to local authority charges to unlock non-Exchequer investment in infrastructure such as housing, renewable energy and 5G. Issue guidance minimising the ability of local authorities to frustrate the delivery of national priorities through zoning, local charges, and other policies. Valuation processes should not disincentivise investment.

6. Accelerating Infrastructure Delivery

Accelerated delivery of infrastructure projects must be a central plank of the NDP review process. The stop-start trend that has plagued past national development plans must be tackled head-on. Progress necessitates the urgent removal of barriers to delivery. Government commitment is not enough. The challenges detailed in this submission highlight the priority is to get projects delivered much more rapidly.

The reprioritisation of projects under the NDP represents better decision-making but this must be accompanied by better delivery. Successful delivery of NDP projects and programmes necessitates a strong focus on the improving management and governance of public investment. It also requires a commitment from Government to focus on desired outcomes and a willingness to work with industry to address the barriers to delivery.

The role of public procurement in improved infrastructure delivery

The NDP must be accompanied by the strongest commitment from Government to delivering better, faster, and greener solutions. We need the right infrastructure to be in place at the right time so we can reboot and reimagine Ireland. The consultation has therefore correctly placed a priority on improving the management and governance of projects.

Contracting authorities must now take a critical look at the impact that the Covid pandemic and Brexit is having on businesses providing goods, services and works to the public sector. This is not business as usual. Government must urgently address public procurement from the point of the contractor. Contracting authorities must work with businesses to mitigate legacy issues. Immediate measures are needed to preserve vulnerable businesses, protect supply chains and to ensure a robust marketplace is retained to underpin economic recovery.

Reform procurement practices to better deliver the NDP

Public procurement is a cornerstone of the EU Single Market as it is an essential component of competitiveness and growth. EU procurement rules are designed from the supplier point of view, not the buyer. This is overlooked in national public procurement policy discussions. More flexible and simpler procurement instruments are provided for under EU procurement rules, allowing public authorities and their contractors to conclude transparent, competitive contracts as easily as possible and at the best value for money.

The nature of our system of public administration means that the Irish public sector marketplace is the most centralised in Europe. There has been a strong focus on embedding collaborative procurement across the public sector, which has resulted in an aggregation of contracts. The emphasis has largely been on achieving short-term savings rather than strategic purchasing. Individual or tailored approaches to specific projects have too often taken a back seat to discussions over bureaucracy and administrative burden. A better approach all round to procurement, benefits companies, not just buyers, because after-all strategic procurement is more than a simple transaction.

There is the urgent need to counter the continued perception around emphasis still being placed on lowest price over value for money when awarding contracts to a tenderer. A race to the bottom on price can impact the entire supply chain involved in project delivery. This can often cause significant problems for the lead contractor due to the unfair transfer of project risk, where the risk has been caused by the procurement approach or project scoping by the contracting authority. The effect of conditions imposed, including lowest price, reduces the competition for projects. This adds significant risk to the overall project delivery, undermines project assurance and can add costs and other delays.

Focusing on price can be a barrier to entry for SMEs. It can also undermine other commitments under the NDP. For example, promoting green or sustainable procurement requires measures to improve public procurement more generally. Buying green could result in higher cost items or services, whilst representing better value for the State. This requires tacit acknowledgement that increased costs may occur. Corporate procurement plans should specifically address GPP practices.

Government should also take cognisance of the recent EU Council Conclusions on *Streamlining Public Procurement Within the EU for More Efficient Public Spending* (25 November 2020). In the conclusions, the Council stresses the role of public procurement for the growth of the European economy and the need for an evaluation of the ability of the legal framework for public procurement instruments to cope with crisis situations and to enhance conditions for boosting the recovery. The conclusions specifically focus on the importance of public procurement as a strategic tool to foster sustainable and innovative growth and they underline the need for a level playing field in public procurement to ensure fair competition for a competitive European economy. An immediate review of practices leading to better procurement of infrastructure projects should be conducted alongside this NDP review.

Establish a collaborative approach to public procurement

Developing a more a collaborative approach between buyers and sellers will also be essential. Framework contracts are the most visible manifestation of collaborative procurement in Ireland. Aggregation of contracts have the tricky task of achieving economies of scale as opposed to diseconomies of scale. Getting it wrong could lead to fewer bidders, higher costs, and a lack of innovation. For example, a recent construction contract called for more than 70 different designs. This is likely to prevent true innovation, faster delivery, and secured efficiencies from occurring.

There is a need nationally for a new collaborative procurement strategy, one that upholds appropriate assessments of impact on the marketplace and supports the rollout of standardised and simplified tendering documentation. The strategy must support the development of true centres of expertise in this field and promote the streamlining of management of contracts.

Government should work together with stakeholders, at the outset in identifying the best approach to projects and the appropriate delivery model. This collaborative approach has been rolled-out internationally and there are models that could be adapted to an Irish context. Project 13 developed by the Institution of Civil Engineers in the UK is one such example. It is a new delivery model – based on an enterprise, not on traditional transactional arrangements – to boost certainty and productivity in delivery, improve whole life outcomes in operation and support a more sustainable, innovative, highly skilled industry.

This mid-term review of the NDP offers an opportunity to strategically align procurement with project management and delivery. The desired transformational approach to the management and governance of public investment in Ireland can occur by active engagement with the private sector. This should occur at the outset of the revised NDP and as specific projects are being developed. The focus needs to be on getting projects right from the start. This necessitates addressing factors underpinning risk, sustainability and innovation across projects and programmes under the NDP.

The UK Government recently undertook a similar initiative in the context of its National Infrastructure Strategy to transform infrastructure delivery by 2030. The overarching priority is to achieve faster delivery of infrastructure to support economic recovery, the green agenda and regional development. Working collaboratively with industry, new government guidance on sourcing and contracting public works projects and programmes, called *The Construction Playbook,* was published in December 2020. It establishes the following clear principles to transform the assessment, procurement and management of public works projects and programmes:

- Set clear and appropriate outcome-based specifications that are designed with the input of industry to ensure continuous improvement and innovation.
- Favour longer-term contracting across portfolios, where it is appropriate. Develop long-term plans for key asset types and programmes to drive greater value through public spending.
- Standardise designs, components, and interfaces as much as is possible.
- Drive innovation and Modern Methods of Construction, through standardisation and aggregation of demand, increased client capability and setting clear requirements of suppliers.
- Create sustainable, win-win contracting arrangements that incentivise better outcomes, improve risk management and promote the general financial health of the sector.
- Strengthen financial assessment of suppliers and prepare for the rare occasions when things go wrong, with the introduction of resolution planning information requirements into critical contracts.

Flexible engagement with contractors

The precise nature and extent of the pandemic event currently facing the country is unprecedented. Events are beyond the control of both the contractor and contracting authority. Some contractors may have claimed ‘force majeure’ due to their inability to provide services under current circumstances. Significant parts of the public sector are now closed, and disruption is widespread. It is highly unlikely contractors are covered by insurance for losses caused by this extreme event. All contracting authorities must adopt a spirit of pragmatic flexibility. They must work with contractors on ensuring continuity of all public services and public investment over the coming months.

The new governance and assurance process currently being developed by Government should prioritise the promotion of early and constructive engagement between contracting authorities and contractors in timely resolution of issues associated with project delivery. For example, the conciliation period has a set duration of 42 days with the contractor not being reimbursed for work done during that time. The arbitration process is weighted towards the contracting authority. Its fees are covered by the contractor even if the contractor is successful in the process. As well as this, contracting authorities can slow down the delivery process unnecessarily through delays to responses to information requests or requests for clarification made by contractors.

Addressing these issues would create opportunities for a renewed partnership approach in the delivery of public infrastructure. It would assist in accelerating the delivery of infrastructure by ensuring issues are rectified and resolved in a timely manner. It would support the desired shift in focus on to outcomes. Crucially, it could attract more bidders into the public sector marketplace by not being put off by onerous contractual clauses.

The award of public contracts can also be the basis for legal challenge. Government must ensure the remedies and redress provision for public procurement in Ireland functions efficiently. This is important not just for buyers and suppliers. However, Ireland ranks last in the EU in terms of time taken to reach a decision on public procurement appeals.

The European Commission has extensively reviewed the functioning of the remedies’ regime across the EU Single Market. It concluded that non-judicial review bodies for public contracts are more effective than the courts, in terms of time taken and standard of review. The EU is prioritising the establishment of fast and fair remedy bodies in all EU Member States. Government should introduce a non-judicial or administrative first instance review body.

Enhanced project management and governance through digitalisation

Government has availed of digital tools in increasing transparency over delivery of the NDP. This includes a central repository of key information, the Investment Projects and Programmes Tracker, and innovative tools such as the *MyProjectIreland*. These have been important additions to monitoring the NDP over its lifetime. Further refinement of these tools should be undertaken from the perspective of management and governance of public investment.

Timelines for all projects should be listed and there should be an overview of the status of each project. There is a significant time-lag in the delivery of key projects so regular and transparent updates would allow better long-term planning and performance monitoring. In addition to the regional mapping of NDP investment priorities, annual regional statements on the NDP should be prepared. This should use digital tools to facilitate the detailed expenditure on all public capital projects and programmes regionally. It should include information on capital expenditure being undertaken by the constituent local authorities and other applicable public entities alongside key NDP deliverables. This would maintain the focus and commitment to addressing the gaps and infrastructure deficits that exist across a region. It should also encourage short-term or temporary alleviation measures being undertaken ahead of full project commencement.

Tools to enhance transparency will contribute to the overarching goal of ensuring value for money from investment in public infrastructure. However, critical investment will be needed to underpin better project management; stronger project governance; and better assurance of major projects.

A national e-planning strategy must be developed. This would build on recent developments such as the Building Control Management System and Government's spatial information portal (myplan.ie). It would include the establishment of a central digital repository that would contain information on planning policy, applications, and a comprehensive database of all planning and environmental information. Increased standardisation and consistency would be achieved through enabling e-submissions of planning applications and planning appeals.

Coupled with this, consideration should be given to implementing a comprehensive e-procurement strategy for Ireland alongside the revised NDP. End-to-end e-procurement can play a significant role in modernising the public administration system. We must realise the benefit in terms of simplification and cost-reduction that end-to-end e-procurement allows. Simplification, cost-reduction, and increased transparency can also help boost the competition for contracts.

Government must prioritise the adoption of e-planning and e-procurement processes. These two areas will contribute towards improved project planning and managing of costs and risks. This will also require attention to be paid on internal IT systems from project management tools to financial management.

Reform planning to accelerate delivery of the NDP

Projects contained within the NDP have been identified as key to support economic, social, environmental, and cultural development all over the country. These projects are needed to support objectives under Project Ireland 2040. As this submission highlights, an ambitious mix of projects are needed to meet national commitments on climate action, provide housing, support effective regional development, and ensure the necessary infrastructure is in place to underpin long-term recovery and growth. However, the Irish planning system is the single biggest barrier and risk to project delivery.

More than ever, there is a need for greater certainty over project timelines, especially in cases where judicial review is likely to be involved. Unless material progress can be in tandem with the revision to the NDP, key projects will be at risk of costly delays, or worse. The use of judicial reviews has become excessive. It is being exploited as a tool to derail projects, often on frivolous or vexatious challenges to planning decisions. It has undermined fast-track planning tools designed to deliver key infrastructure and housing, including key NDP projects. Legislative changes are urgently needed to ensure judicial reviews become the exception, not the norm. The legislation should include the recommendations of the *Review of the Administration of Civil Justice: Review Group Report* (October 2020) in respect of the judicial review process.

Fast-tracking of strategic infrastructure and housing

The Irish planning regime is unnecessarily costly, slow, and cumbersome. Tackling the judicial review process will not on its own accelerate the construction of enough new homes to meet pent-up demand. Nor will it automatically ensure the timely delivery of essential public amenities such as new or upgraded roads, water supplies, sewage treatment plants and electricity networks. An Board Pleanála must be urgently provided with adequate resources to respond to the increased use of fast-track planning process for infrastructure.

The Strategic Infrastructure Development (SID) fast-track planning procedure needs further refinement. This is a key mechanism for projects financed under the NDP. There must be enhanced emphasis on the provision of greater legal certainty of process for the development of such strategic infrastructure, including digital infrastructure. Measures to simplify and streamline the process further must be implemented. Decision timescales need to be more predictable. Mechanisms to effectively address requests for further information or to make amendments after the granting of permission need to be introduced.

Projects listed in the NDP should be considered eligible for SID designation. Furthermore, programmes of investment involving project bundles should be allowed to submit one consolidated application. However, the legislation should be amended to allow an ‘opt out’ for SID cases where the applicant’s preference is for the initial application to go through a local authority. Under the current arrangements, a project may have elements that fall under the SID designation (e.g. substation) but the remainder of the project does not. In this case, two planning applications run on different timeframes. In these incidences, the SID legislation should be amended to allow the entire project to be considered SID.

Housing was recognised in law as strategic infrastructure under the *Planning and Development (Housing) and Residential Tenancies Act 2016*. The introduction of the Strategic Housing Development mechanism was formally acknowledgement by Government, after extensive consultation, that the planning system was not working as speedily as intended and needed urgent attention. The fast-track planning process introduced was for a limited-period and was extended by two years. Government has signalled that the SHD process will not be continued beyond February 2022.

A fast-track and streamlined planning process for housing is still required. It is needed to underpin a new medium-term national housing strategy. Uncertainty must be removed because of its impact on the investment climate for housing delivery. A return to the slower and more cumbersome planning regime, where most large-scale housing developments are appealed to An Board Pleanála, will hinder national efforts to house our growing population. Housing must be continued to be treated as strategic infrastructure. Government must put in place a mechanism that supports large-scale strategic housing delivery, promoting compact, urban growth; higher density development; and the delivery of the right housing mix.

Integrated land and maritime spatial planning

Delivery of projects within the revised NDP will occur within a new hierarchy for land and maritime spatial planning. Local authorities are currently aligning their local development plans with the National Planning Framework. This needs to be carefully managed by central government and the Office of the Planning Regulator. This process must not have adverse consequences on delivery of infrastructure and housing such as projects being postponed until after the local development plan review.

Progress is needed in maritime spatial planning to allow sustainable development of the blue economy. The Marine Planning and Development Management Bill must be enacted without further delay. Ireland's antiquated foreshore legislation must be urgently updated. At present, there is significant duplication of the licensing and consent procedure for new coastal infrastructure. This has the potential to hinder investment in the region's ports, in marine tourism, and aquaculture. Government must tackle the growing backlog of foreshore license applications under existing legislation stemming from the 1930s, which is frustrating the progress offshore wind projects.

A strategic role for local authorities in delivering the NDP

Planning capabilities at local authority level have been reduced over recent years. Yet, local authorities are usually the first point of call on planning matters. The local development plan making process, NDP commitments and private sector investment will compound the demand for planners and other key skills further. A programme to upskill existing local authority staff is needed to provide a more active role in performing the planning including forward planning, regulatory policy, development management and enforcement. In addition, sharing of planners and other specialist skills between local authorities must be encouraged. This will ensure professional and timely planning operations can be maintained. It would allow an individual local authority scale to meet short-term or immediate pressures because planning applications can vary in size, complexity, and timeframe. This is in addition to the required investment in e-planning.

Local authorities must not frustrate the provision of much needed infrastructure through the NDP. Local charges can substantially affect the cost base of existing energy generation sites or undermine the attractiveness to develop new infrastructure projects. The local charging regime should be designed to incentivise development (see Section 5). However, it is through the development plan process that local authorities can threaten the delivery or viability of projects under the NDP.

Local development plans through zoning practices can reduce the availability of land for infrastructure development. Implementation of the NPF at a local level will hopefully mitigate wholesale problems of old. Government guidance will still be needed to ensure investment in key areas occur such as 5G rollout. Past practices have particularly frustrated efforts to meet Ireland's renewable energy needs such as windfarm development. This is not consistent with the stated priority to transition to a low carbon, clean energy and building climate resilience. The new Wind Energy Development Guidelines must also be published.

Other factors critical to planning and the NDP

The NDP comprises key enabling infrastructure projects, which will underpin future growth and development across the country. A better functioning planning system is key to delivering these projects. However, problems associated with the planning system stretch beyond the planning process and judicial reviews. There are factors that can contribute to whether a project can succeed or fail through the planning process. Water infrastructure is critical to achieving the growth targets set out under the NPF. Inadequate infrastructure threatens future investment plans, which highlights the importance of projects such as the Water Supply Project for the Eastern & Midland Region. This requires enacting critical enabling legislation including the Water Environment (Abstractions) Bill 2020, which will be key to the project securing the necessary planning permission.

The regulation of noise pollution is complex and evolving. It has the potential to impact not only on urban infrastructure such as roads and airports, but also on rural areas where new wind energy projects are being considered. It will be important to ensure a consistent approach to land use zoning and community gain that balances the legitimate interests of transport providers and users, energy providers and users and local communities.

Project delivery must be supported by a streamlined compliance process

The granting of planning permission is usually accompanied with conditions. Depending on the project, these could be extensive and complex. Satisfying each of these conditions takes time and results in costly delays between grant of permission and commencement. Expediting the project delivery for essential projects such as housing cannot occur without streamlining the compliance process. This will become more important with the end of the Strategic Housing Development (SHD) fast-track planning procedure. Generally, the applicant needs to achieve the consent of the local planning authority to comply with the conditions prior to project commencement. There may be other bodies involved also. Timelines should be introduced and adhered to, in terms of securing agreement with and for obtaining approval by the applicable authority.

As a first step, Section 23(4) of the Planning and Development (Amendment) Act 2018 must be implemented. This can be an important tool in speeding up the compliance process. It sets out the timelines relating to a grant of permission to be agreed between the planning authority and the person carrying out the development. It also provides a mechanism to break the deadlock where compliance submissions are not dealt with by planning authorities in a timely manner. This provision benefits all planning permissions. It stipulates the requirement for active engagement between the parties and sets a timeframe during which this must occur.

Approaches undertaken in other countries should be rolled-out here. Our process for discharging conditions should be compared with practices elsewhere. The UK introduced the ‘deemed consent’ model to address conditions on planning applications as quickly and efficiently as possible. For example, samples of materials and finishes to be used in the development are lodged with an authority for fixed period, where they are considered approved if decision not taken within that timeframe. The Planning Advisory Service for the local government sector in the UK stated that “delays at this stage can jeopardise the capacity of developers to bring forward development due to delays in ordering materials, additional finance costs etc”. The lack of priority and clear processes in dealing effectively with conditions can cause confusion about what has been approved and consequent problems with enforcement.

Better regulation to give better assurance to project delivery

Improving delivery of projects under the NDP will require consideration of the risks. Public procurement and planning issues are areas requiring specific attention. Red tape not only adds costs to projects, but it can also undermine the viability of a project. Poorly thought-out regulations and problems with compliance can hold up project delivery. The NDP needs to be aligned with the principles underpinning the better regulation agenda.

An effective regulatory regime must be firmly rooted in the outcome desired. It is also about enabling the right type and nature of infrastructure investment in the right place. This necessitates a shift in the mind-set of policymakers and planners. In fact, a concerted commitment to the better regulation agenda can encourage better placemaking and is consistent with good design and compliance.

Regulations must be effective, low-cost and with the least burden on the economy. They must be based on sound science, data, or other empirical evidence. For regulations to be truly effective policy makers and regulators must have thorough knowledge of the industry sector for which they are designed. This is often not the case. Therefore, it is essential that stakeholders are consulted during the formulation phase but also their views should be sought over the lifetime of the regulation. Increased transparency and accountability underpin a better regulation system.

Start by making a clear distinction between planning requirements (e.g. design standards) and building regulations (e.g. health and safety, fire regulations etc). Those that are non-negotiable should be easily identifiable and set aside. This would focus attention on specific State-imposed costs, whether they are beneficial or unnecessary. It is a simple but effective methodology: a short evidence gathering phase; identify the main issues; evaluate improvement options; take corrective action. Tackling burdensome regulations would lead to more affordable homes being delivery.

Separately, a Regulatory Impact Analysis (RIA) should be undertaken when drafting any new legislation or new regulations impacting the design, construction, and delivery of new infrastructure. These RIAs must include careful analysis of the rationale for the regulation and its likely consequences on the management of projects and costs. Government should also monitor and address any tendency for gold-plating or overreach of national regulations by contracting authorities.

Above all, we need a culture of ongoing evaluation of all regulations in force. Regulations must always be effective, achieving the desired objectives. As such, their performance must be routinely monitored, and corrective measures taken when required. This could include streamlining regulations, replacement or simply removing them altogether. If they do not work, they just add unnecessary to the cost the delivery of projects.

A constructive approach to regulatory compliance

Government must prioritise mechanisms that encourage compliance. Public and private entities involved in the rollout of commitments under the NDP must be clearly and regularly informed of their obligations and what needs to be done for them to comply with given regulations. It is not sufficient to focus solely on the direct costs associated with regulation (e.g. licence fees etc). Adequate attention must be given to the cost entities incur, in time and money, simply complying with a specific regulation.

Attention on resources, operations and processes of regulators will not be sufficient on their own. Government must also examine the overall compliance requirements from the perspective of infrastructure delivery under the NDP. Government will need to ensure appropriate investment is provided to ensure the delivery of projects are not held up due to compliance issues. Due to increased construction, for example, soil waste management must be adequately addressed. Government must consider the expected increase in demand for management of soil removed from sites. Much of this soil may require extensive treatment before being classified as ‘no longer waste’ and appropriate facilities should be provided to address this along with easing the current administrative burden. Each Regional Waste Management Office should undertake a demand review of the available capacity for soil waste treatment to meet NDP commitments.

Recommendations:

- **Urgently address the delivery imbalance:** Publish a clear statement on tackling the efficiency of the infrastructure process alongside the NDP review. Far too many projects have experienced significant delays.
- **Reduce capital project delivery timelines by 50%:** Planning systems and timelines, procurement processes, and project delivery timescales need to be streamlined and improved to deliver projects rapidly and ensure that investment plans under the NDP benefit the economy as quickly as possible.
- **Streamline public procurement for more efficient public spending:** Effective public procurement will support efforts to reboot and reimagine Ireland. Sufficient focus needs to be placed on this area to mitigate project risks, support competitive tendering, and to support faster project delivery.
- **Publish a NDP Project Playbook:** Government should engage and collaborate with industry on the establishment of principles for the procurement of projects under the NDP. These clear principles should transform the assessment, procurement and management of public works projects and programmes.
- **Adopt a spirit of pragmatic flexibility to ensure faster and better delivery:** Public investment on the NDP is focused on outcomes resulting from competitive tendering. Contracting authorities should be encouraged to engage proactively with contractors in the speedy resolution of disputes and queries. Government should introduce a low-cost procurement appeals model.
- **Digitalisation of NDP delivery tools:** Ensure digitalisation of key processes such as procurement and planning are embedded into the NDP delivery strategy. Digital tools should be used to enhance transparency and allow for better project management, planning and oversight.
- **Ensure judicial reviews become the exception, not the norm:** Introduce legislative changes through the Planning and Development (Amendment) Bill and prioritise its legislative passage. Legislation to incorporate the recommendations of the Review of Administration of Civil Justice Report.
- **Refine the SID process to fast-track planning for infrastructure:** Amend the SID legislation to make timelines more predictable; and simplify further information requests. SID designation should apply to NDP projects, programmes, or project bundles; with the option to opt-out if necessary. If part of a project is classified SID, then the entire project should be SID.
- **Continue to treat housing as strategic infrastructure**: Put in place a new model for a fast-track and streamlined application process for strategic housing developments. This would avoid a slow-down in new housing supply, better address housing targets, and leverage investment under the NDP in supporting infrastructure.
- **Integration of land use and maritime spatial planning:** Complete the implementation of the NPF at local level and ensure the local plan making process does not delay investment. Enact the Marine Planning and Development Management (MPDM) Bill and tackle the backlog of foreshore license applications to facilitate essential investment.
- **Capacity within the public planning system needs to be examined:** An Board Pleanála and each local authority must have access to skills critical to a fully functioning planning department. A greater pooling and sharing of specialist skills between local authorities and other public bodies, involved in planning and construction must occur.

- **Minimise the ability of local authorities to frustrate infrastructure investment:** Local authorities must not be able to threaten national policy objectives through zoning and other tools. Government guidance on key priority areas must be published to support investment such as the new *Wind Energy Development Guidelines*.
- **Streamline the compliance process to allow faster project commencement to occur:** Government should enable faster project commencement through the internationally recognised 'deemed consent' model for discharging planning conditions. The statutory timelines introduced in recent legislation must be implemented.
- **Connect the better regulation agenda to the NDP:** Reduce project risks through greater regulatory certainty. Remove unnecessary and costly red tape, which can threaten the viability of a project. Aligning with better regulation principles is consistent with maintaining good quality and effective standards.

About Ibec

Ibec is Ireland's largest lobby group and business representative. We campaign for real changes to the policies that matter most to business. Policy is shaped by our diverse membership, who are home grown, multinational, big and small and employ 70% of the private sector workforce in Ireland. With 36 trade associations covering a range of industry sectors, 6 offices around Ireland as well as an office in Brussels. With over 240 employees, Ibec communicates the Irish business voice to key stakeholders at home and abroad. Ibec also provides a wide range of professional services and management training to members on all aspects of human resource management, occupational health and safety, employee relations and employment law.

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