

**ACTION
PLAN
FOR JOBS**

2013



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Foreword by An Taoiseach, Enda Kenny, T.D.



Twelve months ago the Government initiated the comprehensive and dedicated *Action Plan for Jobs* process to help achieve our stated priority: getting Ireland back to work.

From the *Jobs Initiative* package implemented at the start of its term in office, to the enterprise-supporting annual Budgets, to *Action Plan for Jobs 2012*, and the *Pathways to Work* strategy, this Government has placed stability, jobs and growth at the heart of everything we do. We have also brought this focus to European Union level, as the theme of Ireland's Presidency of the Council of the EU.

One year into the *Action Plan for Jobs* process, we can see the evidence that the strategy and architecture are working. There were 270 individual steps committed to last year, to improve the operating environment and supports for job-creating businesses, and remove barriers to employment-creation right across our economy. Over 90% of these steps were completed during 2012. More importantly, we can already see signs that, one year into this multi-annual process, those steps taken under the *Action Plan for Jobs* are having a real impact. In the past year, jobs in the private sector increased by 12,000 which compares well to the 250,000 lost in the three years before this Government took office. In addition, Irish exports are at historic highs and our international reputation has been restored. The savings from the recent agreement on replacing the banking promissory note will lead to improved investor confidence and an improved lending environment for businesses in Ireland.

However, unemployment remains too high. I have said many times that we will not rest until the unemployment challenge is met. This *Action Plan for Jobs 2013* is the next stage of this work, building on the achievements and experience of 2012 to underpin our strategy to make Ireland the best small country in which to do business and, as a consequence, retain and create sustainable jobs.

The Action Plan committed to by Government over the next twelve months is set out in detail. These actions will support improved access to finance by SMEs, help us build competitive advantage, further improve our skills base, encourage entrepreneurship and support start-up activity, assist our businesses to grow, and develop and deepen opportunities from global investment. In addition, the Plan for 2013 includes a number of new flagship projects in areas such as the digital and green economy which will kick start long overdue reforms, present new opportunities to support firms, and exploit Ireland's strengths.

As with 2012, employment retention and creation will continue to be our primary objective over the next twelve months, and this Plan is further evidence of our ambition and determination.

Enda Kenny T.D.

Taoiseach

February 2013

Foreword by the Minister for Jobs, Enterprise and Innovation, Richard Bruton, T.D.



When Government launched the first in a series of annual Action Plans for Jobs in February 2012 I said that the transformation needed to repair our shattered economy would not come through one big bang solution but through deliberate and determined action across all corners of Government and the private sector. Our economy, I argued, had suffered the effects of enough “big bang” solutions. The two hundred and fifty thousand private sector jobs that were lost in the three years before this Government came in to office were the legacy of that type of approach.

In contrast to previous Government’s approaches we said we would set timetables, allocate lead responsibility and monitor the implementation of each measure proposed. In collaboration with the Department of the Taoiseach that is exactly what we did. Each quarter we published reports on what had been delivered and what had been delayed. And the system worked. A year on from the publication of our first Action Plan for Jobs more than ninety per cent of the actions committed to have been delivered.

All those actions are supporting the transition from an economy based on debt, construction and property to one based on innovation, enterprise and exports. The former was built on foundations of sand; the latter will sustain real jobs and support a strong society for years to come. And those actions are generating real results. While we still have a huge task to get more of our people back in to jobs there was growth in private sector employment last year for the first time since before the recession. In addition, our exports are at record levels, higher than any time during the boom and our enterprise agencies, Enterprise Ireland and IDA, have had their best years for jobs growth in a decade.

I know that we now have a structure in place that can deliver the type of actions needed to continue supporting the transition underway in our economy. However, I believe we need to be more ambitious again in the targets and challenges we set ourselves. That is why this year’s Action Plan has more actions and a number of strategically significant, high profile measures we are determined to deliver in 2013.

Finally, with our new approach to partnering with private industry to support the implementation of these “Disruptive Reforms” I am convinced that our combined efforts working towards a shared goal will achieve more, with less and in a shorter time than would otherwise be possible.

Richard Bruton T.D.

Minister for Jobs, Enterprise and Innovation

February 2013

Executive Summary

Introduction

The Irish economy is undertaking a profound transition from a failed model built around debt, construction and housing to one based on innovation, enterprise and exports. The fallout from that failed economic model was catastrophic, with competitiveness lost, markets lost and most traumatic of all, more than 250,000 people losing their jobs in the three years before the current administration took office. The annual Action Plan for Jobs is a whole of Government response to methodically and deliberately reconfigure and retool our economy so that long term sustainable jobs are created for our people and so that the disastrous mistakes of the past will not be repeated.

The first year of the Action Plan for Jobs approach saw more than 90 per cent of the actions committed to by Government delivered in the timeline set down. This is based on a structured monitoring regime co-chaired by the Department of the Taoiseach and the Department of Jobs, Enterprise and Innovation and including the Department of Public Expenditure and Reform and Forfás, which reports on a quarterly basis the actions that have, or have not, been delivered for that particular quarter. The Office of the Tánaiste is also represented on the Monitoring Committee. This approach is ensuring that the things that Government is committing to doing actually get done in a timely fashion.

But beyond a structured approach to ensure that actions to support enterprise and jobs get taken, is the reality that real progress is being made. There are still far too many people looking for work in this country but tangible signs of improvements are there to be seen. We are climbing back up the international competitiveness tables again; our exports are at record high levels, not even seen at the peak of the boom; IDA Ireland and Enterprise Ireland had their best years for jobs growth in 2012 for ten years and five years respectively and for the first time in many years the numbers employed in the private sector actually grew in 2012 by 12,000.

As a Government, while we welcome these signs of recovery and the transition to a more sustainable and viable economy we realise that there is much, much more to be done to get more of our people back to work. That is why the 2013 Action Plan for Jobs is more ambitious than the 2012 Plan and it introduces the idea of *Disruptive Reforms*, significant projects that require cross Government collaboration that can make a real difference to enterprise and jobs in a short space of time.

There are 333 actions in this year's plan - compared to 270 last year - involving 16 Departments and 46 agencies or offices, engaged in delivering enterprise and jobs supporting measures in 2013. There has been wide consultation with interested parties and there has been deep engagement with industry to try and ensure that the issues we prioritise are the right ones.

As has been repeated many times in the context of the Action Plan for Jobs, Governments don't create jobs, successful businesses and entrepreneurs do, but Government has a key role in making sure that the environment is as supportive as possible to allow that to happen. The second Action Plan for Jobs seeks to build on the progress made in 2012 and push all parts of the system harder to do more to accelerate the transition already underway in our economy.

Working Across Government

The Action Plan for Jobs does not, and cannot, operate within a vacuum in Government. Apart from the actions set out in this report, it is the case that many important pro-jobs, pro-enterprise measures are being developed and delivered across Government. The last twelve months has seen many significant steps taken to restore our economy and to help get more people back into employment.

Most recently the Taoiseach's announcement that Minister Noonan had succeeded in delivering a key Programme for Government commitment to renegotiate the terms of the banking promissory notes has had immediate and significant positive effects on Ireland's debt sustainability and on our international reputation.

Minister Howlin and Minister Noonan delivered a Budget that succeeded in achieving a number of objectives, key amongst them that taxes on income were again untouched and also that we succeeded in meeting our deficit reduction targets. The achievement of these targets imposes major stresses and considerable hardship on many people but they are integral to our immediate plan to restore our economic independence and create a competitive and sustainable jobs rich economy.

In the area of labour market activation, the JobBridge scheme operated by Minister Burton has proven to be very successful in providing opportunities for young graduates to get valuable experience in employment while remaining at home. In Budget 2013, the Government increased the number of available JobBridge places from 6,000 to 8,500. To date, more than half of the scheme participants have gone on to paid employment after their internships ends.

The challenge of Government, and of the Action Plan for Jobs, is to maximise the impact of all efforts to support enterprise and support job creation and protection. Both this Plan, and the wider efforts across Government, ensure that those efforts are co-ordinated and maximised.

Structure of Action Plan for Jobs 2013

The structure of the 2013 Plan retains a number of consistent elements with the original 2012 Plan while adding new sections of particular importance. The sections that remain from the 2012 Plan include;

- Building Competitive Advantage,
- Assisting Indigenous Business to Grow,
- Driving Entrepreneurship and Start-Up Companies,
- Supporting Employment at Community and Local Level,
- Developing and Deepening the Impact of FDI, and
- Sectoral Opportunities.

New sections of focus in the Plan include ones on;

- Pathways to Work - which focuses on activation measures,
- Access to Finance for Micro, Small and Medium Enterprises - which sets out the wide and detailed range of streams of funding in place or being developed through bank and non-bank sources,

- The Irish Presidency of the European Union - which sets out the priorities and the opportunities presented by our current Presidency of the EU, and finally,
- Disruptive Reforms - This is a new category of high impact, cross cutting measures that the Government is determined to deliver in 2013 that will have a real and immediate impact on enterprise and jobs.

Disruptive Reforms and Other Key Measures

There are seven Disruptive Reform measures that are Government priorities for 2013 and have been identified as having potential to have a significant impact on job creation, to support enterprises or where Ireland can profit from a natural advantage or opportunity that presents itself in the economy. The seven measures, described in more detail in the main body of the report, are;

1. Big Data - Make Ireland the leading country in Europe for Big Data

It is estimated that data collected and generated by companies and governments is growing by approximately 40% per year. Global companies that leverage this data smartly have created significant value; estimates suggest c.4% higher productivity, c.6% higher profitability, and up to 50% greater market share. In the US alone, it is estimated that there will be unmet demand in 5 to 10 years of 140,000 – 190,000 analysts and 1.5 million data-savvy managers.

The aim of this initiative is to exploit the employment potential of data analytics and Big Data in Ireland by investing heavily in new research facilities in this space, establishing a new industry led Technology Centre, commencing new Government initiatives where big data analytics are used to deliver solutions to public service challenges, putting in place the skills needed to sustain this new opportunity and finally, establishing a joint industry/Government task force to co-ordinate the delivery of these measures.

2. ICT Skills - Provide an additional 2,000 ICT graduate level professionals in 2013

The EU Foresight Study (*Anticipating the Development of the Supply and Demand of eSkills in Europe in 2010-2015*), anticipates that the EU labour market may face an excess demand of 384,000 ICT practitioners by 2015 - equivalent to 8% of the total ICT practitioners workforce.

In response to this skills gap, by 2018 Ireland aims to have the highest percentage of computing graduates as a proportion of all tertiary graduates. We will begin that process in 2013, through a process of; increased programme places, reskilling and conversion courses and through targeted migration of key skills groups. Through these mechanisms, we will deliver an additional 2,000 ICT graduate-level professionals available to industry.

3. Business Licenses - Create a single Licensing Application System for the retail sector

Last year Forfás completed a review of 159 licenses for key sectors of business generally and concluded that the burden was unnecessarily high and that a rationalisation of licenses could take place and that the compliance burden for industry could be reduced by up to one third.

In addition, recent economic studies suggest that the cost for up to 6,000 local convenience stores of various licensing and inspection requirements is in the region of €40m per annum.

To begin that wider process of business license regulatory burden reduction in 2013, Government will establish a single web based portal where retailers can register once and apply for up to 25 separate licenses, thereby significantly reducing the administrative burden on each retailer.

4. Trading Online - Get two thousand more small businesses trading online

Less than one quarter of Irish SMEs are trading online which is contributing to Ireland having an online trade deficit where 70 per cent of our online spending is going out of the state. McKinsey research has shown that SMEs who adopt internet trading grow twice as fast and export twice as much when compared to non-adopting businesses. Therefore, online trading represents a significant opportunity for Irish SMEs to reach new markets and grow new business.

To help realise this opportunity for Irish SMEs, an online trading voucher will be introduced in 2013 to the value of €2,500, to help get more SMEs trading online.

5. JobsPlus - Introduce a new Incentive Scheme to Encourage Business to Recruit Long Term Unemployed

There is already a suite of measures that support employers to employ or provide access to the labour market for those on the Live Register but there has been low take-up of some schemes to-date. For that reason the existing PRSI exemption and Revenue Tax Assist schemes will be replaced by a simplified initiative. The objective of the new JobsPlus scheme is to provide a simple, easily understood and attractive scheme that will encourage employers to recruit from the cohort of the long term unemployed.

From an employer perspective, the typical value of the incentive over a two year period is circa 23 per cent of the gross minimum wage cost – in effect the State will pay €1 of every €4 it costs the employer to recruit the person off the Live Register. The new incentive will be payable, on a monthly in arrears basis, over a two year period.

It is also proposed to bias the incentive in favour of the more long term unemployed so that the value of the incentive will be set at two levels;

- In respect of recruits unemployed for more than 12 but less than 24 months: €7,500
- In respect of recruits unemployed for more than 24 months: €10,000

6. Energy Efficiency - Transform Ireland into one of the most energy efficient economies in Europe by 2020

Energy efficiency can play a vital role in reducing the cost of energy for businesses and domestic consumers. Ireland currently spends in the region of €6 billion per annum on imported fossil fuels. This represents 3.8% of our GDP (4.7% of GNP). With international fuel prices on an upward trajectory, there is a strong incentive for Irish businesses, public sector organisations and domestic consumers alike to reduce their energy consumption.

Recognising this threat, and opportunity – the SEAI estimates that every €15 million invested by Government in energy efficiency grant programmes supports the creation and retention of 1,000 jobs - the Government will create an Energy Efficiency Fund in 2013 to accelerate Ireland’s energy efficiency performance. This fund will support up to 20 significant demonstrator projects in 2013 which will act as exemplars in the adoption of energy efficiency and management techniques across both the public and commercial sectors. The number of projects of this nature will be scaled up significantly in 2014 and subsequent years.

7. Health Innovation Hub - Establish a world renowned National Health Innovation Hub

Ireland has a cluster of some of the largest and most dynamic medical device and pharmaceutical companies in the world. Nine of the top 10 pharmaceutical companies in the world have a base in Ireland, as do eight of the top 10 medtech companies. The life sciences sector in Ireland accounts for over 50,000 jobs and €50 billion worth of exports. Also, the life sciences sector is supported and complemented by world class research institutions and health professionals working in our hospitals.

Building on the learning and experience from a Demonstrator Project based in Cork, which commenced in 2012, Ireland will establish a world renowned National Health Innovation Hub to drive collaboration between the health system and the enterprise sector leading to the development and commercialisation of new healthcare technologies, products and services, emerging from within the health system and/or the enterprise sector. In so doing, we will establish Ireland as a leading location for Irish and international start-up and growing medtech and healthcare companies.

Other Key Measures

Apart from the seven Disruptive Reforms, there are a wide range of far-reaching measures that will have immediate and real impacts on enterprise and jobs over the coming year. Some of those include:

Foreign Investment

The IDA to target more than 130 new investments, secure €500 million worth of R&D expenditure and help to create 13,000 new jobs in 2013.

Indigenous Enterprise

Enterprise Ireland will financially support 155 high potential and early stage start-ups, assist 300 companies develop new overseas markets through the Potential Exporters Division and will support over 1,000 companies on management development programmes.

Global Sourcing

Enterprise Ireland and the IDA are driving a joint agency initiative that has as a target in 2013 the procurement of an additional €500 million of domestically sourced goods and services by Foreign Direct Investment companies in Ireland.

Access to Finance

The National Pensions Reserve Fund will deliver €850 million of funds, in a range of supports, for the SME sector; the pillar bank lending targets have been increased to €4 billion each; a new Seed and Venture Capital scheme run by Enterprise Ireland worth up to €700 million is to go live in 2013; the Development Capital Scheme worth €225 million to support growing mid-

sized indigenous companies is also to go live in 2013; and the Credit Review Office is to recruit additional staff to support its monitoring work.

Costs/Regulation

The Department of the Taoiseach will prepare a Government policy statement on economic regulation; the Department of Jobs, Enterprise and Innovation will progress the landmark Companies Bill through the Oireachtas which will make it cheaper to start and run a company; and the Workplace Relations Commission that will merge five worker relations bodies into two will be operational by the second half of the year.

Sectors

Government will publish a strategy document for manufacturing and examine policy measures to support that strategy; the aviation sectoral strategy will continue to be supported through 2013; Enterprise Ireland will treble the number of its client companies providing services from a cloud platform and will also support 18 significant food and drink industry investments, including up to 5 additional FDI projects, to achieve its objective of 750 overall new jobs commitment in this sector in 2013.

Conclusion

This year's Action Plan has more ambition and a greater determination to build on the progress that has been made over the past twelve months in restoring our country's economic fortune. The numbers unemployed remain unacceptably high but through the co-ordinated efforts of Government clear progress is being made. The promissory note deal has helped our long term debt sustainability and our international reputation has benefited too; successive budgets have attempted to prioritise work and enterprise while still meeting our deficit targets; and the Action Plan for Jobs last year delivered over 90 per cent of the actions it set out to achieve.

All these efforts, and many others across our economy and Government, have led to some very tangible results. Our bond yields have continued to fall, our competitiveness rankings have started to improve again and for the first time in five years the private sector grew jobs in 2012. Our enterprise development agencies have had their best years for some time and those looking to invest in Ireland have increased confidence about our future. With our combined efforts both in Government and across our economy that confidence should continue to grow.

1. Introduction

On taking up office, the Government instigated an annual process of identifying the key actions that can be taken to support businesses to create jobs. This Action Plan for Jobs 2013 is the second such plan. The Plan's primary goal is to set out the actions to be undertaken by all Government Departments and their agencies to support employment creation and new actions to be taken in support of those that are currently unemployed to help them access the labour market.

The Action Plan process has increased engagement across Government, introduced a focus on the enterprise economy and has driven implementation, which has posed a challenge in the past. In particular, implementation has been achieved by identifying the bodies responsible and setting aggressive timelines for delivery of individual actions. The success in implementation of the 2012 Action Plan for Jobs with 92 per cent of actions completed highlights the Government's commitment to the Plan and the value of the oversight monitoring mechanism put in place through a Monitoring Committee. This Committee is comprised of the Department of An Taoiseach, the Department of Jobs, Enterprise and Innovation, the Department of Public Expenditure and Reform and Forfás. This monitoring process will continue to be a feature of the 2013 Plan.

In the context of a very challenging global economic environment, the Action Plan for Jobs has had an impact. We are now seeing private sector employment growth for the first time in a number of years and a transition from employment in the unsustainable sectors of the past to employment in the productive and exporting sectors of the future. While we have yet to see the growth in overall employment or the fall in unemployment that we would like, we now see stability and the potential for such growth, with a number of exporting sectors of the economy (including those represented by the client companies of IDA Ireland and Enterprise Ireland) experiencing significant net employment growth in 2012. This is the context and driver for even greater efforts across all 16 Government Departments and their agencies to help create the right environment for businesses to create 100,000 net new jobs by 2016.

Getting 100,000 additional people into work by 2016 will be challenging. Data on the labour market suggests that employment has continued to stabilise at around 1.84 million and that the bottom of the cycle may have been reached with unemployment having stabilised around 14.8 per cent¹.

The economy is displaying a number of positive signs. Certainly many of the key macroeconomic indicators suggest an inflection point: GDP is estimated to have increased by 0.9 per cent over the past year, building on the positive outturn in 2011. GNP is estimated to have increased over the year by 1.4 per cent.

Other key indicators provide a basis for optimism too. Despite global economic difficulties, Irish export performance has proved resilient with growth of 6.8 per cent in the first three quarters of 2012². This performance is primarily driven by the services sector.

On the fiscal side, significant progress continues to be made in terms of rectifying the public finances. Since 2008, total adjustments of €28 billion have been achieved, and the General

1 QNHS Q3 2012, CSO

2 CSO, Balance of International Payments, Quarter 3 2012, 18th December 2012

Government Balance (GGB) for 2012 is estimated to have been reduced to -8.2 per cent³ – exceeding the EU/IMF Programme target of 8.6 per cent. This improved performance has also been reflected in the international view of Ireland where Irish bond yields have fallen, facilitating a return to bond markets by both banks and the Sovereign.

Similar adjustments are occurring across the economy. Ireland’s current account balance has moved into surplus over recent years (1.1 per cent of GDP in 2010 and 2011) and this is expected to have continued into 2012, suggesting that the economy is now living more within its means. This sets us apart from many other heavily indebted economies.

Despite the progress recorded to date, significant risks persist. The on-going, but necessary, deficit reduction will continue to have a dampening effect on domestic demand. Consumer expenditure fell in 2012 and forecasters expect a further decline in 2013 despite some evidence of an improvement in retail sales. Weakness in consumer spending is primarily a reflection and consequence of continued fiscal consolidation, high rates of unemployment, household deleveraging and a degree of uncertainty about the future. On the up-side, however, Irish consumer price inflation in 2012 was below the euro area average, representing a competitiveness gain for the Irish economy.

While Ireland has made strenuous efforts to get its economic house in order, Irish growth prospects remain largely dependent on external factors, particularly the performance of our trading partners. Growth in the global economy continued to be slow in 2012. Nevertheless, despite the fragile nature of the world economy, there have been some positive signs. According to the IMF, US growth “appears to be firming after a protracted period of subdued performance”. Similarly, there is growing belief that the range of monetary policy decisions taken by the EU since the Spring of 2012 are proving more effective than previous initiatives and are providing greater certainty to markets. As a result, the European Commission believe that the ground has been prepared for “modest growth to resume in the course of 2013” in the EU.

Ultimately, it is businesses that create sustainable jobs. The Taoiseach has articulated the Government’s ambition that Ireland will be the best small country in which to do business by 2016. In practice this means that:

- we will derive our wealth increasingly from indigenous companies with strong exports supplementing our substantial FDI footprint;
- we will achieve a top 5 ranking in international competitiveness;
- we will reduce the controllable costs of doing business;
- we will minimise the regulatory and administrative burden associated with doing business;
- we will have the optimal business supports in place to assist those wishing to invest in Ireland whether that is foreign or domestic investment;
- we will align our education and training system with the current and expected future needs of our enterprise base;
- we will offer a competitive environment in terms of taxation; and

³ The latest Department of Finance forecast for the GGB in 2012 is -8.2% of GDP. However based on the end-December 2012 Exchequer Returns, the 2012 GGB is likely to be below -8% of GDP - Department of Finance, Monthly Economic Bulletin, 6th February 2013.

- we will support innovative companies through supports for research and development and access to finance.

This in turn means that Ireland will be an attractive place to live, providing opportunities for those that wish to work here. This Action Plan sets out the targets and actions for each dimension of achieving this overall objective.

The actions in this report are aimed at building competitive advantage, driving entrepreneurship and start-up companies, assisting indigenous business to grow, developing and deepening the impact of foreign direct investment, and promoting the enterprise sectors of the economy. The Plan addresses access to finance, and the availability of investment capital. The Plan complements Pathways to Work which sets out actions to support those that are unemployed to access employment opportunities.

In addition, Government can bring about change through shining a light on specific areas of activity and bringing disruptive reform to the way we address these opportunities. In this vein, the Government has selected initiatives that it will provide specific support for in 2013 including:

- Build on our existing enterprise strengths to make Ireland a leading country in Europe in “Big Data”;
- Make Ireland the most attractive location in the world for ICT Skills availability ensuring continued success of ICT sector;
- Reduce the administrative burden on business through the introduction of an Integrated Licensing Application System;
- Increase the number of businesses trading online;
- Make it attractive for businesses to hire additional employees from the Live Register through the Jobs Plus Initiative;
- Transform Ireland into one of the most energy efficient economies in Europe by 2020;
- Establish a world renowned National Health Innovation Hub.

The Government believes that these initiatives have potential to create employment or assist those that are unemployed to advance in the labour market.

The Action Plan is not an end in itself; it is a process of identifying and implementing actions that support businesses to create sustainable jobs. Throughout 2013, the Government will continue to identify new actions which can be implemented in 2013 or subsequent years.

2. Irish Presidency of the Council of the European Union

Stability, Jobs and Growth

In the first half of 2013, Ireland holds the Presidency of the Council of the European Union. The Irish Presidency will devote itself to brokering agreement on proposals that make a real difference to citizens and to job-creators in the European Union.

The theme of our Presidency is Stability, Jobs and Growth. We will bring our national experience in securing economic stability, recovery and a return to growth to bear during our Presidency of the EU. Just as jobs are the central priority for the Irish Government, the pressing priority for the European Union is economic growth leading to employment for its peoples. There are currently in excess of 25 million people unemployed across the EU⁴. Youth unemployment is a particular concern, with over 23% of young people under 25 years of age out of work.

In many respects, Ireland is a microcosm of Europe and many of the objectives which the Government is pursuing under the Action Plan for Jobs mirror the objectives at EU level, including in relation to supporting SMEs, Research and Development, and boosting competitiveness.

Tools for growth

Trade

Despite global economic difficulties, Europe remains the world's largest exporter, importer, source and recipient of foreign direct investment.⁵ Despite this fact, it is projected that 90 per cent of global economic growth by 2015 will be generated outside Europe⁶. Developing new market openings for trade and investment with faster growing economies is an important objective for trade policy to accelerate export-led growth.

During our Presidency of the EU, we will seek to advance trade and investment negotiations with Canada, China, Japan, India and other strategic partners. The Irish Presidency will also place a special focus on the EU-US trade relationship, with the aim of working towards a formal Council mandate for the start of negotiations on a comprehensive EU-US Free Trade Agreement.

Single Market

The creation of a common trading market across Member States is at the heart of the EU project. Ireland will work to make progress on the proposals to reduce the roadblocks holding up the EU's single market in goods and services and work towards eliminating restrictions on trade and free competition between Member States. In particular, the Irish Presidency will

4 Eurostat News Release 170/2012, 30 Nov. 2012

5 Commission Staff Working Document External Sources of Growth. Progress Report on EU Trade and Investment Relationships with Key Economic Partners. July 17, 2012.

6 *ibid*

focus on the Professional Qualifications Directive, improving cross border access to public procurement, working with Member States to strengthen the supports and protections available to mobile EU workers.

Research and Innovation

Research and Innovation will continue to play a key role in improving the competitiveness of the EU. The key research and innovation priority for the Irish Presidency will be to achieve political agreement on all of the measures within Horizon 2020, the EU programme for research and innovation (2014-2020). Horizon 2020 can play a decisive role for jobs and growth and help create the European economy of the future. The programme seeks to secure major investment in key technologies, bridging the gap between research and the market and promoting real commercial partnerships between Member States and the private sector. Linking in with other EU programmes, Horizon 2020 aims to increase participation by SMEs from 15% to 20%.

The Irish Presidency will also include the further development of the European Research Area among its priorities. Our aim is to secure substantial progress towards meeting the target set by the European Council in February 2011 to complete the European Research area by 2014 in order to create a genuine single market for knowledge, research and innovation.

Intellectual Property

Intellectual property is the cornerstone of any competitive modern economy, especially in today's global market. The Irish Presidency will seek maximum progress on copyright, trademarks and patents. The Presidency will also act on the European Council's call for a modernisation of EU copyright regime to facilitate access to content while upholding intellectual property rights.

The EU Commission has conducted a comprehensive evaluation of the overall functioning of the trade mark system in Europe to modernise the system both at EU and national levels by making it more effective, efficient and consistent. These proposals, to be presented during the Irish Presidency of the EU, will be examined in Council and progressed as far as possible.

The creation of a Unitary Patent and Unified Patent Court will make it less expensive for innovators to protect their inventions and enforce patents throughout Europe. SMEs, in particular, stand to benefit from the reduced costs and enhanced patent coverage and protection in most Member State markets. Under the Irish Presidency, necessary preparations will be made to enable participating Member States to sign the agreement on the Unified Patent Court in the early part of 2013 and to progress with the necessary implementation work to bring the system into effect.

Digital Economy

The Single Market also needs to respond to and support a changing internal market, and in particular, the growth of on-line commerce. Growth in the digital economy will promote cross-border commerce and improve competitiveness, delivering long-term advantages for businesses and consumers alike.

The Irish Presidency will prioritise measures aimed at realising the full potential of the Digital Single Market in Europe. We will work to ensure that the EU is equipped to support and stimulate growth in the digital economy through legislation on intellectual property rights, cyber security, e-signatures/e-Identification, data protection, high-speed broadband rollout and web accessibility. At a national level, one of the key projects included elsewhere in the Action Plan for Jobs is the promotion of increased on-line trading by small businesses. This project dove-tails well with the initiative at EU level.

Strengthening the environment for business and employment

Entrepreneurship and SMEs

The Presidency will support Commission proposals for an Entrepreneurship Act, which aims to improve the framework conditions for entrepreneurs' business activities as well as promoting a more entrepreneurial Europe. At a national level, and as set out elsewhere in this Action Plan, Ireland will develop and publish a national Policy Statement on Entrepreneurship.

We will also pursue a package of measures aimed at the highest-potential growth and employment source in Europe – our SMEs. The EU SME package will include improved access to credit, public procurement opportunities and research funding (see reference to Horizon 2020 above).

The Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME) aims to promote more dynamic and internationally-competitive SMEs by providing targeted support to the sector. The Commission will place a strong emphasis on facilitating SME access to supports to boost their research and innovation capacities, strengthening EU competitiveness.

Smart Regulation

The Presidency will promote the Smart Regulation agenda, particularly for SMEs and micro-enterprises in the EU. The Commission adopted a Communication on EU Regulatory Fitness in December 2012 and a further report focusing on progress on minimising the regulatory burden on SMEs, including the Annual Scoreboard of SME Actions, is expected in early 2013. The Commission is also expected to present the results of its consultation on the Top Ten most burdensome legislative Acts for SMEs. The Irish Presidency will aim to secure agreed follow-up actions through Council Conclusions at the May 2013 Competitiveness Council.

The Company Law (Accounting) Directives aim to reduce the administrative burden for SMEs and to introduce a simplified set of accounting rules, in addition to increasing clarity and comparability of financial statements and enhancing the transparency of country-by-country payments. The Presidency plans to conclude an agreement on the proposal.

Manufacturing

Greater focus is needed on the manufacturing value-chain and the services that support it, in order to create, design and market new goods and services. A different approach to industrial policy will be addressed during the Irish Presidency, which takes increased account of the increasingly important role of global value chains for EU industry. It will focus on encouraging

the formation of networks and clusters to facilitate technology transfer between domestic firms and foreign Multinationals.

Youth Unemployment

The Irish Presidency will place a spotlight on youth unemployment throughout our six months in office. We intend to gain momentum behind the Youth Employment and Social Investment Packages. The Youth Employment Package includes a “Youth Guarantee” aimed at ensuring that young people who are not working or studying receive an offer of employment, continued education, an apprenticeship or a traineeship.

The European Council has decided to reinforce EU efforts to address youth unemployment in a special dedicated "Youth Employment Initiative," and will mobilise support in the order of €6 billion to that end, in certain regions with levels of youth unemployment above 25%. The Presidency will work with the European Commission and the European Parliament in advancing this initiative.

At a national level, as outlined in this Action Plan, we will deliver a range of actions to prepare young people for work through education, training and work placement measures.

Agri-food and Fisheries

A major responsibility of the Irish Presidency agenda will be to steer the negotiations on the reform of the Common Agricultural Policy (CAP) and the Common Fisheries Policy (CFP). In both cases, the objectives will be to achieve measures which support the overarching Europe 2020 objectives of smart, sustainable and inclusive growth. Consistent with these aims, the CAP reform negotiations are focused around three objectives, to support competitiveness, achieve sustainability and balanced regional development.

The food and drinks sector is the largest manufacturing sector in the EU, and the CAP in particular has underpinned its modernisation over recent years, helping the sector to make a vital contribution not only to economic growth in the EU, but also to sustainable, long-term global food security and to the maintenance of vibrant rural areas.

As the reform of the CAP will make an essential contribution to national economic growth and the creation of jobs, the conclusion of the reform negotiations is a key priority for the Irish Presidency.

The reform of the Common Fisheries Policy (CFP) also has a significant focus for the Irish Presidency which has set out an ambitious timeframe for progress on a number of areas which can be realistically advanced during our Presidency. Priority will be given to achieving political agreement with the European Parliament on the general contents of the CFP reform package. This will require commitment from all parties, Council, Commission and especially the European Parliament.

Agreement on the reform of both the CAP and CFP will assist the attainment of the growth targets set out in Food Harvest 2020.

3. Disruptive Reforms

In this Plan, the Government has identified seven initiatives which it believes can have a significant impact on job creation, present new opportunities to support businesses, and where Ireland has an existing or under-utilised strength. These disruptive reforms represent a new way of creating focus on opportunities which require support across a number of Government Departments. The goals attached to them are ambitious in nature and they have aggressive timescales in which they will be delivered. They will also require new ways of working.

The Government will seek private sector involvement in driving the delivery of these disruptive reforms. To this end, where appropriate, the Government will appoint private sector business people who offer their time on a pro bono basis to help steer the delivery of these initiatives. Individuals will be selected based on their knowledge of one or more areas covered by the initiatives, but will work as a group in their oversight to ensure as broad a mix of skills as possible are brought to bear. While delivery of these initiatives remains the responsibility of line Departments and the agencies identified in the action plans associated with each initiative, the private sector group will be tasked with monitoring progress of the disruptive reforms, the identification of opportunities for efficiency in their delivery and the identification of synergies within the private sector. This group will support the current Action Plan Monitoring Committee – consisting of the Department of An Taoiseach, Department of Jobs, Enterprise and Innovation, the Department of Public Expenditure and Reform and Forfás. The Office of the Tánaiste is also represented on the Monitoring Committee.

Disruptive Reform 1: Build on our existing enterprise strengths to make Ireland a leading country in Europe in “Big Data”

Ambition

Ireland will build on existing enterprise strengths to make Ireland a leading country in Europe in “Big Data”. Significant additional employment can be created in the Irish economy from the opportunities associated with data analytics and “Big Data”. In 2013, we will undertake a number of actions to contribute towards this ambition and we will set out a longer-term agenda to position Ireland as a leading country in this field.

Vision

We will strengthen Ireland’s position as a global leader in the data and analytics space, creating an ecosystem, based on private and public sector collaboration, which will:

- Directly and indirectly create high value-added jobs;
- Strengthen the existing FDI proposition and attract new FDI from top global organisations;
- Foster indigenous enterprise and innovation;
- Attract and develop top talent in a high value-added sector;
- Create value through public and private sector productivity increases.

Rationale

Data analytics is about the conversion of data into valuable information through the use of statistical techniques and advanced software. Combining such analysis with intuition can provide insights to businesses and public sector organisations for the achievement of their respective objectives.

“Big Data” refers to the storage and analysis of datasets that are so large and complex that they become difficult to process through standard database management tools. Big Data is associated with the massive amounts of data that are now being generated in business and in other fields, often in real time, through for example: information sensing mobile devices, radio frequency identification readers and wireless sensor networks.

It is estimated that data collected and generated by companies and governments is growing by approximately 40% per year⁷. Global companies that leverage this data smartly have created significant value; estimates suggest c.4% higher productivity, c.6% higher profitability, and up to 50% greater market share. It is also estimated that within the European public sector, there is \$250 billion annual value in correctly applying new data technologies to government functions.

⁷ McKinsey Global Institute: Big Data – The Next Frontier for Innovation, Competition and Productivity, May 2011

The employment potential in data analytics and Big Data comes in the form of the very highly skilled jobs for data analysts/data scientists proficient in areas such as mathematics, statistics, management science and with the associated IT skills required to mine and analyse the data concerned. Secondary employment impacts also arise in firms which use data analytics to create new products and services thereby protecting existing employment and creating new job opportunities in their organisations. In terms of the direct, high-end jobs, there is a global shortage of the skilled professionals required in this area. In the US alone, it is estimated that there will be unmet demand in 5 to 10 years of 140,000 – 190,000 analysts and 1.5 million data-savvy managers⁸. The aim of this initiative is to exploit the employment potential of data analytics and Big Data in Ireland by putting in place a partnership between the public and private sectors that will strengthen all aspects of the ecosystem for this opportunity area.

The Existing Ecosystem for Data Analytics and Big Data in Ireland

Many of the elements of an ecosystem to support data analytics and Big Data are already in place in Ireland so there is a strong base on which to build.

Existing Base of Enterprises

The most important element in the ecosystem is the existing base of enterprises already active in this space. This enterprise base includes:

- Multinational enterprises that are providers of services and solutions for data analytics and Big Data;
- Multinational enterprises whose businesses are built in whole or in part on the application of data analytics and Big Data technologies);
- A growing base of indigenous companies whose business centres on the IT solutions for data analytics and/or for whom data analytics is central to their business offering.

Skills/Talent

The existing base of enterprise activity, together with recent announcements of projects specifically in the area of data analytics, demonstrates that Ireland can produce and attract the type of high level skills required in this area. As indicated above, however, there is a global shortage of personnel with the required skills and particularly individuals who have the combination of technical and business skills to both generate business intelligence and to take action based on the insights generated.

Most of the home produced skilled professionals already operating in this space are likely to have qualified under general programmes in areas such as mathematics, statistics and IT as there are few fully dedicated courses in Data Analytics at present. Steps will be required to quantify more precisely the expected annual demand for skills in this area and to put in place arrangements to both produce these skills and to attract them from abroad. Pending this, the announcement of a Call for ICT conversion courses in 2013 provides an opportunity to address some of the specific needs for data analytics within the existing enterprise base as the Call makes specific reference to this area.

⁸ ibid

Publicly Funded Research and Development

There is a growing base of publicly funded research activity of direct relevance to the sector. Ireland has prioritised the area of “Data Analytics, Management, Security and Privacy” as part of its research prioritisation and there is a considerable number of researchers already active in the fields of data analytics/Big Data with a mix of activity across the spectrum from basic through to applied research. The Government’s other priority areas in the ICT space (“Future Networks and Communications” and “Digital Platforms, Content and Applications”) will complement the research activity being supported in data analytics/Big Data.

Steps are already underway to bring together a lot of existing research activity and involve the enterprise sector more directly in orientating and exploiting this research. SFI’s new approach to funding research centres will be critical in this regard. The Technology Centres being progressed by Enterprise Ireland and IDA Ireland in Data Analytics and in Cloud Computing represent the building a critical mass of advanced capability in these key sectors, positioning Ireland as a recognised centre for applied research, and underpinning the attractiveness of the State as a location for foreign direct investment and the growth of Irish industry. These Centres work well with and complement the SFI and other publicly-funded R&D that is being undertaken. Ireland’s capacity in High Performance Computing is another important element in the research ecosystem underpinning data analytics and Big Data.

Standards Development/Regulatory Aspects

Standards development (around data sharing, data security, interoperability of systems, Cloud Computing etc.) is an important part of the ecosystem within which an initiative around data analytics/Big Data will take place. Ireland is already well regarded in the area of standards development, particularly through the formal standardization bodies such as ISO and IEC, with strong enterprise engagement in relevant European fora and this provides a good base on which to build. NSAI is actively involved in all of the formal standardisation activity in this area, working closely with Enterprise Ireland and IDA Ireland client companies who are both impacted by standards development and in a position to influence and drive such standards.

With updated European-wide data protection standards being considered at present, Ireland can provide EU-wide recognised standards and this has the potential to be an important element within the initiative.

Irish Public Service as a Champion of Data Analytics

There are a number of examples already where public sector organisations are engaging with the private sector to apply data analytics for their own business purposes (e.g. Revenue, Department of Social Protection) and/or to explore the commercial opportunities that arise through greater exploitation of existing data holdings through “open data” initiatives (e.g. Dublin City Council’s partnership with IBM’s Smarter Cities Technology Centre, the Dublinked initiative involving each of the Local Authorities in Dublin in partnership with NUI Maynooth and IBM).

Actions identified in the Government’s Programme of Public Service Reform and related e-Government Strategy will strengthen further the ecosystem for data analytics. These include:

- Action to identify data holdings across all public bodies that can be released subject to data protection and other restrictions;

- Actions to facilitate greater sharing of data among public sector bodies; this will present new opportunities to apply data analytics in ways that will support more efficient and effective public services;
- Actions to improve the usefulness and quality of data holdings including the use of common identifiers, improved geo-coding of data etc.

Actions for 2013

The activity already taking place in this space provides a good basis on which to build. The table below presents additional actions/deliverables for 2013 in order to take forward this initiative. In the first instance, a joint Industry-Government Big Data Task Force will be established to drive forward a number of actions in 2013 and prepare the ground for a range of initiatives from 2014 onwards that will give effect to the Government's ambition in this area. Public sector actors that will be involved in this Task Force include Department of Jobs, Enterprise and Innovation/Forfás, Department of Public Expenditure and Reform, Department of the Taoiseach, Science Foundation Ireland, Enterprise Ireland, IDA Ireland.

1	Establish a joint Industry-Government Big Data Task Force to progress the Disruptive Reform.	(DJEI/Forfás)
2	Undertake an assessment of existing and planned initiatives across Government and the private sector that can contribute to Ireland's reputation as a leader in the areas of data analytics and Big Data.	(Forfás/DJEI, DPER, Taskforce)
3	In the context of this assessment, identify and commence at least 2 new pilot initiatives whereby data analytics will be employed to address specific challenges delivering economic impact and/or improved public services.	(Taskforce, DPER, DJEI/Forfás)
4	Progress the development of Ireland's National Action Plan on Open Government Partnership (OGP)	(DPER)
5	Through the Department of Jobs, Enterprise and Innovation, we will further develop a critical mass of research activity and scale in the area of "Data Analytics, Management, Security and Privacy" in line with Government's priority areas for R&D.	(DJEI, EI, IDA, SFI)
6	Enterprise Ireland and IDA Ireland will establish an industry-led Technology Centre in Data Analytics, facilitating linkages between enterprise and academic research; identifying and addressing barriers to collaboration.	(EI/IDA)
7	Take action to put in place an integrated national High Performance Computing (HPC)	

	<p>facility that will support Big Data/Data Analytics.</p> <p style="text-align: right;">(DJEI, DES, HEA, Other ICT research funders)</p>
	<p>All funders of research in the areas of data analytics and Big Data to work together to implement actions set out in the implementation plan for the Government’s R&D Priority Area of “Data Analytics, Management, Security and Privacy” and for related ICT areas including:</p> <p>8 Complete mapping exercises to explore in detail links between enterprise and academic expertise in various applications of data analytics.</p> <p style="text-align: right;">(EI, IDA, SFI, other research funders as appropriate)</p> <p>9 Provide funding for the platform science and technology areas underpinning data analytics.</p> <p style="text-align: right;">(SFI, EI, other research funders as appropriate)</p>
10	<p>NSAI to identify appropriate mechanisms whereby Ireland can help to lead standards development activities linked to areas of data analytics/Big Data prioritised by the enterprise sector in Ireland; mobilise enterprise involvement in the appropriate working groups.</p> <p style="text-align: right;">(NSAI)</p>
11	<p>Undertake a detailed assessment of the demand for data analytics and related skills to build on existing estimates and to explore the precise qualifications required, map the skills needs against existing programmes and take action through existing mechanisms to address gaps between supply and demand.</p> <p style="text-align: right;">(Forfás, EGFSN, DES, HEA)</p>
12	<p>Pending completion of the assessment of demand, address existing enterprise needs for ICT-related data analytical skills in the context of Call for Conversion Programmes for ICT and Software Development Skills.</p> <p style="text-align: right;">(DES/HEA)</p>

Disruptive Reform 2: Make Ireland the most attractive location in the world for ICT Skills availability ensuring continued success of ICT sector

Ambition

Ireland will build its supply of high level ICT skills including graduates and experienced personnel so that Ireland becomes internationally renowned as a location with the appropriate supply of skills/talent. In 2013, we will provide an additional 2,000 honours level ICT graduate professionals⁹ for industry through output from reskilling opportunities on ICT education programmes and migration. By 2018, we aim to have the highest percentage of computing graduates as a proportion of all tertiary graduates¹⁰.

Vision

Building Ireland's ICT skills capability to the point that it is a unique selling point will act as a beacon for mobile ICT investment and entrepreneurs to set up, grow and locate their ICT businesses in Ireland.

Rationale

The demand for ICT skills is expected to remain strong based on the recent announcements of job creation by both foreign-owned multinationals and indigenous companies in the ICT sector and across other sectors. New job creation was announced in 2011/2012 by companies in a diverse range of areas within ICT, such as cloud computing, network security, localisation and testing, telecommunications and research & development. Amongst enterprise agency supported companies alone, employment rose from 91,492 jobs in 2010 to 95,926 jobs in 2011 in the ICT sector.

The Government-Industry ICT Action Plan, jointly launched by Minister Quinn and Minister Bruton in January 2012 in tandem with the Action Plan for Jobs, outlines a comprehensive and coherent range of actions which are being taken to build the domestic supply of high level ICT skills to drive the further expansion and development of the ICT sector and to support innovation and growth across other sectors of the economy. The Plan which was developed in close collaboration between Government Departments, State agencies, the education sector and industry representative groups establishes an overarching target to double the number of graduates from honours degree ICT programmes to 2,000 by 2018. It also includes specific time-bound actions to address skills gaps in the short term through the provision of a range of

⁹ These are computer engineers, including those qualified in software engineering and computer programming and multimedia gaming with substantial computer content and those with a mix of comparable technical/business/analytic/foreign language skills. These are in addition to those graduating from the existing core programmes.

¹⁰ The figure for Ireland for 2010 was 3.8 %, compared to 5.6 % for Austria, 4.4 % for Croatia, 4.2 % Czech Republic and 4% for UK.

ICT graduate conversion opportunities, while in tandem building the core mathematical and analytical competencies of students entering the higher education system and ensuring that undergraduate and post graduate programmes are continuously aligned to emerging skills needs.

To date the plan has led to the following:

- Provision of reskilling opportunities for jobseekers at honours degree or above on ICT programmes; 400 graduates in 2012 and a further 1,500 are expected to graduate in 2013;
- An increase of 35% in the number of Leaving Certificate students presenting for the higher level maths paper in 2012 from 8,235 to 11,131;
- An increase in demand for third level technology courses, to one fifth of all level 8 first preference applications in 2012 and an increase of 20% in first preference applications for level 8 computing programmes in 2012;
- The establishment of an ICT Skills Foresight group with high level representatives from industry, higher education institutions and the enterprise development agencies, with a specific remit to ensure higher education ICT programme development is aligned to emerging skills needs;
- A post graduate Professional Diploma in Mathematics for Teaching for “out of field” maths teachers commenced in September 2012 with 390 places;
- Revised curricular time requirements for literacy and numeracy and standardised testing in English and Mathematics introduced in primary schools May/June 2012;
- Full roll out of Project Maths to all schools from September 2012.

There is a global shortage of skilled professionals in a wide array of ICT disciplines and it is estimated that, in Europe alone, there will be up to 700,000 vacancies in ICT by 2015¹¹. This provides an opportunity for countries that can build and attract the required skills base, with a strong multiplier effect in terms of additional jobs created in the wider economy. Inward migration for the ICT sector is estimated at approximately 55% of total demand, of which a significant proportion is from outside the EU/EEA. Even with the successful implementation of actions proposed in the short-term, which will assist in addressing the graduate entry level requirements, companies will continue to need to rely on inward migration for sourcing ICT personnel with (8 years+) experience and for personnel with multi-lingual skills until the level of domestic supply can be built up over the next five years.

Building on the steps already being taken, and given the shortage of ICT skills¹², including software engineers, which exist across Europe¹³ and the world, there is an opportunity to not

11 European Commission Digital Agenda: Annual scoreboard (http://europa.eu/rapid/press-release_IP-12-614_en.htm)

12 Future Requirement for High-Level ICT Skills in the ICT Sector, Forfás/EGFSN, June 2008

13The EU Foresight Study (Anticipating the Development of the Supply and Demand of e – Skills in Europe in2010-2015), anticipates that the EU labour market may face an excess demand of 384,000 ICT practitioners by 2015- equivalent to 8 % of the total ICT practitioners workforce (Presentation on e – skills for the 21st Century, June 2011 by Andre Richier DG Enterprise and Industry.

alone meet existing and future demand in Ireland, but to build Ireland's ICT skills capability to the point that it is a unique selling point which will act as a beacon for mobile ICT investment and entrepreneurs to set up, grow or locate their ICT businesses in Ireland. Actions taken in this regard would also support the development of Ireland's Data Services Centre set out earlier.

Actions for 2013

The activity already taking place in this space provides a good basis on which to build. The table below presents additional actions for 2013 in order to take forward this initiative.

Improving Domestic Pipeline	
The actions to be progressed within the education and training system to increase the output of skilled ICT graduates will include:	
13	Continue delivery of all aspects of the current ICT Action Plan and development of new responses, actions and timelines in line with emerging needs. (DES, HEA, DJEI)
14	Promote the ICT Action Plan as a collaborative response by Government Departments, State agencies and industry to address skills shortages and build Ireland's ICT skills capability. (DES, HEA, DJEI, IDA, EI)
15	Expand conversion opportunities at graduate and post graduate level in 2013 through the ICT Graduate Skills and Springboard programmes. (DES, HEA)
16	Strengthen links with industry and enterprise development agencies in development and delivery of ICT and Springboard programmes, including involvement of a wider range of companies, especially SMEs in work placements provided as part of programmes (e.g. link with selection of intake, content and recruitment). (DES, HEA, EI, IDA)
17	Improve awareness of the conversion course initiatives amongst companies and jobseekers. (DES, HEA, DJEI, DSP)
18	Promote ICT professionalism through use of the European e-Competence Framework at an EU and national level. (NSAI)
19	Increase the percentage of students taking the Higher Level Mathematics examination in Leaving Certificate to 30% by 2020. (DES)
20	Undertake a study into "Addressing the demand for high-level ICT skills across all sectors of the

economy in Ireland”. The primary objective will be to forecast the demand for high-level ICT skills over the period 2013-2018. A related secondary objective is to identify and advise on any additional tailored measure(s) to retain and attract high-level ICT talent to Ireland.

(Forfás, EGFSN, DES, HEA)

Attracting necessary skills from abroad

In tandem with improving the domestic pipeline of skills for the ICT sector through the on-going implementation of the ICT Action Plan, it will be necessary to attract in skills from abroad.

In the context of attracting skills from within the EEA, consideration will be given to partnering with industry to attract people with the requisite programming and analytic skills to Ireland from within the EEA.

For those outside the EEA, consideration has been given to what can be done to increase the supply of necessary skills in 2013. The ambition is to increase the attractiveness of the employment permits schemes resulting in 700 additional permits for that sector in 2013.

The actions proposed to improve the throughput and quality of employment permit applications include:

21	Introduce a unified employment permits application e-form, which will ultimately make it easier for clients to complete, resulting in greater accuracy and better data quality.	(DJEI)
	Deliver an interim review of employment permit schemes across the categories with a particular emphasis on ICT and specifically:	
22	Align and update the Employment Permits regime on an on-going basis with EGFSN findings, industry feedback and labour market trends.	(DJEI)
23	Update the application criteria for employment permits to reduce processing times by 33%.	(DJEI)
24	Expand the economic sectors for employment permit applications to allow for ICT professionals in all sectors of the economy.	(DJEI)
25	Reduce the wage threshold limit, where appropriate, for work permits in key skills areas (e.g. ICT graduates and technical sales with foreign language skills).	(DJEI)
26	Simplify the labour market needs test.	(DJEI)
27	Assess the case for expansion of the eligibility of residency permissions under the employment permit schemes.	(DJEI, DJE)
28	Consider the development of a ‘trusted partner’ registration which will provide for the pre-registration of prospective employers which will speed up the processing of applications (by	

	removing the need for duplicated provision of employers' credentials with each permit application), reduce the on-going administrative burden on employers and provide greater assurance and clarity to employers in terms of the Employment Permits applications process. (DJEI)
29	Review outcome of improvements to the employment permits application system. (DJEI)
30	Develop a communications campaign in order to present clear options as to the available entry channels to the State, i.e. employment permit vs visa. (DJEI, DJE)

Disruptive Reform 3: Reduce the administrative burden on business through the introduction of an Integrated Licensing Application System

Ambition

The Government will introduce an integrated licensing application system for key sectors of the economy to help reduce the regulatory burden on the enterprise sector. This new licensing system will be a one-stop application portal, amalgamating licence applications for business across Government Departments, agencies and licensing authorities.

Vision

The retail sector, a key employer in towns and villages throughout the country, has been chosen as the pilot for this initiative as it is one of the sectors which requires a multiplicity of licences and where significant positive impact will be realised in introducing an integrated licensing application system. The cost imposed by licensing and inspection requirements on local convenience stores has been estimated at approximately €40 million¹⁴. By the end of 2013, an integrated licensing application system incorporating up to 25 licences will be developed.

In the medium term, the target is to extend this system to other key sectors of the economy to reduce the administrative burden of licensing, helping to improve Ireland's competitiveness, the creation of jobs and helping to position Ireland as the best small country in which to do business by 2016.

Rationale

As part of Action Plan for Jobs 2012, Forfás assessed 159 licences across key sectors of the economy including manufacturing, food & drink, retail, hospitality & leisure, waste management, road haulage and construction, and found that there is potential to reduce the burden of compliance with licences by a third, including removal/amalgamation of up to 20 licences. The Forfás report recommended that businesses should be able to apply for all of their annual licensing requirements at the one time via a single website portal. This will result in significant savings in terms of time and costs for businesses and entrepreneurs across the country, which will help more of them start-up, survive, grow, and ultimately protect and create more jobs. The intention in the first instance is to address up to 25 of the 50 licences relating to the retail sector.

Regulation by, or on behalf of, the State plays an essential role in ensuring that economic activity by individual economic actors is consistent with wider social and national objectives, including health and safety, consumer protection, environmental quality, competition, provision of essential services, and others.

¹⁴ Estimates prepared by Jim Power Economics are that the cost to 4,000 RGDATA members in local convenience stores of various licensing and inspection requirements is €26.5 million per annum. This would equate to a cost of up to €40m for the total of 6,000 convenience stores nationwide. Source: The Economic and Financial Significance of the 'Local Shop' May 2010.

It is important, however, that regulation should not place an unnecessary burden on business activity. Inappropriate or excessive regulation can increase costs for business and impair competitiveness. It can disadvantage smaller firms against larger firms, and can disadvantage Irish firms against those in other countries, if it is not well considered and effectively implemented.

An important part of regulation is licensing activity, the issuing of permissions by the State and its agencies for various kinds of economic activity, whether for individual professions and trades or for enterprises to engage in specific activities. The number of licences required by a single business, along with the cost and the renewal processes, can be particularly onerous and can put an unnecessary administrative burden on businesses. The cross-Government programme to reduce the administrative burden on business by 25 per cent commenced to ease the burden that regulation places on business. This action will contribute further to that effort.

The Forfás review concluded that licencing in general is recognised as essential by business, but that the burden of many licences is unnecessarily high. Industry would welcome any initiative to reduce the regulatory burden. It was found that reducing the administrative burden in key sectors may not necessarily require discontinuation of licences, but rather a streamlining and improvement of licencing processes.

Licence burdens for enterprises comprise a combination of licence fee costs, such as once-off application fees and annual renewal fees or charges, non-fee costs such as legal, consultancy or advertising fees, and time burden of the firm's own staff time in applying for, renewing and complying with licences. In certain sectors, such as retail and hospitality, and in the case of SMEs especially, the multiplicity of licences imposes a significant burden.

Getting a business started can require a range of different licences, with numerous applications and the requirement to deal with a number of Government Departments or agencies. For example, establishing a medium sized supermarket could involve up to 20 different licences, issued by a number of different licensing authorities resulting in a significant administrative overhead for the business. Having an integrated licensing application system available for small businesses will ease the application process, reduce the time for application and will also provide all the licensing information that is required to start up a business in one place.

An integrated licensing application system will also provide productivity and efficiency gains in the public sector by streamlining the administration of licensing processes and the potential for more integrated inspection and compliance systems in the future and better application of risk-based enforcement.

As part of the review and implementation steps, a detailed assessment of statutory obligations and requirements is to be undertaken and depending on the outcome of this, further development of the system will be initiated in future years.

Other small countries are moving ahead, with Singapore already providing a one-stop portal for some licence applications and are moving towards an integration of 250 different business licences from 18 Government Ministries and agencies by the end of 2013. The City of Chicago has also undertaken licensing reform with the amalgamation and discontinuation of a number of licences.

Actions for 2013

The table below presents the next steps for 2013 as part of the delivery of an integrated licensing application system.

31	<p>Using the retail sector as the pilot activity, establish a steering group comprising relevant stakeholders including licensing authorities, and relevant Government Departments and agencies and the Office of the Data Protection Commissioner, enterprise representatives; complete and agree the Statement of Objectives, scoping, project plan and work programme for 2013.</p> <p style="text-align: right;">(Forfás, DJEI, Steering Group, enterprise representatives)</p>
32	<p>Carry out a systems analysis and audit of the processes / applications requirements, statutory obligations and authorisation process of licences within licensing authorities relating to the Retail Sector in the first half of 2013, to include a cost benefit analysis and the timeframe for delivery.</p> <p style="text-align: right;">(Forfás, DJEI, relevant Licensing Authorities)</p>
33	<p>Define the Integrated Licencing Application System, with input from the licensing authorities to include:</p> <ul style="list-style-type: none"> ▪ Technical Infrastructure Design ▪ Detailed Systems Design ▪ Security and Risk Analysis <p>Following the completion of the above, DJEI and Forfas, as necessary, to bring a proposal to Government on funding requirements for the build-out of the full system.</p> <p style="text-align: right;">(Steering Group Members, Forfás, DJEI, CCMA/Local Authorities, Relevant Licensing Authorities)</p>
34	<p>Progress the building of the Integrated Licencing Application System, as part of the eGovernment Strategy.</p> <p style="text-align: right;">(Steering Group Members, Forfás, DJEI, CCMA/Local Authorities, Relevant Licensing Authorities)</p>
35	<p>Test and implement developed Integrated Licencing Application System.</p> <p style="text-align: right;">(Steering Group Members, Forfás, DJEI, CCMA/Local Authorities, Relevant Licensing Authorities)</p>
36	<p>Deliver the Integrated Licensing Application System for the retail sector.</p> <p style="text-align: right;">(Steering Group Members, Forfás, DJEI, CCMA/Local Authorities, Relevant Licensing Authorities)</p>

Disruptive Reform 4: Increase the number of businesses trading online

Ambition

The ambition of this initiative is to achieve a step-change in the number of businesses trading on-line for the first time, particularly small businesses. It aims to help Irish business gain competitiveness and grow by having access to new markets and a wider customer base. The adoption of trading on-line by small businesses to support economic growth and jobs will be a key objective of the National Digital Strategy.

The objective is to target 2,000 small businesses with a view to them commencing trading on-line in 2013 and 2014. The net jobs gain envisaged under this programme will be 3,200.

Vision

The vision is to develop, in collaboration with industry partners, a series of actions which will stimulate growth in Irish-based small businesses by supporting them to trade on-line, informed by past interventions and engagement with digital market participants. A series of measures will be rolled out on a pilot basis with a view to developing an effective implementation model. These measures will include:

a) Business On-Line voucher system

An incentive will be introduced to encourage small business owners and managers to invest in transforming their business to incorporate an appropriate on-line trading component. The incentive will apply at the point of investment by the business. For 2013, it is proposed to pilot a Business On-Line voucher of €2,500 maximum in value in a number of target areas, matched by the business.

The Business On-Line voucher will support, in the first instance, an independent evaluation of the business's on-line needs and capacity, and identify what steps need to be taken for the business to commence trading on-line.

The Business On-Line voucher will be based on a competitive process. The vouchers will be awarded to businesses in the pilot areas which demonstrate a significant potential for developing a capability to trade on-line. It will support businesses where digital adoption has been weak and where the prospect for real gains in competitiveness and growth leading to jobs is established. Priority weighting will be given to businesses who aim to extend their customer base, start exporting and grow employment.

To gain access to the scheme, a business will have to invest time to understand the full impact of on-line trading in terms of keeping product and stock information up-to-date, distribution logistics, customer services, etc.

b) Awareness and promotion campaign

An awareness, training, and promotion campaign will run in parallel with the Business On-Line voucher scheme. A forum comprising key industry stakeholders, including the ICT, banking and digital content sector will be convened with a view to exploring how industry can assist this campaign, in a co-ordinated State/industry approach. The campaign will highlight, through

case studies, the opportunities for all SMEs in Ireland to benefit from the efficiencies and business development possibilities using digital content and technology. The core will be the promotion of the Business On-Line voucher and will use a series of case studies in an on- and off-line campaign that will include a regional outreach. Opportunities will be taken to highlight in the media successful participating businesses, to further enhance the peer-to-peer promotion of Irish SMEs trading on-line.

Rationale

Like most other Western countries, Ireland is in the midst of an on-line revolution. All Irish businesses are affected by the changes occurring in consumption patterns. Data on Irish consumer spending would suggest that in excess of €3bn is being spent annually on-line¹⁵. This level of spend is increasingly annually and is growing fast. Most recent research indicates that 70% of the on-line spending is going out of Ireland¹⁶. This on-line balance of trade deficit is making a larger and larger contribution to the apparent reduction in consumer spending in Ireland and is not captured in the current consumer spending figures. Businesses that are not trading on-line are at severe risk of losing customers and shedding jobs.

Certain industry areas such as travel, accommodation, electronic goods and services have been transformed by digital trading. However, in other sectors this level of adoption is absent. Not enough businesses in Ireland are adapting to the revolution in on-line consumption. Latest information shows that only 23%¹⁷ of Irish SMEs are trading on-line. There is a market failure in terms of businesses appreciating the value of trading and retailing on-line in the changing consumer environment and in understanding what they need to do to adapt. The EU has forecast that, as we move closer to a digital economy, 9 out of 10 jobs will require e-Skills¹⁸ by 2015.

This initiative has the capacity to support and transform jobs in Irish-based companies (particularly for small businesses), to improve their competitiveness and to open their access to a wider customer base, both domestically and internationally. The initiative will also support jobs indirectly in businesses supplying expertise, training, hosting and logistics services to those companies that are adapting to trading on-line.

The direct support given to businesses under this proposal will help them to establish access to the fixed and mobile global on-line market place. Research from Australia¹⁹ indicates that 54% of small businesses who use the internet gain competitive advantage. McKinsey²⁰ have measured that SMEs who adopt internet trade grow twice as fast and export twice as much when compared to non-adopting businesses. Adoption can be impacted by intervention; the

15

http://www.visa.ie/visa_ireland/press_releases/articles/2011/irish_spend_%E2%82%AC296_billion_onli.aspx

16 'State Of the Net' IIA, Amas, 2009.

17 CSO, Information Society Statistics, Enterprise Statistics Dec. 2011.

18 EU: Digital Agenda Scorecard 2012

19 http://www.isoc.org/inet97/proceedings/C2/C2_1.HTM

20 Mc Kinsey, Internet matters: The Net's sweeping impact on growth, jobs and prosperity, May 2011.

experience in the 2010/11 WebActivate trial²¹ demonstrated that almost half the SMEs activated began to trade on-line.

Trialling approach

Given that this proposal is new and disruptive, a number of pilots will be introduced in order to develop this initiative in 2013 and to identify the best approach to maximise the jobs impact. Options for such demonstrators include a) a focus on one or more geographical regions b) a focus on one or more sectors, or c) a combination of geographic and sector-specific trials²². Decisions on the approach to be adopted and the identification of regional/sectoral pilots will be taken in Q2 2013.

The project will be overseen by a Working Group which will include the Department of Communications, Energy and Natural Resources, the Department of Jobs, Enterprise and Innovation, Forfás, Enterprise Ireland, the Irish Payment Services Organisation (IPSO) and other key stakeholders from the public and private sector. The trial initiatives will be evaluated on an on-going basis with a view to any necessary adaptation for a significant scaling up of the initiative in 2014.

Actions for 2013

In progressing this initiative, we will:

37	Consult with representatives of the digital industry in Ireland to establish the contribution which those companies can make to the design and implementation of the Trading On-Line initiative.	(DCENR, DJEI, Forfás, IPSO)
38	Design the detailed operational arrangements for the Business On-Line voucher scheme to be applied to the pilot phase of the initiative.	(DCENR, DJEI, EI, Forfás)
39	Agree an approach, including plans for a promotional campaign, for pilot projects that will maximise the outcomes and learnings from this initial trial phase. Identify suitable projects at regional and/or sectoral level with a target of engaging companies for inclusion in the trial phase of the initiative in 2013.	(DCENR, DJEI, Forfás, Industry representatives, Regional/sectoral stakeholders)
40	Commence the first phase of the pilot(s) and monitor progress with a view to a significant scaling up of the initiative in 2014.	(DCENR, DJEI, Industry representatives)

²¹ WebActivate operated in Cork, Galway & Dublin, involved training 200 people from the live register and supported 600 companies to trade on-line, conducted in 2010 by the Digital Hub and Digital Skills Academy, supported by the labour market activation fund.

²² A number of such initiatives are already underway, for example, the Activating Dublin project.

Disruptive Reform 5: Make it attractive for businesses to hire additional employees from the Live Register through the JobsPlus Initiative

Ambition

To provide a beneficial, easily identifiable and user friendly initiative targeted at employers who take on additional employees from the Live Register.

Vision

The new initiative will provide a cash-flow benefit to the employer. It will promote the recruitment of long term unemployed people (i.e. unemployed >12 months) and job creation. The scheme will provide two levels of incentive - a higher incentive for the recruitment of people more than 24 months on the live register and a lower rate for those between 12 months and 24 months on the live register. It will be simple to administer both for the State and the employer.

Rationale

There is a need to introduce an initiative targeted at employers that provides an attractive incentive that is easily understood and is operated in a user friendly manner.

The core objective of such a scheme would be to incentivise employers to take on additional employees from the Live Register – in particular, those who are long term unemployed. A secondary impact of the scheme would be to lower the cost of employment for the employer, potentially increasing demand.

There are already a suite of measures that support employers to employ or provide access to the labour market for those on the Live Register. There has been low take-up of some schemes²³ to-date. The low take-up may be as a result of a number of supply side factors: the multiplicity of schemes which employers may find confusing; poor marketing of the schemes – some employers are unaware they exist; administrative burdens; schemes being incorrectly targeted or not seen as sufficiently beneficial. The view that there is extremely low awareness of these schemes is supported by a recent IBEC study. Significant efforts have been made to increase the awareness of existing schemes.

The existing PRSI exemption and Revenue Tax Assist schemes will be replaced by a simplified initiative. The need for a simplified scheme is underlined by the continued high numbers in

23 Revenue Job Assist had 794 employers in 2011 and had 342 employers and 650 employees in 2010.

Employment Job (PSRI) Incentive Scheme: Provisional figures to end of Q4 2012 indicate 780 employers had been awarded exemptions in respect of 1,030 employees. A total of 660 employers were awarded exemptions in respect of 923 employees in 2011. In 2010, a total of 736 employers were awarded exemptions in respect of 1,202 employees.

JobBridge: It is considered that JobBridge has been exceptionally successful in terms of take-up. 13,232 placements have commenced since launch of the Scheme on 1st July 2011 (as of 27 December 2012).

unemployment (308,500) and the large number of people on the Live Register for more than 12 months (184,800). An individual's prospects of achieving employment falls to under fifty per cent at 42 weeks of unemployment. The likelihood of a successful labour market exit from week 55 onwards declines substantially. This is supported by recruitment agencies anecdotal observations that employees on the Live Register for more than 6 months begin to suffer from significant negative selection bias by employers. This initiative is targeted at mitigating these challenges and supporting the long-term unemployed to return to the workforce.

Level of Incentive, Delivery Mechanism & Promotion

The scheme will provide a fixed grant payment to businesses per new employee. Operated by the Department of Social Protection, it is expected that the new scheme will be launched at the end of June 2013. In the interim, the existing schemes will remain in place.

It is proposed that the new incentive will be set at a fixed amount payable over two years. It is also proposed that in order to address the deadweight cost issue and bias the incentive in favour of the more long term unemployed that the value of the incentive will be set at two levels – the proposed values over two years are shown below:

- In respect of recruits unemployed for more than 12 but less than 24 months: €7,500
- In respect of recruits unemployed for more than 24 months: €10,000

From an employer perspective, the typical value of the incentive over a two year period is circa 23% of the gross national minimum wage cost (including employer PRSI) for a person exiting the live register to commence full-time employment.

It is proposed that the new incentive will be payable, on a monthly in arrears basis, over a two year period.

The relevant Government Departments will use all available opportunities to highlight the existence of this scheme and to promote its use.

Actions

In progressing this initiative, we will:

41	Design the detailed operational arrangements for the initiative and launch the new scheme by the end of June 2013.	(DSP)
42	Develop promotional campaigns to support take-up of the new initiative amongst employers.	(DSP/ DJEI, Business Representative Organisations)

Disruptive Reform 6: Transform Ireland into one of the most energy efficient economies in Europe by 2020

Ambition

Over the period to 2020, we will transform Ireland into one of the most energy efficient economies in Europe, yielding a significant jobs dividend in a range of areas, including retrofitting, energy management services and the development and manufacturing of energy efficient products.

The Government will create an Energy Efficiency Fund in 2013 to begin stepping-up Ireland's energy efficiency performance. This fund will support up to 20 demonstrator projects in 2013 which will act as exemplars in the adoption of energy efficiency and management techniques across the public and commercial sectors. The number of projects of this nature will be scaled up significantly in 2014 and subsequent years.

Vision

A concerted approach to improving Ireland's energy efficiency has the potential to support thousands of jobs in the economy by improving the cost of doing business, opening up new opportunities for companies that develop energy efficiency solutions, and through the retrofitting of buildings and energy systems. The Sustainable Energy Authority of Ireland (SEAI) estimates that every €15 million invested by Government in energy efficiency grant programmes supports the creation and retention of 1,000 jobs.

In 2013, the Government will commence a process of transforming Ireland into one of the most energy efficient, innovative and competitive economies in Europe, supporting additional jobs through energy cost savings. It will accelerate the market for energy efficiency retrofits in the public and commercial sectors by creating an Energy Efficiency Fund to begin stepping-up Ireland's energy efficiency performance. This competitive fund will support up to 20 demonstrator projects in 2013 which will act as exemplars in the adoption of energy efficiency and management techniques across the public and commercial sectors.

The objective is that the exemplar projects and the financing model will have a multiplier effect as the commercial and private financing sectors realise the potential of such projects and replicate the successful model widely.

In addition, the Government will require all public sector organisations with annual energy expenditure in excess of €500,000 to go to the market seeking energy efficiency solutions. Over 60 public bodies currently have an annual energy spend in excess of €500,000.

These initiatives will support jobs by reducing costs for businesses that implement energy efficiency measures and by providing an opportunity - subject to normal tendering rules - for innovative Irish companies in the field of retrofitting, energy management services and the development and manufacturing of energy efficient products, to benefit from an acceleration of Ireland's energy efficiency effort.

This initiative will be complemented by a new financing model for domestic retrofitting which will be introduced in 2014 to replace the Better Energy grants scheme.

Rationale

Energy efficiency can play a vital role in reducing the cost of energy for businesses and domestic consumers. Ireland currently spends in the region of €6 billion per annum on imported fossil fuels. This represents 3.8% of our GDP (4.7% of GNP). With international fuel prices on an upward trajectory, there is a strong incentive for Irish businesses, public sector organisations and domestic consumers alike to reduce their energy consumption.

Ireland's National Energy Efficiency Action Plan²⁴ has the objective of achieving 20% energy efficiency savings in the period to 2020 across the public, business, residential, transport, and energy supply sectors. However, any steps that can be taken to accelerate the progression of this target will bring early benefits to the economy.

The National Economic and Social Council Interim Report - *Towards a New National Climate Change Policy* - also identified energy efficiency as a key route to reducing carbon emissions and at the same time acting as a spur to economic growth. The Report pointed out the significant cost-effective abatement potential of improving energy efficiency in the residential and non-residential sector and that the key to galvanising the necessary investment is to overcome the market failures that are preventing these cost-effective investments in energy efficiency. The Report also noted that a retrofit campaign on the scale outlined goes beyond what has been achieved internationally.

The public sector is a significant user of energy through its public buildings, hospitals, schools, offices, etc. The sector in Ireland spends between €600 million and €800 million per annum on energy. The Government has set a target of a 33% reduction in energy demand in the public sector by 2020, which it is anticipated will save in the order of €200 million to €250 million per annum.

It is also estimated that most businesses who have not yet addressed the issue of energy efficiency can reduce their costs by 20% for minimal outlay, providing a significant boost to their competitiveness.

However, some barriers exist in relation to realising the potential to improve our energy efficiency. A lack of accessible funds in the current economic climate is one factor that can stop businesses and public sector organisations from realising their latent energy savings potential. A lack of awareness, education and experience of the potential of energy saving technology are other factors.

This proposal will address those barriers by developing a new Energy Performance Contracting Framework and introducing an innovative funding model to facilitate demonstrator projects in the public and commercial sectors which will act as exemplars and promote a step-up in Ireland's drive to achieve energy efficiency. The Energy Performance Contracting Framework will serve as a standardised model for public sector and commercial organisations seeking energy efficiency solutions from Energy Services Companies (ESCOs).

ESCOs can facilitate financing for energy efficiency projects without upfront capital investment by the public/commercial body. Under the new financing model which is being proposed, the energy efficiency investment is paid for through the value of the energy savings achieved over a period of time following the initial implementation/installation.

²⁴ http://www.dcenr.gov.ie/NR/rdonlyres/FC3D76AF-7FF1-483F-81CD-52DCB0C73097/0/NEEAP_full_launch_report.pdf

Applications will be open to an Energy Efficiency Fund for exemplar projects. Projects financed by the Fund will demonstrate, on a commercial basis, a range of technologies which could include, for example, projects in areas such as energy efficient lighting, heating systems, energy management systems and retrofitting of buildings.

It is anticipated that the projects will have a regional spread and build capacity and awareness by demonstrating a range of energy efficient technologies and solutions which are available to reduce consumption and cut costs. The demonstrator projects will yield multiple benefits by supporting jobs, generating cost savings, creating demand for energy efficient goods and services, reducing national emissions and improving competitiveness.

Actions for 2013

43	<p>Develop and introduce an innovative National Energy Performance Contracting Policy Framework which will assist public sector and commercial bodies to develop energy efficiency proposals with Energy Services companies.</p> <p style="text-align: right;">(DCENR, SEAI)</p>
44	<p>Establish an Energy Efficiency Fund to support innovative energy efficiency in the public and commercial sectors.</p> <p style="text-align: right;">(DCENR, NewEra)</p>
45	<p>Identify, and support through the Energy Efficiency Fund, up to 20 demonstration projects, drawn from the public and private sectors, which will act as exemplars with regard to:</p> <ul style="list-style-type: none"> ▪ the operation of the new EPC Framework, and ▪ the type of practical and innovative measures that can be replicated elsewhere to significantly improve energy efficiency in the public and commercial sectors. <p style="text-align: right;">(DCENR, SEAI)</p>
46	<p>Issue a clear mandate to all public sector organisations with an annual energy spend of €500,000 or more, to go to the market to identify solutions for the delivery of energy reduction services.</p> <p style="text-align: right;">(DCENR)</p>

APJ 2012 Impacts – Demonstrator Project for a Health Innovation Hub

As a precursor to the establishment of a National Health Innovation Hub, the Action Plan for Jobs 2012 identified the need for the development of a Demonstrator project, whose purpose would be to test at regional level how a National Hub would work effectively.

A National Project Team was formed and charged with the establishment of the Demonstrator project. The project, based in UCC's Western Gateway Building and overseen by a local Steering Committee, brings together six innovative Irish healthcare companies with the health service by providing dedicated contact points, facilitated project management, office space, advice and access to the hospital and Primary Care system in Cork. There are four participating hospitals - all affiliated with UCC: Cork University Hospital, South Infirmity Victoria Hospital, Bon Secours Hospital and Mercy University Hospital. Cork Institute of Technology and Tyndall Institute are also key partners in the initiative. The six companies taking part were selected on the basis of their potential to deliver efficiencies into the health system and their fit with the broader reform of the health system, as well as the economic impact in terms of company growth including export potential. The companies and their innovative solutions are:

- Abtran (electronic GP referral system);
- Arann Healthcare (equipment sterilisation);
- Helix Health (electronic prescription service);
- Radisens Diagnostics (GPs processing blood tests directly);
- Rigney Dolphin (post discharge patient telephone follow up programme);
- Sláinte Healthcare (paperless clinical environment).

One example is Radisens Diagnostics, who had faced difficulties in how they would trial their innovative blood testing device within the HSE. Radisens had been receiving a lot of support from HSE consultants and physicians, but had no mechanism to formally engage the HSE in order to validate their device and to conduct pre-clinical trials. Being part of the Health Innovation Hub Demonstrator project not only solved this problem, but has also given Radisens access to the wealth of HSE knowledge across primary care, physicians, central laboratory and healthcare management. The Hub is providing Radisens with an opportunity to advance this innovative device development through clinical trials and culminating in regulatory approval. Having such an integrated engagement with the local health service has enhanced Radisens' engagement with the international diagnostics community, with an increasing number of diagnostics multinationals being attracted to commercial engagement with Radisens, thus driving job creation in the company.

The intention is that experience gained from the Demonstrator project will inform the development of a National Health Innovation Hub which is a Disruptive Reform initiative in the 2013 Action Plan for Jobs. The ambition is to establish a world renowned Health Innovation Hub and in doing so establish Ireland as a leading location for start-up and growing cutting edge medtech and healthcare companies.

Disruptive Reform 7: Establish a world renowned National Health Innovation Hub

Ambition

Ireland will establish a world renowned National Health Innovation Hub to drive collaboration between the health system and the enterprise sector leading to the development and commercialisation of new healthcare technologies, products and services, emerging from within the health system and/or the enterprise sector. In so doing, we will establish Ireland as a leading location for Irish and international start-up and growing medtech and healthcare companies. Building on the learning and experience from a Demonstrator Project based in Cork, which commenced in 2012, the National Health Innovation Hub (NHIH) will be operational from 2014 and will support the development and commercialisation of new ideas from domestic enterprise which will benefit the Irish healthcare system and act as an international hub for investment and product development by multinational enterprises in this area.

Vision

The National Health Innovation Hub will provide an effective route for innovators to access the healthcare system for the development, validation and/or evaluation of new technologies, products and services addressing healthcare needs. It will also support the adoption and commercialisation of new innovations developed by healthcare practitioners from within the healthcare system.

Joining existing companies with health related innovators in clinical medicine can provide a pipeline of projects and programmes that will encourage inward investment and help companies to scale and globalise. In addition, the innovation hub model can sponsor practice change and aid diffusion of best practice which is a recognised barrier to adoption of innovation in healthcare where fragmentation and infrastructural silos limit synergies in efficiency and quality.

Rationale

Ireland has a cluster of some of the largest and most dynamic medical device and pharmaceutical companies in the world. Nine of the top 10 pharmaceutical companies in the world have a base in Ireland, as do eight of the top 10 medtech companies. There are 50,000 jobs in the life sciences sector in Ireland and the sector accounts for half of Ireland's merchandise exports, at over €50 billion per annum.

The life sciences sector is supported and complemented by world class research institutions and health professionals working in our hospitals. It is envisaged that the NHIH will encourage foreign direct investment including research and development in the areas of medical technologies, healthcare systems and services, ICT systems, supply chain and financial services and will also attract substantial venture capital funding internationally. From an indigenous perspective, many opportunities exist both in terms of growing businesses at home and also in internationalisation of products and services.

The NHIH presents specific opportunities in the areas of connected health/silvertech and telemedicine whereby medical and community care can be provided remotely through the integrated use of ICTs, sensors and diagnostic devices linked to healthcare professionals. Ireland has many of the essential building blocks to develop as a global centre in these areas with many of the key strengths required in ICT, life sciences and healthcare sectors to capture a growing share of this market.

A Demonstrator Project for the innovation hub concept is currently underway based in UCC facilities in Cork, providing test-bed infrastructure for new and innovative solutions, for example, in the area of connected health, that will improve health service delivery. The project provides a scalable and clinically-credible environment for companies to test and validate devices and services. Based on an agreed assessment process, six company projects were selected in 2012 to provide a basis for assessing the performance and value of the innovation hub model to accelerate commercialisation.

A National Project Team was established to oversee the Cork Demonstrator Project. The National Project Team comprises representatives of the two sponsoring Departments (Department of Jobs, Enterprise and Innovation and Department of Health) and their agencies, an independent Chair and other nominated experts. This National Project Team will continue to oversee the Cork Demonstrator Project in 2013 and will provide the interim governance structure for the preparatory actions to be undertaken in 2013 so that the National Health Innovation Hub can be established and operational by 2014. The membership of the National Project Team will be reviewed and finalised in early 2013 so that it is equipped to undertake the actions set out below.

Actions for 2013

47	Support Cork Demonstrator Project for the Health Innovation Hub during 2013. (DJEI and D/Health, National Project Team)
48	Monitor and assess performance of the Cork Demonstrator Project throughout 2013 and use learnings to inform design of National Health Innovation Hub. (DJEI and D/Health, National Project Team)
49	Engage with relevant stakeholders in order to identify the critical areas of enterprise interest and health system needs in the context of the NHIH. (DJEI with relevant agencies, D/Health with relevant agencies)
50	Identify appropriate model(s) for manifestation of NHIH including location, resourcing and governance arrangements. (DJEI and D/Health, National Project Team)
51	Prepare a detailed proposal for Government consideration for the establishment of NHIH. (DJEI and D/Health, National Project Team)

4. Pathways to Work

The Government is committed to working with people who are unemployed to assist them in returning to work. The Government's approach, as set out in the Pathways to Work initiative, published last year, is to intensify and improve how we engage with unemployed people. We will do this through:

- More regular and on-going engagement with people who are unemployed;
- Tailoring this engagement and the support offered in accordance with a profile of each clients' unique characteristics;
- Targeting of activation places and opportunities;
- Developing and implementing the concept of rights and responsibilities under which a client's right to income and other supports from the State is accompanied by a responsibility to engage with the State's employment services;
- Integrating the provision of employment services with the payment of jobseeker supports;
- Working with employers to incentivise the recruitment of people who are unemployed, particularly people who are long term unemployed.

More details on this approach are contained in Pathways to Work.

Although the transformation of the existing service infrastructure to deliver this type of approach is a major undertaking, the Government has made good progress in implementing key elements of the approach over the past year – all new clients are now profiled, ten Intreo offices have been rolled out and more are in the pipeline, FÁS employment services have been integrated into the Department of Social Protection and a new Group Engagement process is now in place nationwide.

In addition, the JobBridge internship scheme has become firmly established and the number of places on this and other employment schemes was increased by 30% in Budget 2013.

The Department of Social Protection commissioned an independent evaluation of JobBridge in 2012 to assess design, delivery and impact of the Scheme. The findings of the interim evaluation²⁵ stated that the extent of employment among JobBridge participants is seen to rise as the length of time since internship completion increases. 52% of all finishers to-date were found to be in paid employment. This figure increases to 61% over a 5 month period from finishing their internship. These progression rates compare very favourably with European averages in this area and represent very significant progress in a short period of time. The findings suggest that the Scheme has been a very effective labour market intervention in achieving movement off the Live Register. In Budget 2013, the Government increased the number of available JobBridge places from 6,000 to 8,500.

The Government has also published a review of activation schemes which is the subject of a consultation process with key stakeholder. Subject to the outcome of this consultation, it is proposed to further tighten the targeting of activation places to improve employment impact.

²⁵ Evaluation conducted by Indecon International Economic Consultants (October 2012)

The Government will continue to develop and roll-out the service during 2013 and will publish a new set of service and rollout targets before the end of Quarter 1.

Pathways to Work

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The Government will continue to roll out the Pathways to Work initiative including the integrated Intreo service during 2013 and will publish quarterly targets by which to measure progress. The targets for 2013 will be published by the end of Q1 and will be reported on quarterly thereafter, starting with the publication of Q1 performance in Q2 2013.

(DSP)

5. Access to Finance for Micro, Small and Medium Enterprises

Ambition

Access to finance is vital for economic growth and is central to Ireland's recovery. Ireland is depending on its micro and small and medium enterprises (SMEs) achieving their potential. The crisis has had an impact on all aspects of financial support to SMEs. In many EU Member States, SMEs rely significantly on banking for their financing needs. More diversification in the supply of finance would give business greater choice and promote competition among providers leading to greater resilience in the financial system for banks and SMEs.

Our ambition is to make access to finance a central feature of the Government's recovery and growth plans for the economy in general and the SME sector in particular. This will involve developing a financial environment that meets the needs of the modern Irish economy built upon exports, enterprise and innovation.

Vision

All viable businesses operating in Ireland will have the opportunity to access sufficient finance to meet their enterprise needs, in a manner that supports growth and employment in the economy. This will require developing a financial system that is more fully engaged with, and capable of servicing the needs of the broader economy and society.

The Government is committed to achieving this vision by promoting and facilitating an adequate flow of credit and finance to the SME sector, taking account of the current environment of continued SME deleveraging. This will involve the further development and implementation of a comprehensive strategy for 2013 and continuing monitoring of the availability of different sources of finance across the system by the Government's State Bodies Group.

Achieving the ambition detailed above will involve (i) completing the task of rebuilding the banking system to deliver the necessary credit instruments for the economy and (ii) the development and promotion of a range of non-bank sources of finance, for SMEs in particular. While much has been achieved in delivering non-bank finance to businesses, the Government will continue to set ambitious targets in this regard. Delivering on these interrelated objectives will make an important contribution to the financing of the SME sector to support growth.

Rationale

Access to finance, both bank and non-bank, and its associated terms and conditions are critical issues for enterprise. The availability of an appropriate flow of affordable working capital and loans for investment is essential for the day to day operations of productive enterprise. It is also vital in enabling firms to undertake productivity enhancing investments that will both sustain existing employment and generate additional employment opportunities.

The challenges facing SMEs in accessing credit in the current environment are the product of a complex interplay of demand and supply side factors. Demand factors play an important role in the credit environment for SMEs, particularly for those businesses that are operating within

the domestic sector. It is also important to recognise, however, that collateral constraints and balance sheet distress from property exposures may also be undermining the availability of credit to SMEs. Indeed, a feature of the business landscape is the emergence of ‘challenged’ SMEs where the core business is viable but the enterprise is weighed down or constrained by debt overhang related in particular to property exposures. Since taking office, the Government has ensured that additional non-bank financing and bank lending has been made available to business to address the challenging economic environment.

These challenged but viable SMEs while continuing to trade are not transitioning to a situation where they can progressively tackle the debt that is indirectly linked to their business. Supporting such businesses on an on-going basis through adequate access to credit will require a collaborative response from all stakeholders. A similar collaborative effort will also be required to ensure that innovative firms in new and emerging sectors are able to avail of financial support from a broad range of instruments, including from both bank and non-banking sources.

Despite Ireland’s reputation as one of the world’s most globalised economies, 64 per cent of private sector workers are employed by indigenous non-exporting firms, with 56 per cent working for indigenous, non-exporting small businesses. These numbers highlight the importance of domestic demand for sustaining and generating employment in Ireland, and suggest that our recovery strategy needs to have regard to small businesses through assisting them to expand into export activity or develop linkages with the internationally traded sector. While a considerable amount of time continues to be spent on resolution of the banking and fiscal crises, key delivery objectives now need to be tied to forward looking planning for economic growth and jobs for 2013. A prosperous domestic SME sector, with adequate access to finance, will be a major contributor to Ireland’s recovery.

The banking system is currently undergoing comprehensive change in terms of recapitalisation, deleveraging and restructuring. The rationalisation of the numbers of domestic banks and the specialisation or withdrawal of some foreign banks highlights the potential for competition concerns in the banking sector. Bank concentration is a particular issue for SMEs.

Following a long borrowing boom, the availability of credit has reduced dramatically in recent years. Continued efforts are required to support and promote bank lending including the development and expansion of products/services for export orientated firms. These efforts could include a greater usage of financial instruments such as international invoice discounting, performance bonds and specialised leasing.

State Bodies Group

The State Bodies Group (SBG), set up in 2012 and chaired by the Department of Finance, comprises senior officials from the Department of Finance, the Department of Jobs, Enterprise and Innovation, Department of Education and Skills, Forfás, Enterprise Ireland, the NPRF and Fáilte Ireland.

The SME State Bodies Group will develop a detailed work programme in Q1 2013. Given the importance of ensuring that all financing, whether bank or non-bank, reaches its targets, and is used to maximum effect, the key components of the Group’s work programme for 2013 will be:

- Rigorous scrutiny of the credit environment (including through the collection and analysis of key metrics, for example loan refusal rates, new instruments, speed of decisions and performance bonds etc.);
- Oversight of agency efforts to drive businesses towards optimal utilisation of funds,
- Co-ordination, monitoring and implementation of the access to finance actions contained in the Action Plan For Jobs 2013;
- Ensuring cohesion in policy making on access to finance issues for SMEs across Government;
- Review of the effectiveness of activities carried out in 2012; and
- Examination of alternative and innovative sources of financing, such as peer to peer lending, crowd funding, business angel investment, supply chain financing.

The Group will have responsibility for both developing key policy initiatives to support SME access to credit and other forms of finance, and ensuring their implementation. The Group will monitor and review policies and initiatives that are designed to ensure there is an appropriate flow of finance to support Irish SMEs capacity for growth, including monitoring the level of investment in the Venture Capital sector. The SBG will also oversee the implementation of a more comprehensive communications strategy in relation to developments in respect of SME finance.

In addition, the SBG will engage intensively with and learn from innovative international good practice in relation to improving access to finance for business, in particular SMEs. Other opportunities for the provision of finance will also be explored in relation to the financing of infrastructure and larger companies.

2012 Initiatives

In response to the first Action Plan for Jobs the Government has been active in promoting and developing access to finance initiatives for the SME sector. These include:

- The Credit Guarantee Scheme;
- The Microenterprise Loan Fund Scheme;
- The Development Capital Scheme;
- A target of 3.5 billion SME lending for each pillar bank; and
- The review of the Credit Review Office.

In 2012, the SME State Bodies Group (SBG) was established. The independent surveys of demand for credit by SMEs in Ireland which began in 2011 were continued. The Minister for Small Business and the Secretary General of the Department of Finance were involved in a series of regional meetings to discuss access to bank credit with key local stakeholders. SMEs were assisted in applying for finance through a number of initiatives, such as, the standard application form that was rolled out in 2012 in co-ordination with the Credit Review Office and the two pillar banks which allows SMEs to make credit applications to both banks on a single form; the Irish Bankers Federation and Accountancy Bodies Business Plan Guidance package; and the Credit Review Office guidance document on access to credit for SMEs. In addition, in order to improve access to examinership for small companies the Minister for Jobs, Enterprise

and Innovation included a provision in the Companies Bill whereby small companies can apply directly to the Circuit Court for appointment of an examiner, replacing the existing position, which requires all companies, regardless of size, to make such an application to the High Court. This measure will mean that it will be cheaper and easier for viable businesses to restructure their debts.

2013

Governance and Policy

10 Point Tax Reform Plan

Budget 2013 contained a series of initiatives to grow the small and medium sized enterprise sector. To improve conditions for this critical sector, a 10 Point Tax Reform Plan was announced, which includes measures that will make a real difference to SMEs by assisting their cash position and supporting their creation of jobs. The changes include measures on VAT thresholds, R&D tax credits and Foreign Earnings Deductions. The implementation of the combined tax initiatives and their impact on SMEs will be monitored by the Department of Finance.

SME State Bodies Group

The State Bodies Group will, as mentioned earlier, develop a work programme to cover rigorous scrutiny of the credit environment, oversight of agency efforts in this area, coordination of the access to finance actions contained in this plan, ensure cohesion in policy making across all strands of Government, review the effectiveness of Action Plan for Jobs 2012 access to finance actions, and, examination of alternative and innovative sources of financing.

SME Funding Consultation Committee

The SME State Bodies Group will continue in 2013 to engage intensively in proactively addressing issues associated with SME funding and financing in conjunction with the relevant stakeholders through the SME Funding Consultation Committee. The higher profile role of the Committee from 2013 is reflected in its membership, constituting senior officials of the pillar banks, Ulster Bank, Irish Banking Federation, Irish Farmers' Association, Chambers Ireland, NPRF, ISME, SFA, Fáilte Ireland, Enterprise Ireland, Forfás, Department of Jobs, Enterprise and Innovation, Department of Education and Skills, and Department of Finance. The Terms of Reference of the Committee will be centred around understanding, exploring and resolving the difficulties facing SMEs seeking credit.

Local Enterprise Offices

While the provision of direct grant aid from the newly established LEOs (Local Enterprise Offices) is likely to remain targeted primarily at micro enterprises in the manufacturing and potentially internationally traded services sectors it is also intended that the LEOs will function as a First Stop Shop for the provision of information and advice for all small businesses. This may take the form of generalised advice in the areas of business planning, financial advice, management and accounting as well as access to training and mentoring where appropriate. LEOs will also continue to assist micro enterprises in relation to accessing loan finance from the Microenterprise Loan Fund.

European Presidency

During the six months of the Irish Presidency (Jan – Jun 2013) there will be a strong emphasis on support for jobs and growth, underpinned by innovation, SME development and trade. Particular emphasis will be placed on the non-bank financing of SMEs for long term growth, access to finance for SMEs generally, internationalisation of SMEs and entrepreneurship at the informal ECOFIN²⁶ and Competitiveness Councils to be held in February and May.

In addition, the European Commission's SME Finance Forum will take place on 2 May 2013 in Dublin. While the EU Presidency presents Ireland with unique opportunities as outlined above, on-going work, such as, by the EU SME Envoys and DG Enterprise will continue to be supported and progressed.

Real Estate Investment Trusts (REITs)

The introduction of legislation to give effect to the Budget 2013 announcement of the introduction of Real Estate Investment Trusts (REITS) is designed to attract new investment and additional liquidity in the real estate sector in Ireland. The establishment of REITS will allow for investors to finance property investment in a risk diversified manner. The availability of such additional liquidity in the market should reduce dependence on bank financing for real estate and free up bank loan capital for other business purposes. REITs uptake will be monitored by the Department of Finance.

Information and Skills

Demand Survey

Accurate information on the financing needs of SMEs is essential for effective policy development. The independent surveys of demand for credit by SMEs in Ireland which began in 2011 continued in 2012. The latest survey was published in November and covers the period April to September 2012.

A further survey of the demand for SME credit, commissioned by the Department of Finance, will be undertaken in April 2013. It is important in the longer term that survey information assesses the availability across a number of key subsectors across the economy, especially exporters. This will contribute to the development of a more robust basis for policy analysis in this sector. The Department of Finance will also actively engage in a programme of research utilising the data collected to date.

Research and Policy Development

The Department of Finance recognises the need to ensure that policy developments in relation to SME access to finance are informed by evidence based research and in this regard it is continuing to develop a strong working relationship with external research bodies. As part of this activity, the Department of Finance has commenced a research project with the ESRI on the topic of SME Credit and Financing Activities and the outcome will be presented to the State Bodies Group and the SME Funding Consultation Committee.

²⁶ European Union Economic and Financial Affairs Council

Engaging in information exchange and policy learning with other states can also serve to enhance the effectiveness and quality of public policy and Ireland has contributed to the OECD cross-country initiative Financing SMEs and Entrepreneurs 2013: An OECD Scoreboard. This report will be formally published in Q2 2013.

SME credit and the pillar banks

Since 2011, the Government has sanctioned lending targets for SMEs. Both pillar banks, with strong oversight from the Credit Review Office and the Department of Finance, met the sanctioned lending targets set by Government under the recapitalisation commitments from 2011. Lending targets were set so that they rise incrementally in line with expected demand. The pillar banks have targets in 2013 of €4 billion each compared with €3bn in 2011 and €3.5bn in 2012.

New lending to growing companies should constitute a significant proportion of SME loans in 2013, given the importance of new lending in assisting job creation. However, the key and necessary role in job preservation which is played by rolling over and renewing credit as well as offering relief on existing credit facilities, and the provision of refinancing of facilities arising from banks exiting the market, should also be reflected in the increased lending figures.

There is an important role for the Credit Review Office to offer a review mechanism for SMEs that have been refused credit by the pillar banks. The quarterly reports of the Credit Review Office will offer additional information in relation to the lending sanctioned by pillar banks. The Minister for Finance has asked one of the public interest directors in each bank to have specific reporting responsibility to him for actions being undertaken by that bank to improve SME lending. Detailed data will also be collated and examined. Along with the aggregated high level data on lending, this will lead to more comprehensive progress reports to the Minister for Finance.

Developing financial skills in small enterprises

One of a number of ideas which arose as a result of a series of regional meetings held in 2012 was to address a finance related skills deficiency. This was seen as an issue requiring action by Government. A pilot programme was established, involving final year business students in Dundalk IT, who were encouraged to engage with local enterprises. The students are spending a week assisting SMEs to address deficiencies in these firms. It will be necessary for the SME State Bodies Group to assess and evaluate this pilot programme, and if successful, steer its rollout more extensively. Other initiatives to address the skills issue will also be pursued in the course of 2013.

While Enterprise Ireland has developed a number of short and long term management capability development interventions much more needs to be done in this area. Financial literacy is a necessary skill for all SMEs. Education in financial literacy should start in our schools and may then be augmented with appropriate classes such as evening courses. Whether our school leavers eventually go on to run their own businesses or not a level of financial literacy is important for everyone. The State Bodies Group will examine the practical steps that can be taken in the short and medium term by the State to improve the financial literacy of our micro and small enterprises. It is of course recognised that in many instances access to appropriate professional advice can help SMEs. This may be through an accountant or other financial adviser. The new Local Enterprise Offices may also provide some assistance in this regard.

Access to Funding Measures

Communications Plan for SME Funding Initiatives

A key action for 2013 will be the development of a comprehensive information resource in relation to the funding options for SMEs. Through the State Bodies Group, the Government will articulate and communicate its vision, targets and current state of play on SME Funding, using a number of different measures:

- Online resources will be used, including www.smallbusinessfinance.ie website, to publicise SME funding matters,
- The State Bodies Group will co-ordinate the publication of a Credit and Lending Newsletter for SMEs, and
- A specific and direct publicity campaign in relation to the Microenterprise Loan Fund in Q1 2013.

Credit Review Office strengthened

In late 2012, the Credit Review Office produced a guidance document on access to credit for SMEs²⁷. In addition, in its latest report, the Credit Review Office points out that reviews in which it overturned the banks' decision led to the banks providing credit of almost €10 million and protected over 800 jobs.

Arising out of an independent assessment of the Credit Review Office in 2012, and a subsequent public consultation exercise, the State Bodies Group will make recommendations to the Minister for Finance designed to strengthen the role of the Credit Review Office. As a first step, an additional six reviewers will be recruited in order to facilitate faster processing of decisions. Other recommendations out of the Credit Review Office assessment process will be implemented where appropriate.

NPRF Funds

The Department of Finance is working with the National Pensions Reserve Fund (NPRF) to progress investment commitments to a suite of three new long-term funds of the order of €850m, which will provide equity, credit and restructuring / recovery investment for Irish small and medium-sized businesses (SMEs) and mid-sized corporates. These funds were signalled on Budget Day and announced on 9 January 2013. The funds consist of:

- The **SME Equity Fund** (total fund size €300m - €350m / NPRF commitment €125m) will focus on investing in healthy businesses seeking to grow, including those with overleveraged balanced sheets,
- The **SME Turnaround Fund** (total fund size €100m / NPRF commitment €50m) will invest in underperforming businesses which are at or close to the point insolvency but have the potential for financial and operational restructuring, and
- The **SME Credit Fund** (initial fund size €450m / NPRF commitment €175m -325m) will lend to larger SMEs and mid-size corporates.

²⁷ See http://www.creditreview.ie/docs/Guidance_to_SME__051212_final.pdf

The NPRF is also currently reviewing additional SME fund opportunities that would complement those already announced and will engage with the SBG in relation to further launches.

Silicon Valley Bank

A successful partnership between Silicon Valley Bank (SVB) and the NPRF, announced in 2012, will be deployed this year. The project targets the technology and innovation sector, and involves a loan by SVB of \$100 million to Irish companies. An Irish office is being opened to further the project.

European Investment Bank/European Investment Fund

The Department of Finance and the Department of Jobs, Enterprise and Innovation with Enterprise Ireland and the NPRF are actively engaging with the European Investment Bank (EIB) and the European Investment Fund (EIF) to determine how their assistance can be leveraged to the maximum benefit of the Irish economy building on earlier engagements in respect of pilot programmes, trade finance, guarantees etc. Developments such as the partnership between the EIF and AIB announced in November 2012 which will provide an additional €120 million of finance for innovative Irish companies and the EIF guarantee for the Microfinance Ireland loan book will continue to contribute to the development of Irish SMEs in the coming years.

Alternative Funding

Recognising that non-bank financing instruments can also be quite effective in complementing traditional financing channels in supplying growth capital to SMEs and entrepreneurs, the State Bodies Group will actively explore the potential of new and/or alternative approaches to financing SMEs for example peer to peer lending, supply chain finance and crowdfunding and will endeavour to ensure that any new initiatives within the financial system receive an appropriate response from the policy system.

Development Capital Scheme

The Development Capital Scheme is aimed at addressing a funding gap for mid-sized, high-growth, indigenous companies with significant prospects for jobs and export growth. The Scheme was established to create funds that would invest between €2 million and €5 million in medium sized established companies by way of equity, quasi equity and/or debt.

Initially in 2012, the Government allocated €50 million of Exchequer funding with the intention of leveraging a further €100 million of private sector investment. The original scheme was extended in December 2012 and an additional €25 million was allocated to the Scheme. This allocation is targeted to leverage a further €50 million from the private sector over the duration of the scheme, making a total of €225 million in funding available to mid-sized indigenous firms with significant prospects for jobs and export growth. Enterprise Ireland will progress this initiative in 2013. The funds will be managed by private sector fund managers who will make their own commercial investment decisions in the context of an agreed investment strategy of the funds. Enterprise Ireland will report to the SBG and to the Department of Jobs Enterprise and Innovation on the impacts of this initiative over time.

Seed and Venture Capital

The Action Plan for Jobs 2012 highlighted the point that in order to raise new venture capital (VC) Funds in the existing international venture capital fundraising environment, further follow-on funding from the State would be required. A working group was established in 2012 to ascertain the need for the State to continue support in this area, on the same terms as the private sector, for the development of the domestic venture capital system and concluded that continued state support for development of the Venture Capital sector in Ireland was justified. The Budget 2013 commitment of €175 million under the Seed and Venture Capital Scheme 2013-2018 will leverage a further €525 million from the private sector, for investment in high potential start-up and scaling companies. The full details of the new scheme will be developed and launched by the end of Q2. Enterprise Ireland will continue to publish its Seed and Venture Capital Reports outlining the level of funding this initiative is directing to innovative companies on an annual basis.

Innovation Fund Ireland

Innovation Fund Ireland is an Irish Government initiative designed to attract leading international venture capital fund managers to Ireland. Innovation Fund Ireland funding involves Enterprise Ireland and NPRF working in partnership. Both EI and NPRF bring approximately €125m each to the table and make commitments to international Venture Fund Managers. These commit to establishing a presence in the Irish market and agree to invest, at a minimum, the equivalent of EI's contribution in Irish companies or companies with significant operations in Ireland.

The Innovation Fund Ireland has been created to increase the availability of risk capital for early-stage and high-growth companies, and is central to the Irish Government's strategy for economic recovery. The main objectives of Innovation Fund Ireland are to:

- Increase the number and scale of innovation driven and high-growth businesses in Ireland;
- Increase the availability of smart risk capital for early stage and high-growth companies;
- Attract top-tier venture capital fund managers to Ireland; and
- Attract, leverage and develop entrepreneurial talent.

Further announcements of Fund Managers locating in Ireland will be made in 2013.

Initial Public Offerings (IPOs)

Many industry and policy stakeholders have emphasised the need for enterprise policy to encourage domestic businesses to achieve bigger scale. The SME State Bodies Group, working closely with other stakeholders will work to develop proposals to incentivise dynamic companies to choose to continue to grow and build scale using the IPO route domestically or internationally to raise development finance as an alternative to trade sale exits.

Trade Finance - working capital

Accessing working capital to avail of increased export opportunities through a range of products is an issue for growing Irish enterprises. State supported variants of this form of

finance are available in a number of countries and the SME State Bodies Group will examine if such a scheme has merit for Irish export orientated SMEs.

Prompt Payments

Prompt payments legislation will serve as an important mechanism that can help to improve cashflow for businesses, and is particularly valuable for small firms. The recent extension of the 15 day rule to all public sector bodies and agencies demonstrates real commitment to developing a prompt payment culture. In 2013, legislative actions and work by representative bodies on a prompt payments code will enhance this commitment.

Actions to further improve access to finance for micro, small and medium enterprises in 2013 will be undertaken under the following headings:

GOVERNANCE AND POLICY

53	Implement and monitor the 10 Point Tax Plan for the Small and Medium Enterprise Sector as announced in Budget 2013.	(D/Finance)
54	The SME State Bodies Group (SBG) will develop and carry out a detailed work programme for 2013, including a rigorous scrutiny of the credit environment for SMEs.	(SBG)
55	The SME Funding Consultation Committee will continue in 2013 to engage intensively in proactively addressing issues associated with SME funding and financing in conjunction with relevant stakeholders.	(SME Funding Consultation Committee chaired by D/Finance)
56	The newly established Local Enterprise Offices will function as a First Stop Shop for the provision of information and advice for small business, as well as continuing to assist micro enterprises in relation to accessing loan finance from the Microenterprise Loan Fund.	(Local Enterprise Offices)
57	During Ireland's Presidency of the Council of the EU, ensure access to finance for SMEs is appropriately pursued.	(D/Finance, DJEI)
58	Monitor Real Estate Investment Trusts (REITs) uptake.	(D/Finance)

INFORMATION AND SKILLS

59	Monitor the lending targets for the two pillar banks to €4 billion in 2013.	(D/Finance, Central Bank, Credit Review Office)
60	Detailed data from the pillar banks will be collated and examined, ensuring a more informed understanding of the SME bank lending environment.	

	(D/Finance, Central Bank, Credit Review Office)
61	<p>Survey the demand for SME credit. Actively encourage a broad programme of research that will benefit from the data collected to date.</p> <p style="text-align: right;">(D/Finance, Central Bank, Credit Review Office)</p>
62	<p>Examine the practical steps that can be taken in the short and medium term by the State to improve the financial literacy of our micro and small enterprises.</p> <p style="text-align: right;">(SBG)</p>
ACCESS TO FUNDING MEASURES	
63	<p>Promote awareness and understanding of the full range of Government supported funding programmes and incentives in place to meet the financing needs of the SME sector, including through online resources, a credit and lending newsletter and a publicity campaign for the Microenterprise Loan Fund</p> <p style="text-align: right;">(SBG and Microfinance Ireland)</p>
64	<p>Recruit six additional reviewers for the Credit Review Office.</p> <p style="text-align: right;">(Credit Review Office, D/Finance and SBG)</p>
65	<p>Implement, as appropriate, the recommendations arising out of the Credit Review Office assessment process.</p> <p style="text-align: right;">(Credit Review Office, D/Finance and SBG)</p>
66	<p>The National Pensions Reserve Fund will support the delivery of a range of Funds aimed at assisting economic growth and employment in Ireland. In January 2013 the NPRF announced that it will invest up to €500 million in three new SME funds which will make up to €850 million available for SMEs through the provision of equity, credit and restructuring/recovery investment. The NPRF will continue to work on supporting the delivery of additional Funds to complement those already announced and provide financing for SMEs. D/Finance will work to enact legislation to create a strategic investment fund with an Ireland-focused mandate, facilitating the redeployment of NPRF resources.</p> <p style="text-align: right;">(NPRF)</p>
67	<p>Facilitate, where necessary, the partnership between Silicon Valley Bank and the NPRF.</p> <p style="text-align: right;">(D/Finance)</p>
68	<p>In association with the EIB/EIF, identify and develop sustainable mechanisms to facilitate the provision of financing to SMEs.</p> <p style="text-align: right;">(D/Finance, DJEI)</p>
69	<p>Investigate the potential for alternative funding mechanisms including peer to peer lending, supply chain finance and crowdfunding.</p> <p style="text-align: right;">(D/Finance, DJEI, SBG)</p>

70	<p>Launch a number of funds under the Development Capital Scheme to provide a total of €225 million in funding to mid-sized indigenous firms, to target the development of a strong indigenous sector.</p> <p style="text-align: right;">(DJEI, EI)</p>
71	<p>Launch a new Seed and Venture Capital scheme providing €175 million of Exchequer funding over the period to 2018, with a target to leverage €525 million of private sector investment for early stage and growth companies.</p> <p style="text-align: right;">(DJEI, EI)</p>
72	<p>Implement the Innovation Fund Ireland Scheme with a view to increasing the number of Fund Managers locating in Ireland in 2013.</p> <p style="text-align: right;">(DJEI, EI, NPRF)</p>
73	<p>Develop proposals to incentivise dynamic companies who choose to continue to grow and build scale using the IPO route to raise development finance as an alternative to a trade sale exit.</p> <p style="text-align: right;">(D/Finance, DJEI/Forfás, EI, SBG)</p>
74	<p>Establish a group to review the availability of appropriate finance for international trade.</p> <p style="text-align: right;">(DJEI, EI, D/Finance)</p>
75	<p>Transpose EU Late Payments Directive into Irish legislation.</p> <p style="text-align: right;">(DJEI)</p>
76	<p>Introduce a Code of Conduct on prompt payments to improve cash flow between businesses and take steps to raise awareness of this Code of Conduct.</p> <p style="text-align: right;">(SFA, ISME and other Business Representative Bodies)</p>

APJ 2012 Impacts – Big Ideas Showcase

In November 2012, the Minister for Research and Innovation, Mr Sean Sherlock T.D., introduced 19 new inventions developed by publicly funded research at the Enterprise Ireland “Big Ideas” Technology Showcase. This event, the largest gathering of inventors and investors in the country, is a showcase for entrepreneurial and commercially focused researchers to present their ideas and investment opportunities and compete for the attention of over 300 potential investors and business partners. The “Big Ideas” event is about turning publicly-funded research into companies, spin-outs, intellectual property and jobs.

As part of the event, University College Dublin, University College Cork and Dublin City University received commercialisation awards from Enterprise Ireland for their successes in transforming their research into business realities.

- UCD received the Lifescience Commercialisation award for developing and patenting healthy food technology which has been licensed by the technology transfer department. It is anticipated the translation of this research will be available on supermarket shelves as the patent was licensed to Tayto Foods who intend to use the technology in developing a “healthy snack” product.
- Keelvar, a UCC spin-out company which develops ‘smart’ procurement software for the public-sector and large corporations received the prestigious ICT Commercialisation award. The company which was founded in 2009 has recently successfully raised €750,000 in a funding round and plans to use the funding to increase its staff headcount to 18 and to expand its service.
- The Electronic and Engineering Department at DCU received the Manufacturing, Engineering and Energy Commercialisation Award for their outstanding entrepreneurial commitment to commercialising research. The Department has formed several technology businesses including Arann Healthcare Ltd., Qualflow Systems, Lexas Research and Sonex Meterology to develop and commercialise their research.

6. Building Competitive Advantage

6.1 Research and Innovation to Drive Job Creation

The importance of investment in science, technology and innovation (STI) to Ireland's on-going and future economic and social development and well-being has been well recognised by the Government. This investment has been based on an ambitious two-pronged strategy of investing in people, infrastructure and associated facilities to build the science base across many areas of scientific research in both our higher education institutions and other public research organisations; and direct support to the enterprise sector to help individual companies to build their capacity for research and development. This investment in scientific excellence has, and continues to have, many positive impacts including powering an innovative and enterprising economy, creating high-value jobs, attracting, developing and nurturing business, scientists and talented people, and ensuring Ireland is connected and respected internationally. The Government intends to build on this success.

Ireland's science, technology and innovation investment and implementation agenda has evolved over the years. Having started from a low base and built up research expertise in a number of strategic areas, the Government set about prioritising research investment on a number of focused areas which have the greatest potential to deliver enterprise growth and employment and improvements in quality of life through the establishment of the National Research Prioritisation Exercise and associated actions contained within the Action Plan for Jobs 2012.

The National Research Prioritisation Exercise Steering Group recommended 14 areas of opportunity which should receive the majority of competitive public research funding over the coming 5 years. These are listed below. In addition to the 14 priority areas, the report also recommended that platform science and technology undertaken in direct support of the priority areas, and certain integrating infrastructure required to support the priority areas should also be supported. The underpinning science and technology platforms identified in the report include Basic Biomedical Science, Nanotechnology, Advanced Materials, Microelectronics, Photonics and Software Engineering but this is not an exhaustive list.

Priority Areas of Focus for Publicly Performed Research and Development			
A	Future Networks & Communications	H	Food for Health
B	Data Analytics Management, Security & Privacy	I	Sustainable Food Production and Processing
C	Digital Platforms, Content & Applications	J	Marine Renewable Energy
D	Connected Health & Independent Living	K	Smart Grids & Smart Cities
E	Medical Devices	L	Manufacturing Competitiveness
F	Diagnostics	M	Processing Technologies and Novel Materials
G	Therapeutics - synthesis formulation, processing and drug delivery	N	Innovation in Services and Business Processes

The priority areas were identified on the basis of existing strengths of the public research base and the enterprise base, opportunities that exist in terms of the global marketplace and those which are most likely to deliver economic and societal impact and jobs²⁸. Following the adoption of the Steering Group's report by Government in early 2012 and the establishment of the Prioritisation Action Group (PAG) under the broader authority of the Cabinet Committee on Economic Recovery and Jobs, the Government has set about maximising the impact of our spend. This will be achieved by focusing the majority of competitive public research funding on the 14 priority areas as detailed in the Action Plan for Jobs 2012, through the development of an action plan for each of the 14 priority areas.

Research in all of the 14 priority areas can benefit both the economic and societal agendas and so the realisation of the full potential of 14 priority areas' research and commercialisation requires the engagement of the wider ecosystem for a particular priority area. An example is the health system. While continued investment in research in population health sciences, health services research, integrating clinical infrastructure and translational research is required, it is important to recognise that this investment has a dual purpose. On the one hand, the research areas enable the generation of evidence to inform policy, improve clinical practice and create opportunities for improved healthcare delivery and better health outcomes. At the same time, research in these areas can benefit the wider economic agenda which aims to further develop the healthcare industry in Ireland for the domestic and potentially international markets. It can do so by strengthening the infrastructure, capability and capacity that will enable, inter alia, the identification, development, validation and potentially the adoption of enterprise outputs within the health system. The same could be said for research relevant to other sectoral areas including agriculture, marine and the environment.

²⁸ Forfás supported the work of the Research Prioritisation Steering Group from Oct 2010 to Nov 2011 and undertook the analysis upon which the Group's recommendations were based. The report is available at <http://www.forfas.ie/publication/search.jsp?ft=/publications/2012/Title,9545,en.php>

The priority area action plans will be agreed by Government in early 2013. They represent the detailed blueprint for actions to be taken by funding Departments and agencies beginning in Q1 2013 to drive the implementation of the National Research Prioritisation report recommendations in order to re-align the majority of competitive public research funding around the priority areas over the following five years. This new approach is driving new behaviours resulting in research funding being tackled in a holistic way by all Departments and funding agencies working together around the priority area action plans. The plans are underpinned by agreed national, Departmental and agency level metrics and targets developed as part of the framework for monitoring the impact of investment in STI.

Included in the actions below is a subset of the full suite of actions contained within the detailed action plans, namely key pre-requisite actions and cross cutting actions.

The work on research prioritisation has been complemented by other policy initiatives within the national innovation system as set out below.

Following a review of Ireland's intellectual property (IP) regime, the central Technology Transfer Office (the 'cTTO') is currently being established. The cTTO's primary role, when established, is to be the identifiable access route to the wealth of technology opportunities and academic talent that exist in Research Performing Organisations (RPOs). The cTTO will provide a 'one stop shop' for entrepreneurs and industry, signposting them to the relevant sources of knowledge and capability within Ireland's RPOs. The aim of the cTTO is to encourage the commercialisation of IP arising from State funded research, with a view to achieving more job creation from our investment in this area. Once fully established, the opportunity will exist for the cTTO to expand its industry outreach role.

Building on the work of the Advisory Council for Science Technology and Innovation and Forfás on the Sustainability of Research Centres, key research funders are implementing significant changes. Science Foundation Ireland, in the context of its new strategy "Agenda 2020 – Excellence & Impact", will establish new research centres aligned with one or more of the priority areas and these large-scale centres (>100 researchers) will also be required to secure and maintain a minimum of 30% in funding from industry. This will help to ensure that commercialisation potential is at the core of each new research centre and that the needs of industry are appropriately represented and fittingly addressed in the respective research programmes. Enterprise Ireland with IDA Ireland will continue to establish applied research Technology Centres in strategically important areas aligned with the sectoral industry-led research and development agendas. These initiatives will also be complemented, where appropriate, by supports provided by DJEI through the Higher Education Authority via the Programme for Research in Third-level Institutions (PRTLII), and the competitive research support programmes of other departments and agencies.

Ireland's research and innovation agenda and priorities are completely in tune with the EU's Europe 2020 strategy for jobs and growth. A key part of this strategy will be Horizon 2020, the successor to Framework Programme 7. Horizon 2020 is the financial instrument, running from 2014 to 2020 with an indicative €80 billion budget, for the EU's new programme for research and innovation and a key part of the drive to create new growth and jobs in Europe. The negotiations on Horizon 2020 will be progressed during Ireland's Presidency of the European Council and finalised by the end of 2013. Our national research priorities align well with those being considered in Horizon 2020 and participation in Horizon 2020 will be a key benefit for the SME enterprise sector, and enabler of jobs in Ireland.

To continue to accelerate the economic and societal returns from Government investment in research, we will:

77	<p>Drive implementation of the recommendations the Research Prioritisation Steering Group and associated metrics and targets in order to re-align the majority of competitive public research funding around the priority areas of research over the next five years by adopting the action plans for each of the 14 priority areas and monitoring their implementation.</p> <p style="text-align: right;">DJEI/Forfás, Prioritisation Action Group</p>
78	<p>Adopt a statement of Ireland’s goal for national STI policy and underpinning objectives.</p> <p style="text-align: right;">DJEI/Forfás, Prioritisation Action Group</p>
79	<p>Agree a framework for monitoring the impact of state investment in R&D and track that impact over time.</p> <p style="text-align: right;">DJEI/Forfás, Prioritisation Action Group</p>
80	<p>Progress implementation of the systemic recommendations in the Report of the Research Prioritisation Steering Group to improve the efficiency and effectiveness of the STI system; report progress through PAG annual review.</p> <p style="text-align: right;">DJEI/Forfás, Prioritisation Action Group</p>
	<p>Strengthen further the infrastructure and mechanisms for maximising the impact of publicly funded research by:</p>
81	<p>Establish a new Central Technology Transfer Office, based in Enterprise Ireland.</p> <p style="text-align: right;">(EI)</p>
82	<p>Assign business mentors to Enterprise Ireland Commercialisation Fund projects and other relevant projects.</p> <p style="text-align: right;">(EI)</p>
83	<p>Maximise the number of spin-outs from SFI-funded research through joint SFI-EI initiative(s).</p> <p style="text-align: right;">(SFI, EI)</p>
84	<p>Enact Industrial Development (Science Foundation Ireland) Bill 2012 to enable SFI to fund applied research.</p> <p style="text-align: right;">(DJEI)</p>
85	<p>Through SFI, provide support to at least five new Research Centres of major scale. This will involve Government investment of over €150 million and will leverage an industry contribution in excess of 30%. This will bring the total new centres investment to in excess of €200 million.</p> <p style="text-align: right;">(SFI)</p>
86	<p>Establish three new Technology Centres closely linked to the Government’s priority research areas of Connected Health, Data Analytics and Pharmaceutical Manufacturing and explore options in order to respond to industry needs for Technology Centres in Medical Devices and Dairy Technology.</p>

		(EI/IDA)
87	Through Technology Ireland (TI), ensure enhanced coordination in the sustainability of existing, and planning of future, Research Centres and Technology Centres between SFI, EI, IDA and the HEA and, where appropriate, consider the merging of new or existing centres to form sustainable centres of scale, excellence and relevance to enterprise.	(DJEI, TI members)
88	NSAI will support the implementation of the action plans for the Government's priority areas so that publicly funded research projects are aligned to and make competitive use of relevant international standardisation activity and that the opportunity for Irish-based researchers to input into emerging standards is maximised.	(NSAI)
89	Develop a strategy to maximise benefit for the enterprise sector, and jobs in Ireland, from participation in the EU Horizon 2020 (successor to FP7, commencing January 2014). We will set targets for enterprise participation in the programme and we will adapt the support structure to assist researchers/enterprises to gain maximum benefit from the programme.	(DJEI/Forfás, EI, Government)
90	Complete the report of the Copyright Review Committee on barriers to innovation.	(DJEI)
91	Bring together researchers, innovative companies and technology transfer professionals as part of the "Big Ideas" Showcase, the primary technology commercialisation event in Ireland.	(EI)
92	Co-host 3 international conferences with the European Commission, providing opportunities to showcase: <ul style="list-style-type: none"> ▪ Ireland's international profile in nanotechnology; ▪ The research capacity of Ireland's SME base; ▪ Ireland's strong performance at regional level in Framework Programme 7 (FP7). 	(EI, FP7 National Support Structure)
93	Continue to work with Enterprise Ireland and other relevant bodies to identify possible collaborations with enterprises and/or to act as a test bed for trialling new and innovative products and solutions.	(D/Defence)
94	Continue, with the assistance of Enterprise Ireland, to work with research institutions to explore possible collaborations and/or research partnerships which can qualify for international research funding (e.g. European Space Agency and Horizon 2020).	(D/Defence)

<p>95</p>	<p>Assess the feasibility of introducing a Small Business Innovation Research (SBIR) type programme across Government to develop the concept of “Ireland as a Test-Bed”.</p> <p style="text-align: right;">(DJEI and other Departments as appropriate, EI)</p>
<p>96</p>	<p>Train 500 teachers and 200 pre-service teachers under Discover Primary Science and Maths Programme.</p> <p style="text-align: right;">(SFI)</p>
<p>97</p>	<p>Deliver Discover Sensors programme to 30 secondary schools, 200 teachers and approx. 3,000 pupils.</p> <p style="text-align: right;">(SFI)</p>
<p>98</p>	<p>Deliver the Smart Futures STEM careers promotional campaign material to 800 schools and double the number of students directly engaged with, via the Smart Futures Programme, to 2,500 students.</p> <p style="text-align: right;">(SFI)</p>
<p>99</p>	<p>Complementing the actions set out above, we will undertake actions to maximise the impact from areas of health research prioritised by Government including measures to:</p> <p>Publish the Health Information Bill which will streamline the ethics approval process for health research not governed by statutory regulation and EU Law. It will also provide a legal framework for the introduction of an individual identifier for use in the health system.</p> <p style="text-align: right;">(D/Health)</p>
<p>100</p>	<p>Take steps to establish Clinical Research Facilities (CRFs) in Dublin, Cork and Galway and provide a collaborative framework to link all CRFs by 2016.</p> <p style="text-align: right;">(HRB)</p>
<p>101</p>	<p>Take steps to establish a national biobanking system and support infrastructure by 2016.</p> <p style="text-align: right;">(HRB, SFI, DAFM)</p>
<p>102</p>	<p>We will also undertake actions to maximise the impact from areas of energy, food and agricultural research prioritised by Government including measures to:</p> <p>Finalise the Offshore Renewable Energy Development Plan (OREDPP) and related Strategic Environmental Assessment and Natural Impact Assessment; this will provide a clear framework for Marine Renewable Energy development.</p> <p style="text-align: right;">(DCENR)</p>
<p>103</p>	<p>Complete the consenting process to enable development of the Atlantic Marine Energy Test Site (AMETS) at Belmullet.</p> <p style="text-align: right;">(DECLG)</p>
<p>104</p>	<p>Integrate the foreshore consent process under the Foreshore Act 1933 with the existing on-land planning system.</p> <p style="text-align: right;">(DECLG, An Bord Pleanála)</p>

105	<p>Complete an inventory and gap analysis of existing test bed infrastructure to enable development of a full national requirements specification and to enable efficient early development and trialling of smart grid/smart cities technology concepts by the research and industry community.</p> <p style="text-align: right;">(SEAI)</p>
106	<p>Support Irish research institutes, HEIs and food businesses to work together to leverage increased non-Exchequer funding for the agri-food sector through EU and international research policy and funding vehicles such as ERA-NETs, Joint Programming Initiatives (JPIs), Knowledge Innovation Communities (EU-Food KIC) and the European Innovation Partnership “Agricultural Productivity & Sustainability”.</p> <p style="text-align: right;">(DAFM, Teagasc, EI)</p>
107	<p>Implement the Agri-food and Forestry Graduate Development Programme funded via Food Institutional Research Measure (FIRM), Stimulus and the Council for Forest Research and Development (CoFORD).</p> <p style="text-align: right;">(DAFM)</p>
108	<p>Launch a joint SFI/Teagasc research project call involving scientists from both the traditional agriculture and food disciplines and scientists from other scientific and engineering disciplines (e.g. ICT and data analytics, sensors etc.).</p> <p style="text-align: right;">(SFI, Teagasc)</p>
109	<p>Implement a new Irish Research Council/DAFM/Industry collaborative programme to have a cohort of Masters research students employed for a 18-24 month period in agri-food companies.</p> <p style="text-align: right;">(IRC, DAFM)</p>
110	<p>Implement the new Teagasc ‘Food Technology and Knowledge Transfer Strategy’ to support competitiveness and innovation in food companies through five technology options (i.e. licence/patent applications, research updates, pilot facilities, technical expertise, and scientists/researchers).</p> <p style="text-align: right;">(Teagasc)</p>
111	<p>Following on from FIRM pre-commercialisation funding, initiate a new research programme to increase the value of meat processing by-product and waste streams.</p> <p style="text-align: right;">(Teagasc, EI)</p>
112	<p>Support industrial clients to develop a new ingredient process, building on their existing use of the Teagasc dairy dehydration pilot plant facility.</p> <p style="text-align: right;">(Teagasc)</p>
113	<p>Provide research and policy support initiatives to support the implementation of the Government’s existing Marine Research and Innovation Plan (<i>Harnessing Our Ocean Wealth – An Integrated Marine Plan for Ireland</i>).</p> <p style="text-align: right;">(Marine Institute, DAFM)</p>

114 Develop updated marine research and innovation plan for the period 2014-2020 “Harnessing Our Ocean Wealth: Integrated Marine Research and Innovation Plan 2014-20”

(Marine Institute)

6.2 Improving Cost Competitiveness

In order to deliver growth, Ireland’s international cost competitiveness needs to continue to improve. In the absence of a currency devaluation policy lever to manage cost competitiveness pressures, the policy focus needs to be on achieving enhanced competitiveness through a combination of cost reductions in key business inputs and enhanced productivity growth²⁹.

Reductions in costs have been achieved across a range of business inputs and Irish cost competitiveness has improved markedly over the last three years or so – in particular for new businesses. The pace of correction is a reflection of the open and flexible nature of the Irish economy, the depth of the recession, the weak performance of the euro, and policy reforms implemented. Notwithstanding the improvements attained to date, further progress is required if Ireland is to return to strong economic and employment growth. To achieve a greater restoration in cost competitiveness, further price adjustment is required relative to our main competitors.

We must avoid complacency, however; over half of the recent cost competitiveness improvements are accounted for by favourable exchange rate movements. A combination of domestic price increases allied to external factors such as fuel price increases threaten to undermine recent competitiveness gains. Reforms that enable markets to work more efficiently are the key mechanism to achieve long term improvements in cost competitiveness.

Action 1.27 of the Action Plan for Jobs 2012 provided an assessment of the main enterprise cost components and compared cost levels in Ireland with costs in our key competitors. This study also identified a number of policy levers to enable Government to restore Ireland’s cost competitiveness. Continued reductions in costs for labour, property, transport, utilities, credit, professional services and public services would exert downward pressure on overall costs and prices across the economy. Action across these cost areas, combined with the Government’s broader agenda to enhance productivity, would represent a major step in ensuring Ireland’s future competitiveness and prosperity.

Enterprise, however, does not operate in a vacuum, separate from the rest of the economy. The price of all goods and services contributes to the overall price level in the economy and ultimately impacts upon a country’s international competitiveness. Consumer prices, measured by the Consumer Price Index (CPI), can be viewed as indirect costs for business. Movements in these prices impact upon wage demands, and so the impact of price changes in consumer markets spill over into the cost base of the enterprise sector. In addressing business costs, we must therefore, address the overall cost environment for consumers.

²⁹ Productivity growth is the preferred long term mechanism to improve competitiveness as it can support cost competitiveness in tandem with high and increasing wage levels.

In order to generate sustainable, broad-based export-led growth, Ireland’s international competitiveness needs to continue to improve. Cost competitiveness is a critical foundation of international competitiveness. To this end, we will undertake the actions below in 2013:

	Labour Costs: Take further steps to reform labour market including:
115	Assess the impact of reforms to sectoral wage-setting mechanisms (Industrial Relations (Amendment) Act 2012) in terms of promoting labour market competitiveness. (Forfás/DJEI)
116	Finalise the Codes of Practice relating to Sunday Working and the standardisation of benefits (i.e. overtime) with the goal of enhancing labour market competitiveness. (DJEI, Labour Court, Labour Relations Commission)
117	Assess the potential for further actions to support improvements in labour market competitiveness. (Forfás, DJEI, DSP, D/Finance)
	Property Costs: Take steps to support a sustainable commercial property market including:
118	Ensure that the commercial leases database is established and fully operational in 2013. (Property Services Regulatory Authority)
119	Complete a review of the Rent Review Arbitration Code to consider the effectiveness of the code in resolving disputes over rent reviews, and the degree to which stakeholders are making use of the code. (Department of Justice and Equality)
120	Enact and implement the Valuations Bill in order to accelerate the revaluation of properties for commercial rates purposes. (DPER)
	Business Services:
121	Enact the Legal Services Bill to deliver a more efficient, transparent and competitive legal services sector in Ireland and reduce costs for the enterprise sector. (Department of Justice and Equality)
122	Review and implement (as appropriate) the procedural reforms recommended by the Legal Cost Working Group to make the operation of the courts more efficient and to reduce costs. This will include an examination of the potential to expedite the roll out of case management as currently used in the Commercial Court. (Department of Justice and Equality)
123	Ireland is ranked 15th out of 183 countries in the World Bank’s “Doing Business Index 2013”. Despite Ireland’s relatively strong overall position, Ireland’s performance on some of the metrics that comprise the index vary considerably. Analysis shows that there is

	<p>particular scope for improvement in relation to:</p> <ul style="list-style-type: none"> ▪ Getting Electricity (95th out of 183 countries); ▪ Registering Property (53rd); ▪ Enforcing Contracts (63rd); ▪ Dealing with Construction Permits (106th); and ▪ Trading Across Borders (28th). <p>Put in place a process on the key actions required to enhance Ireland's competitiveness ranking in the World Bank's "Doing Business Index" with the goal of implementing impactful reforms.</p> <p style="text-align: right;">(DJEI/Forfás and relevant bodies)</p>
124	<p>Encourage Local Authorities to continue to exercise restraint in setting commercial rates in 2013 (a reserved function of elected members) and, where possible, to reduce rates.</p> <p style="text-align: right;">(DECLG, Local Authorities)</p>
125	<p>Introduce revised Development Contribution Schemes in line with revised statutory guidelines. These guidelines will help Local Authorities to achieve the right balance between generating the revenues required to provide the necessary infrastructure associated with new development and creating the right conditions to support sustainable development patterns, economic activity and renewal.</p> <p style="text-align: right;">(DECLG, Local Authorities)</p>
126	<p>Broader consumer costs:</p> <p>Compare consumer price levels and consumer price inflation in Ireland with prices in our key competitors; identify the primary drivers of price and inflation differentials and assess the impacts of cost of living in Ireland on labour costs and other business costs.</p> <p style="text-align: right;">(Forfás)</p>
127	<p>Publish legislation to provide, <i>inter alia</i>, for the merger of the National Consumer Agency and the Competition Authority to take advantage of the complementarities and interdependence between consumer and competition policies.</p> <p style="text-align: right;">(DJEI)</p>

APJ 2012 Impacts - Investing in Management Development

Research shows that there is a strong positive correlation between management capability and firm survival, growth, productivity and turnover. In the context of the 2012 Action Plan for Jobs, the Government reallocated €1.2 million per annum from the National Training Fund, to fund management development training networks and mentors for SMEs through Skillnets. Skillnets has developed a management development network, branded as ManagementWorks, which offers a suite of subsidised training programmes designed to enhance the management capability of SMEs. A central element of the initiative is the inclusion of a mentoring approach to assist, support and challenge owners and management teams of participating firms to apply the learning to their own situations.

Jim Wolfe, the owner of a retail business in Kimmage, Dublin (Wolf Cycles) which has been in operation for 28 years and employs five staff, was looking for something which would help him with the practical aspects of delivering growth in his business. Through the ManagementWorks programme, Jim was able to participate on a training course that met his development needs at an affordable cost. One particular way the programme helped was the adoption of the “five ways” model, developed by ActionCoach (one of ManagementWorks providers), which provided a framework for Jim to focus on the factors which build his business model, from working on particular techniques to bring potential customers to visit the shop to ways to convert the visitors into customers more effectively. In addition to developing ideas and skills, the programme allowed Jim to network with other business owners, from a broad range of business backgrounds, enabling greater sharing of ideas and practical experiences. Jim is using the skills and tools he gained through the programme to develop a comprehensive sales tracking system to help with growth strategies and other incentive systems. A specific growth target has been set and an incentive plan agreed with his team to reward achieving the goals set. This is the first time that Jim has established a target and related incentive system.

6.3 Aligning Skills with Enterprise Needs

Ireland's labour market is facing a number of related challenges – returning to employment growth, achieving significant recovery in our labour market participation rates and equipping people for the jobs of tomorrow. Long term unemployment continues to rise, reflecting a significant structural element to employment losses in construction and traditional manufacturing. At the same time, the global demand for skills in key sectors such as ICT, Life Sciences and Internationally Traded Services remains strong, as evidenced by the nature of the foreign direct investment into Ireland in 2012. Replacement demand is important from the perspective of future skills supply even for sectors where employment may not be currently expanding. There are upskilling requirements at occupational levels across all sectors of enterprise. Skills are a key driver of future competitiveness. Better qualified people have a better chance of securing/holding on to employment and once in a job they may be more innovative and change the nature of their job and contribute to increased business. It is vital that Ireland continues to upskill to help drive business and employment growth.

The supply of skills, measured by the number of awards from the education and training system, shows an 11.4 % increase in 2011 on the preceding year. There were approximately 58,000 awards in the higher education sector and almost 38,000 major awards in the further education and training sector. The combined total of major awards, spanning NFQ levels 1-10, was 95,990. These reflected further progress on the targets to 2020 regarding the educational attainment of the labour force as set out in the National Skills Strategy (NSS). It is estimated that 42% of the labour force now hold third level qualifications (target is 48%), 40% hold higher secondary/FET qualifications (target is 45%), while the proportion of those holding lower secondary or below has dropped to 18% (target is 7%). A well educated workforce remains one of Ireland's strengths. It is clear, however, that the main challenge in delivering on the NSS is upskilling those within the labour force (employed and unemployed) with low levels of qualifications.

The establishment of SOLAS and the Education and Training Boards and the development of the Further Education and Training sector will be essential to ensuring that those seeking to (re-)enter the labour market have access to education and skills programmes that are relevant to enterprise and appropriate to the individual. The roll out of the Momentum Programme offering 6,500 training and education places for jobseekers will be a priority in 2013 for the Department of Education and Skills.

Higher education has a key role to play in supporting enterprise development and growth. The reform of the higher education sector underway through the implementation of the *National Strategy for Higher Education* has engagement with enterprise as one of its core pillars. This will be facilitated by the development of regional clusters of providers, employer surveys, increased work placements, staff mobility into enterprise and a renewed focus on generic skills.

Undergraduate enrolments increased by nearly 4% in 2010/11 compared to the previous year and PhD research enrolments also increased, with the full time enrolment on PhD research programmes increasing by 65% since 2006/07. The numbers of undergraduate and postgraduate graduates in 2010/11 was 58,222 - undergraduates increased by 4.4% over the previous year to 40,101 and postgraduates increased by 13.6% to 18,121. The majority of undergraduates and postgraduates were from the Social Science, Business and Law discipline at 29.3% and 33.6%.

2012 saw increasing number of students applying to study science, technology, engineering and maths (STEM) disciplines through the CAO. The number of students expressing a first preference for science courses at NFQ level 8 was 18.5% greater than in 2011, and this increase was particularly marked in computing. During the five-year period 2008–2012, applications to STEM disciplines increased by 63.5%; and new entrants in the field of computing have increased by nearly 29% in the universities and by 46% in the institutes of technology. Similarly there has been an overall increase of 29% in new entrants to engineering over the past three years.

The two new competitive funding streams – Springboard and the ICT Conversion programme - have been introduced to address specific skills needs of enterprise and to support jobseekers to re-skill in areas where employment opportunities are emerging as the economy is recovering. To date more than 10,000 unemployed or previously self-employed people have been provided places under Springboard and a further 5,000 places are expected to be delivered in 2013. Over 700 places were provided on the level 8 ICT conversion programme delivered in partnership with industry in 2012 and a further iteration of this programme will take place in 2013.

Although in general, the supply of labour is greater than demand, in some areas shortages continue to exist. They are small in terms of the number of persons required, unlikely to be greater than several hundred, with the exception of ICT skills, and confined to individuals with high level specialist skills, experience and/or niche area expertise. Areas where shortages have been identified include ICT (e.g. senior software developers, network engineers, project managers), engineering (e.g. product development in pharmaceuticals), healthcare (e.g. doctors), sales (e.g. multilingual telesales), transport (e.g. international supply chain managers), science (e.g. medical scientists) and finance (e.g. risk and regulatory experts). Many employers source these skills through the employment permit regime.

Priority actions in 2013 to align skills with enterprise needs are set out below.

These will include delivering on the further education and training institutional framework which will establish SOLAS and the Education and Training Boards, the delivery of the targeted training to 6,000 long term unemployed people under the Momentum Fund, the review of the FÁS apprenticeship system and the delivery by Skillnets of a range of training and development programmes to SMEs.

The supply of internationally oriented skills necessary to drive trade and export sales performance over the next 3 – 5 years is vital to our economic recovery. The Government's *Strategy and Action Plan for Irish Trade, Tourism and Investment to 2015* aims to position Ireland for strong export-led growth, both in existing and emerging overseas markets. Foreign language and international selling competencies are essential to growing trade and export sales within those markets and sectors, and enhancing Ireland's proposition for attracting global business and inward investment. A priority must be to boost the domestic supply of foreign language skills - at the scale and proficiency level required by enterprise. Coupled with this is the need to improve international sales education and training and for a mind-set change regarding sales as a profession – as it is currently held in low esteem.

Following the huge changes experienced in the manufacturing sector in recent years (e.g. significant employment declines, erosion of competitiveness, reduced demand globally for manufactured goods), an assessment of the skills needs of the sector to 2020 has identified a number of shortages. While many of these are not of significant scale, they are critical at an operational level to firms due to the technical expertise they provide and it is therefore vital that they are addressed. Current and future shortages are in areas such as toolmaking,

machinists, supervisors, polymer technicians and roles across a number of engineering disciplines (e.g. computing and engineering design important for manufacturing and production).

To complement initiatives to build up the skills and competencies of the labour force as outlined above, a revised Employment Permits Scheme is necessary to provide for better support of the economy's evolving skills needs especially in key areas where skills are in short supply globally.

Aligning our education and training system with labour market needs is critical to the creation of job opportunities in Ireland. In 2013, we will:

128	Progress a review of the Apprenticeship Training Model through consultation with key stakeholders on options for change.	(DES)
129	Provide 6,500 education and training places for the long-term unemployed under the Momentum programme; monitor implementation of programme to ensure achievement of objectives.	(DES, FAS)
130	Continue to implement the pilot ManagementWorks project providing a range of training and development programmes to help SMEs to improve their performance through seeking to build their managerial capability; evaluate pilot to ascertain strengths and weaknesses.	(DES, Skillnets)
131	Promote and support the adoption of structured upskilling and development systems for existing staff within a Human Resource management system, in particular Excellence Through People (ETP).	(NSAI)
132	Progress the legislation providing for the establishment of SOLAS and complete implementation of the framework for the future management and development of the Vocational Education and Training sector in Ireland.	(DES)
133	Údarás na Gaeltachta will address the skill needs of enterprises under its remit by continuing to review needs and ensure that relevant training and education initiatives are supported. It will continue to support and stimulate local community development initiatives in order to build on the strengths and capacity of community enterprise and its contribution to the economy.	(Údarás na Gaeltachta)

Skills necessary to drive enterprise trade and export sales

134	Consider the development of a Foreign Language Education Policy with 5-10 year vision to ensure an integrated and coherent approach to language learning and cultural awareness
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	across the continuum of primary, secondary and third level education. (DES)
135	Ensure that the need for graduates with international sales and language skills is included in the call for proposals for courses to be run under Springboard 2013. (DES/HEA)
Skills required for the Manufacturing Sector	
136	Assess the potential for increasing the supply of polymer technicians, including pooling resources for the associated equipment requirements. (Skillnets, Institutes of Technology, Plastics Ireland, IMDA)
137	Target the development of an Engineering Skillnet training network which can address demand for in-company training and upskilling for machinists. (Skillnets - with Manufacturing Development Forum)
138	Ensure that the skills needs of the manufacturing sector are incorporated in targeted upskilling programmes for unemployed people through, for example, Springboard and the Momentum Programmes. (DES, HEA, FÁS/SOLAS)
139	Support places on taught postgraduate courses in disciplines relevant to manufacturing, particularly where key shortages have been identified. Address the current small scale but critical shortages in Validation engineering, Quality engineering, Polymer engineering, Automation engineering and Supply chain engineering (primarily at NFQ level 9) through upskilling employees in partnership with industry. (Skillnets - with Industry Associations, Engineers Ireland)
140	Promote engagement by manufacturing SMEs in the Irish Research Council's Employment-Based Postgraduate Programme and Enterprise Partnership Scheme. (Irish Research Council, HEIs, Enterprise Ireland)
141	Target low-skilled general operatives in the manufacturing sector through the Skills for Work programme and wider VEC-delivered basic education programmes, building on progress made to date for workers in the food and beverage sector. (DES, VECs, NALA, AONTAS – with Manufacturing Development Forum, Industry Associations, Skillnets)
142	Examine the potential for a cost effective national manufacturing supervisory development programme, preferably leading to the award of a substantial qualification. (Skillnets – with Manufacturing Development Forum)
143	Support specific technical manufacturing upskilling and learning for manufacturing excellence (lean), and review periodically how to maximise its impact in this area.

	(Skillnets - with Manufacturing Development Forum)
144	<p>Promote STEM careers in relevant manufacturing sectors within the framework of <i>Discover Science and Engineering</i> in collaboration with manufacturing industry sectoral representative organisations, higher education institutions, SOLAS and relevant professional and trade organisations.</p> <p style="text-align: right;">(Science Foundation Ireland, Engineers Ireland, Industry Associations, SOLAS, HEIs)</p>
Revise employment permit schemes to provide for better support of the economy's evolving skills needs.	
145	<p>Enact employment permits legislation to provide for more flexibility and targeted instruments in support of the economy's evolving skills needs.</p> <p style="text-align: right;">(DJEI)</p>
146	<p>Evaluate and reform the processes for the application and grant of employment permits.</p> <p style="text-align: right;">(DJEI)</p>
147	<p>Improve information on DJEI website to better explain the employment permits system and the supporting policies and procedures.</p> <p style="text-align: right;">(DJEI)</p>
148	<p>Develop and strengthen coherence between the employment permit regime and visa regime.</p> <p style="text-align: right;">(DJEI/DJE)</p>
Actions to support inter-sectoral mobility	
149	<p>We will enhance mobility between the public and private sectors for mutual benefit by:</p> <ul style="list-style-type: none"> ▪ Allowing civil servants to take a career break to work in the private sector; ▪ Introducing a swap scheme between the public and private sectors. <p>The career break scheme will be amended to allow civil servants take up alternative employment in the private sector for up to three years. This initiative is aimed at broadening the skills base and building capacity for a more effective Civil Service and will promote better communication and understanding between the private and public sector.</p> <p>The Swap Scheme will be based on 12 month placements designed to enhance communication between the Civil Service and the private sector and to provide for staff development opportunities through new work experiences and project-based assignments.</p> <p style="text-align: right;">(DPER)</p>

6.4 Infrastructure Investment to Underpin Employment Growth

The availability of a competitively priced world class infrastructure (energy, broadband, transport, waste and water) and related services is critical to support enterprise development, competitiveness and job creation. While Ireland has made significant investment in infrastructure in recent years, further investment and reform is required to ensure that our critical infrastructure can support economic recovery and enterprise growth.

The Government's Capital Investment Review published in November 2011 noted that we are now effectively at the end of a major phase of Exchequer funded capital investment³⁰. In the context of significantly constrained budgets, we need to develop smarter solutions to leverage the significant investments already made and improve our competitiveness. There is also significant scope for Government to improve infrastructure capacity and cost competitiveness without the need for Exchequer investment by addressing policy and regulatory barriers.

In determining the infrastructure priorities to support enterprise growth and job creation, the main criteria that need to be considered are:

- *Needs of key internationally trading sectors:* Ireland's export performance has proved resilient during the recession, particularly in the chemicals, medical technologies, ICT and food and drink sectors. Services exports also continue to grow and accounted for 51 per cent of Irish exports in 2011³¹. We need to facilitate and incentivise infrastructure investment in advanced broadband services, transport, water and energy to enable Ireland to build on its strengths in key existing sectors and to exploit opportunities in new emerging sectors.
- *Prioritising key urban centres:* Ireland will only be successful if we build up key centres and regions that have the critical mass to compete internationally. Given the pressures on Exchequer funds, it is important from an enterprise development perspective that we prioritise investment in key urban centres where it will have greatest impact. Piecemeal improvements scattered across the country will lead to suboptimal returns on very scarce resources.
- *Leveraging previous investment:* There has been significant investment in economic infrastructure over the past 15 years, particularly in roads, public transport, water/waste water and energy. However, gaps remain. We need to prioritise projects that will address such gaps and allow us to capture the full benefits of the significant investments already made.

From an enterprise development and job creation perspective, there were a number of important policy developments during 2012, including the development of the national broadband plan, the new national waste policy and the water reform strategy. A new energy policy framework and a new aviation policy are planned. The focus for 2013 must be on the timely implementation of these policies, particularly the actions that will have greatest impact on supporting job creation and enabling Irish business to trade successfully in global markets.

30 For more details see: <http://per.gov.ie/wp-content/uploads/Infrastructure-and-Capital-Investment-2012-20161.pdf>

31 QHNS Q3, 2012.

http://www.cso.ie/en/media/csoie/releasespublications/documents/economy/2012/qna_q32012.pdf

In respect of water services, the Programme for Government provides for fundamental reform of water services provision in Ireland. The implementation of the reforms will give rise to significant job creation in 2013 and subsequent years. Central to the reforms will be the establishment of a new state-owned water services utility, Irish Water, which will be responsible for the installation of water meters in households connected to public water supplies. The meter installation programme will support at least 1,300 jobs in the construction sector while Irish Water will be establishing a customer call centre this year which will employ 150 people to the end of 2013 and this will expand to 375 people from 2014 onwards.

Delivering competitively priced world class infrastructure and related services is critical to support enterprise development, competitiveness and job creation. In 2013, we will:

150	Enact legislation to (i) put NewERA on a statutory footing, (ii) create a strategic investment fund (absorbing NPRF assets) with an Ireland-focused investment mandate, (iii) streamline governance processes in the NTMA. This will facilitate a redeployment of NPRF resources to areas of strategic importance. (D/Finance)
151	Continue to implement the new broadband strategy according to the timelines set out in <i>Delivering a Connected Society - A National Broadband Strategy for Ireland</i> . In 2013, we will: Progress a national mapping exercise, which will determine where State intervention is required, progress a State Aids application in respect of that intervention, and commence work on the requisite procurement process to deliver the State intervention. (DCENR)
152	Complete Phase 2 of the national rollout of 100 Mbps broadband services to second level schools. (DCENR)
153	Take steps to delivering cost competitive water services including: Progress the actions set out in the Water Sector Reform Implementation Strategy to ensure the transition from the 34 Local Authorities to Irish Water will lead to greater efficiency and effectiveness as economies of scale are exploited. (DECLG)
154	Prioritise reducing the leakage levels in urban centres to improve efficiencies and reduce the need for new capital investment. (DECLG, BGE, Local Authorities)
155	Develop a water regulatory framework that reduces inefficiencies in the capital and operational costs of water services infrastructure and ensures that water services charges are fully cost reflective and passed on to all customers in a fair and transparent manner. (DECLG, CER)

156	Enact legislation to establish Irish Water as a statutory body.	(DECLG)
157	Prioritise the delivery of an IT based road management and utility licencing system to standardise approach for utilities, including Irish Water, to improve efficiency.	(DTTAS, LGMA)
	Review and update policies across different modes of transport (road, rail, air and sea) to deliver an efficient and integrated transport system with adequate capacity, and levels of service. In particular:	
158	Complete the review of ports policy and ensure that it incentivises timely investment in port facilities to meet future enterprise needs and promotes competition.	(DTTAS)
159	Publish report of Competition Authority study into ports.	(Competition Authority)
160	Ensure the new aviation policy to be developed during 2013 delivers competitive international access in terms of locations served, frequency of service and cost both in the short and longer term.	(DTTAS)
161	Develop a land transport (road and rail) strategic investment framework to decide what investment will be required out to 2025 to facilitate easy access to markets and the mobility of the workforce.	(DTTAS)
162	Review public transport regulation with a view to reform that will reduce costs via increased competition.	(DTTAS)
163	Support initiatives that aim to improve air access to West Coast USA and other locations of high strategic importance for trade, investment and tourism (e.g. China, India).	(DTTAS)
164	Progress the introduction of a common visa waiver scheme between Ireland and the UK for tourists and business visitors.	(DJE)

6.5 Reduced Costs through Sensible Regulation

Regulation is the means by which society's priorities are safeguarded whilst simultaneously supporting the operation of economic markets. Regulation by or on behalf of the State plays an essential role in ensuring that economic activity by individual economic actors is consistent with wider national policy objectives, including consumer protection, environmental quality, provision of essential services, competition and health and safety.

Normally, regulation arises in response to a market failure or imperfection (externalities such as pollution; asymmetric information held by buyer and seller, or monopoly power held by one large player in a sector). In seeking to correct for these market failures, it is important that regulation adheres to the principles of necessity, effectiveness, proportionality, transparency, accountability and consistency.

Effective economic regulation is central to economic competitiveness. Much of this regulation is applied through the mandates of the sectoral regulators. The Action Plan for Jobs 2012 required Forfás to undertake a study to identify changes in the operation of sectoral regulators that would enhance cost competitiveness. The key criteria for determining which sectors to include were their importance as direct input costs for enterprise and the presence of sectoral regulation/ regulators. The sectors covered by the study are communications, energy (electricity and gas), transport (aviation and rail), water and waste management. Although the focus of the Forfás study is on improving cost competitiveness, that does not mean delivering services at the lowest cost today. Reducing prices as low as possible today may seem an attractive proposition, but it could ultimately lead to higher costs for end users and lack of investment in important infrastructure and services. The core function of the sectoral regulators should be ensuring that end users (business and residential) have access to quality services at the least cost, both now and in the future.

To ensure effective economic regulation, countries need to develop clear and consistent regulatory objectives, which then need to be applied and assessed to ensure that the objectives are being met. Performance measurement is critical to assess if the objectives are being met and enforcement measures are required to ensure compliance with regulatory obligations and market rules. While periodic reviews of regulatory principles and practice are essential to deliver effective economic regulation, the implications for regulatory certainty must be carefully considered. Regulatory certainty and the independence of the regulator are critically important for efficient investment and well-functioning markets.

Changes to sectoral regulation to improve cost competitiveness will take some time to fully implement. From a practical point of view, many of the actions identified to improve the effectiveness of economic regulation could be coordinated with other important initiatives (e.g. the transposition of EU directives in the policy area or the development and implementation of new national policies in a specific area).

Moving beyond the role of the sectoral regulators, the High Level Group (HLG) on Business Regulation examines regulations that it considers may impose too great a cost on business, given the benefits that are expected. In most cases, the need for a specific regulation is not in doubt; rather the focus is on determining whether the objective of the regulation could be achieved more efficiently and effectively (e.g. by making a form available electronically, or by reducing the frequency of information requests).

As part of its work programme for 2012, the HLG identified a number of priority actions aimed at streamlining the administration of regulations that impact business. Through the work of the HLG, as well as through the various relevant Government Departments, a number of

regulatory areas have been targeted for simplification - for example, the on-going work to reform the State's Workplace Relations Services, the streamlining of registration processes for nursing homes, and the integration of the foreshore consent processes with on-land planning.

In parallel with the modernisation and reform of existing regulation and regulatory structures, the process of developing new regulation continues. Regulatory Impact Analysis plays a key role in ensuring that new regulations are evidence based and designed in a manner that does not impose unnecessary costs on society and the economy. Even though the policy of carrying out Regulatory Impact Analysis on all new regulation has existed for some time, the HLG has recommended that this needs to be supported more effectively in practice by monitoring the quality of Impact Assessments, as well as through the provision of central expertise to Government Departments to ensure that they have the wherewithal to produce high quality evidence-based RIAs.

To reduce costs through sensible regulation, we will:

165	<p>Prepare a new Government Policy Statement on economic regulation.</p> <p style="text-align: right;">(D/Taoiseach, Government)</p>
166	<p>Once the new Government Policy Statement on economic regulation is complete, responsibility for commencing implementation will move to the relevant Government Departments to initiate and progress during 2013. Overall strategic coordination of implementation will be overseen through Cabinet Committee structures.</p> <p style="text-align: right;">(Relevant Departments, Government)</p>
167	<p>Publish and enact legislation to complete the reform of the State's Workplace Relations Services. This will deliver modern, user-friendly, world-class workplace services by replacing the current complex system involving five separate bodies with a new more efficient and effective two tier structure resulting in better business regulation and employer-employee relations.</p> <p style="text-align: right;">(DJEI)</p>
168	<p>Progress the very substantial reform of the Companies Acts, following publication of the Companies Bill in December 2012. This Bill will bring significant benefits to companies of all types throughout the country, and will be a key part of the Government's drive to make Ireland the best small country in the world in which to do business.</p> <p style="text-align: right;">(DJEI)</p>
169	<p>Examine the case for allowing companies to avail of audit exemption when two of the three criteria (thresholds on the number of employees/balance sheet total/annual turnover) are met rather than requiring companies to meet all three criteria.</p> <p style="text-align: right;">(DJEI)</p>

170	Progress the streamlining of certain administrative processes and other interactions with nursing home providers (as identified in the recommendations of the High Level Group on Business Regulation) without negatively impacting on the safety of residents. (D/Health, HIQA)
171	Review the licencing regime for street furniture (e.g. tables and chairs and other equipment on the public footpath) in consultation with relevant stakeholders. (DECLG)
172	Take steps to improve the quality and accessibility of Regulatory Impact Analysis (RIAs) conducted on domestic and EU policy/legislative proposals by publishing RIAs as part of the legislative programme and making them available on the Oireachtas website. (All Government Departments)

APJ 2012 Impacts - New Frontiers for Jobs

New Frontiers, Ireland's national entrepreneur development programme is delivered at a local level by the Institutes of Technology, and it is funded and managed by Enterprise Ireland. Its primary purpose is to accelerate the development of sustainable new businesses that have strong employment and growth potential and that contribute to job creation and economic activity in regional locations.

New Frontiers is an important element of Enterprise Ireland's strategy to promote entrepreneurship and create new business start-ups. It differs from privately-funded 'accelerator' programmes in that its main focus is on the entrepreneur rather than the enterprise, so it aims to progress more early-stage ideas from business concept to investor-ready business.

In 2012, New Frontiers saw an increased response from potential entrepreneurs with more than 850 first-stage applications. Of those, 142 were awarded a place on the six-month core phase of the programme, which offers incubation space and €15,000 in financial support, and where entrepreneurs are equipped with the practical skills they need to start up and run a business.

Entrepreneurs engaging in New Frontiers in 2012 will produce an estimated 100 sustainable businesses. Ultimately, more than 500 jobs are expected to be created by the 2012 cohort, and already employment has been supported and new jobs have been created in 2012.

7. Driving Entrepreneurship and Start-Up Companies

Entrepreneurship will continue to play a crucial role in creating jobs in the Irish economy in the coming years. Although the past number of years have been challenging, the Global Entrepreneurship Monitor (GEM) report for 2011 shows that there had been an increase in entrepreneurial activity. Approximately 2,200 enterprising individuals were setting up business each month during 2011. What is particularly promising is that when compared with other countries, a high proportion of early stage entrepreneurs here have serious growth ambitions for their new business, are engaged in medium/high technology sectors and expect to have at least half of the customers in export markets.

A supportive business environment for start-up companies now exists in Ireland evidenced by the presence of entrepreneur bootcamps, internationally syndicated investors, competitive tax and regulatory systems and the introduction of entrepreneur and investor visa regimes. This environment is conducive not only to indigenous start-ups, but to attracting overseas entrepreneurs to come and start their business here. However, competition for start-up projects is fierce, requiring concerted effort to remain competitive.

A system has been put in place which provides:

- Investment in new Innovative High Potential Start-Ups;
- Competitive Start Funding to key sectors to provide flexible equity support to early stage prospects, particularly in emerging sectors with non-traditional revenue models, at a low relative cost to the State;
- A focus on attracting International Entrepreneurs and Emerging Businesses to invest in Ireland, building on our reputation as an excellent location to do business;
- Investment in a series of Angel, Seed and Venture Funds, which underpin the availability of private equity, an important source of funding for aggressively growing early stage and expansion companies;
- Micro-finance funding which provides additional lending of €40 million over the next five years to help micro firms.
- Access to a range of non-financial supports to start ups and micro enterprises through all stages of the business development cycle including incubation.
- Significant progress has been made during 2012 to deliver on our promise to enhance a locally available support system through Local Enterprise Offices.

We cannot deny that the current economic environment poses real challenges for individuals who aspire to start up a business, particularly with regard to access to finance, a lack of confidence in (or visibility of) market opportunities and risk aversion.

We will continue to focus on start-ups, recognising their crucial role to stimulating job creation, increasing competitiveness, innovation and dynamism in Ireland's enterprise base. We will continue to build on our efforts to ensure Ireland's offering is internationally competitive and maximises the job creation potential of entrepreneurs choosing to establish their businesses here. As stated in the Action Plan for Jobs 2012, we want to be the 'go to' place to start a business.

Building on the focused actions put in place during 2012, we will continue to develop Ireland as the place to start a business. To this end, we will:

173	Launch the Local Enterprise Offices (LEOs) that will provide support to micro-enterprises through Local Authorities and establish a Centre of Excellence for Micro-enterprise and Small Business within Enterprise Ireland that will be a key integrating resource for the LEO network.	(DJEI, DECLG, EI, Local Authorities)
174	Review the mentoring services available to start-up and small businesses and identify any necessary action to be taken.	(Forfás/DJEI, EI)
175	Prepare a Government Policy Statement on entrepreneurship, including youth entrepreneurship.	(DJEI)
176	Consider options with regard to extending benefit cover to the self-employed based on recommendations of a working group on this issue.	(DSP)
177	Establish the Insolvency Service of Ireland.	(DJE)
178	Provide support for 155 high potential and early stage start-ups.	(EI)
179	Launch a new round of the Competitive Start Fund targeted at a range of sectors.	(EI)
180	Expand the Competitive Feasibility Fund piloted in three regions during 2013.	(EI)
181	Support 100 projects through New Frontiers – Ireland’s national entrepreneur development programme delivered at local level by the Institutes of Technology, and work with a range of other entrepreneur bootcamps during 2013.	(EI)
182	Support the work of the new International Start-up Ambassadors appointed in 2012 and appoint additional ambassadors in new geographic/sectoral areas as required.	(EI)
183	EI and IDA will work together via a range of specific events and initiatives to attract Inward Start-Ups and Emerging Businesses to Ireland.	(EI, IDA)

184	Implement a range of Female Entrepreneurship Initiatives during 2013 following on from the launch of a new programme in 2012.	(EI)
185	Deliver world class management development modules with clients to accelerate the growth of start-ups.	(EI)
186	Hold a second call for proposals for the Community Enterprise Centre (CEC) Management Development Scheme to support a further 10 managers during 2013.	(EI)

8. Assisting Indigenous Business to Grow

8.1 Enhancing Indigenous Performance

Strengthening the contribution of Irish companies to sustainable export-led job creation is an important national objective. More Irish companies are now exporting to more markets and sectors than ever before. The objective is to continue the expansion of this world footprint, scale Irish enterprises into global players, and forge partnerships in business, research collaboration and new ventures overseas. This effort will lead to job sustainment and new job creation in the economy.

The emergence of world-class businesses in sectors such as Lifesciences, Cleantech, and Services is adding to our recognised strengths in Food, Software and Engineering.

Addressing the enablers and inhibitors of business performance such as management capability, productivity improvement, innovation capacity and capabilities, cost competitiveness and access to finance has the potential to unlock employment creation.

Highly proficient leadership, with ambition, vision and strong management teams, is fundamental if a firm is to build international scale. Improved management capabilities have the scope to dramatically increase productivity, profitability and scale and impact directly on the success and capability of our indigenous companies.

We are aware too, that indigenous companies form a very important part of the eco-system for manufacturing and internationally traded services and of Ireland's attractiveness for FDI. We recognise that more could be achieved by strengthening the connections between the foreign-owned base of companies here and Irish-owned firms, through increased local sourcing for example. Likewise, assisting Irish-owned firms to connect into global supply networks would strengthen their capabilities, reputation and visibility on international markets. There is considerable opportunity to stimulate peer-to-peer learning in areas such as such as management capability, innovation and internationalisation.

The Action Plan for Jobs 2012 recommended that Enterprise Ireland and the IDA would establish a senior management team to drive effective collaboration on key priorities such as attracting inward entrepreneurs, maximising procurement opportunities for Irish businesses with MNCs, and examining opportunities to further strengthen linkages between MNCs and SMEs through informal adoption and peer-to-peer learning. This new collaborative forum builds on a strong working relationship between both organisations.

During 2012, considerable progress on these joint areas of focus was made. This encompassed the hosting and participation of both agencies in a number of significant overseas events targeted at increasing the number of overseas entrepreneurs and emerging businesses establishing in Ireland. A Global Sourcing strategy was developed and agreed, based on an in-depth strategic assessment of the opportunities presented by MNC procurement matched to SME strengths and the development of core actions required by EI and IDA to advance this agenda. The Team will continue its work in 2013 with key actions including the delivery of the Global Sourcing Strategy, achievement of ambitious targets for overseas entrepreneurs and emerging businesses, and the development of joint sectoral strategies.

Supporting Irish companies to build scale, to grow and internationalise remains central to our plans for recovery, growth and jobs and in 2013, we will:

187	Expand the Enterprise Ireland Mentor Programme and develop different cohorts of mentors (e.g. mentors for commercialisation of research, mentors for public procurement, mentors for internationalisation drawing on Global Irish Contacts Programme).	(EI)
188	<p>Enterprise Ireland and IDA Ireland will work together through the joint Senior Management team to:</p> <p>Drive implementation of the Global Sourcing Strategy targeting the procurement of an additional €500 million of domestically sourced goods and services by FDI companies in Ireland.</p> <ul style="list-style-type: none"> ▪ 100 (Phase 1, 2013) referrals to Global Sourcing by IDA Executives of procurement prospects; ▪ Based on assessment of these referrals, target 120 client introductions to MNC Supply Opportunities in 2013; ▪ Appoint 25 MNC/Global Sourcing mentors to clients during 2013; ▪ Host a series of MNC Networking events to build engagement with the Strategy. 	(IDA, EI)
189	Develop joint sectoral approaches for the support of selected growth sectors in Ireland. These will commence with Business Process Outsourcing, followed by Medical Technologies.	(IDA, EI)
190	<p>Attract overseas entrepreneurs, and foreign direct investment from emerging businesses, to Ireland by:</p> <ul style="list-style-type: none"> ▪ Participating in a joint marketing strategy in key target markets including the US, UK and Europe; ▪ Targeting support for 15 overseas entrepreneurs during 2013; ▪ Attracting 20 FDI projects from emerging businesses during 2013. 	(IDA, EI) (EI) (IDA)
191	Progress the Pilot Industry-led Clustering Initiative launched in 2012 to ensure optimum implementation of their clustering projects.	(EI)
192	Support 800 participants on short course Management Development Programmes and 230 on long course Management Development Programmes.	(EI)

193	<p>Promote the greater utilisation of standards, emerging standards, and the standardisation process by companies through information events, a programme of standardisation initiatives for SMEs, and the greater use of the Your Standards, Your Say information portal.</p> <p style="text-align: right;">(NSAI)</p>
194	<p>Complete the programme of evaluations of agency programmes to determine their appropriateness, efficiency and effectiveness, and draw out lessons for tailoring interventions. The evaluations to be undertaken in 2013 will focus on capability-building and business development programmes operated by Enterprise Ireland and IDA Ireland.</p> <p style="text-align: right;">(Forfás, EI, IDA, DJEI)</p>

8.2 Assisting Indigenous Businesses to Trade

Ireland is a small open economy which needs to have the trading of goods and services at the heart of its economic strategy. Ensuring that Ireland is an excellent location and environment for business is a critical element of having the conditions right for businesses to create employment.

The trend of increased sophistication, both in terms of the product offering demanded, and the process of targeting potential buyers and customers, continues to pose challenges for growing companies. Global trade pathways are complex, often necessitating extensive international trade finance arrangements, and companies must often navigate centralised procurement or decision making processes to make their sales. There are also the challenges of selling to markets where Intellectual Property Rights and tariff and non-tariff barriers pose additional burdens on companies. Targeting customers in markets where language and the means of doing business are different can slow traction. The on-going evolution of trading relationships including those with High Growth/Emerging Markets, Joint Economic Commissions and Free Trade Agreements, continues to change how companies do business.

Supporting this, Enterprise Ireland currently has a network of 28 overseas offices located in key target international markets, focused on the development of business from Ireland and supporting the creation and maintenance of jobs in Ireland. Enterprise Ireland supports, through the international office network and extended pathfinder network, client companies in more than 60 countries worldwide.

The role of Free Trade Agreements (FTAs) is especially important because they make it easier for exporters to break into new markets by lowering tariff barriers and tackling other important obstacles such as rules for regulatory compliance. The growing network of EU FTAs with developed economies, emerging ones and with the fast growing markets in Asia is creating a new and more facilitating trade environment for our exporters. We will continue to push ahead with extending the range of bilateral trade agreements as well as promoting multilateral ones through the World Trade Organisation. Liberalising global trade means it becomes increasingly easier for our firms to internationalise and grow their exports globally.

Trading is central to the growth of indigenous firms and we will continue to help and support companies to navigate the challenges inherent in entering new markets. To this end, we will:

	Introduce a number of actions through Enterprise Ireland that will complement existing supports for internationalisation and export development including:
195	Design and implement a pilot Internationalisation Expansion Initiative to support the acceleration of company traction in overseas markets. The initiative will have the goal of enabling qualifying companies to research, evaluate and plan the development of market entry strategies in new geographic markets. (EI)
196	Design and develop a pilot to increase Global Business Links for client companies that will focus on delivering scaled client-buyer introductions during 2013. (EI)
197	Embed the Potential Exporters Division as a new way of engaging with Irish companies. (EI)
198	Continue to develop a co-ordinated approach to reputation-building efforts across Government, including regularly updating key messages on Ireland's economic recovery and their dissemination via Ireland's Embassy Network overseas. Utilise Ireland's EU Presidency to get across positive messages on Ireland to an international audience, including via the www.eu2013.ie website. (DFAT, D/Taoiseach with relevant Departments and agencies)
199	Roll out a schedule of Trade Missions and events focused on the priority markets identified in the Government Trade Strategy and targeting sectors of particular relevance to Irish companies. At least 15 of these Missions will be led at Ministerial level. (DJEI, DFAT, EI with relevant Departments and agencies)
200	Develop and implement local, country-specific market plans in priority markets as provided for in the Government Trade Strategy under the auspices of the Export Trade Council, with a particular focus on high-growth markets. (D/FAT, DJEI, DAFM, DTTAS, IDA, EI, Tourism Ireland)
201	Continue to utilise the Global Irish Network to support economic development in Ireland which will provide: <ul style="list-style-type: none"> ▪ access to key decision makers for the Government and agencies; ▪ mentoring and assistance for Irish companies through the Global Irish Contacts Programme; ▪ support for sector specific initiatives (such as The Gathering Ireland and Succeed in Ireland) and for Trade Missions); ▪ IDA Ireland will continue to engage with members of the network who have put themselves forward as advocates for FDI to help win new investments for Ireland.

		(DFAT, EI, IDA)
202	In cooperation with all relevant Departments and agencies, carry out a short and focused review of the Government Trade Strategy, <i>Trading and Investing in a Smart Economy</i> .	(DFAT and DJEI)
203	Host the largest annual gathering of internationalising Irish companies as part of the International Markets Week programme.	(EI)

8.3 Maximising Procurement Opportunities

The public sector has an immense purchasing power, spending in the region of €9 billion per annum on goods and services in addition to expenditure on public works. This level of expenditure by the public sector affords opportunities for businesses that can supply the products and services that are required by public bodies.

At the same time, the Government is seeking improvements in efficiency and value for money in the procurement process. As part of the Public Service Reform Plan, the Government has committed to reform the public procurement process to deliver greater value for money through increased use of common procurement frameworks, centralised purchasing, increased professionalism and more innovative use of technology. The Government is establishing a National Procurement Office as an independent body under the aegis of the Department of Public Expenditure and Reform to drive a new consolidated and integrated approach to public procurement.

Suppliers will need to adapt to this changing approach and examine the potential for increased use of collaborative tendering, where appropriate, to compete for aggregated contracts. Enterprise Ireland and the National Procurement Service³² will assist SMEs to improve their capacity to tender for public contracts in this new scenario. Enterprise Ireland will also help indigenous companies to identify procurement opportunities in overseas markets and help build their capability to compete for those contracts.

Innovative companies can offer new solutions to the needs of public sector bodies, often providing improved products and services with lower whole-of-life costs than more conventional purchases. The Procuring Innovation initiative which was introduced by the Government in 2012 encourages procuring authorities to adopt a more open approach to procuring goods and services by seeking solutions in the market-place that might meet their needs, rather than prescribing a specific product or service to be supplied. The initial batch of projects involved in the initiative in 2012 will act as exemplars for the expansion of the Procuring Innovation initiative in 2013.

Public procurement presents a particular opportunity for new and established SMEs to secure new business and grow employment. Therefore, in 2013, we will:

204	Improve the capacity of SMEs to tender for public sector contracts, including through collaborative approaches. <p style="text-align: right;">(NPS, EI, InterTradeIreland)</p>
205	Continue to encourage SMEs to register on the Government's eTenders website to enable forthcoming procurement opportunities to be brought to their attention. <p style="text-align: right;">(NPS, EI, Small Business Representatives)</p>
206	In the context of the reform of public procurement and the establishment of the National Procurement Office, continue to prioritise the reduction of barriers to entry for SMEs in

³² The National Procurement Service (NPS) will be subsumed into the National Procurement Office (NPO) during 2013.

	<p>competing for procurement opportunities.</p> <p style="text-align: right;">(DPER, NPS, DJEI)</p>
207	<p>Encourage contracting authorities to make use of the new functionality in the Government's eTenders web portal to reduce the administrative burden on companies participating in public procurement, including accepting tender bids online.</p> <p style="text-align: right;">(NPS)</p>
208	<p>Examine the potential, in compliance with EU Treaty Principles and Directives, for developing an approach for the inclusion of social clauses in suitable procurement contracts.</p> <p style="text-align: right;">(DPER, NPS)</p>
209	<p>Examine possible approaches for enabling access for SMEs to opportunities arising under capital investment projects.</p> <p style="text-align: right;">(EI, NDFA)</p>
210	<p>Build on the Procuring Innovation initiative established in 2012 by expanding the number of projects participating on the scheme.</p> <p style="text-align: right;">(Enterprise Ireland, Public Procurers)</p>
211	<p>Support Irish companies seeking to participate in procurement contracts overseas through assisting them in identifying opportunities and capability building.</p> <p style="text-align: right;">(EI)</p>

APJ 2012 Impacts – Developing and Deepening the Impact of Foreign Direct Investment: RD&I

Advances in research, development and innovation are key drivers of productivity growth and overall economic progress. In this context, Ireland embarked on a strategy from the late 1990s onwards of significantly enhancing the scientific, technological and innovative capacity of the enterprise sector and the country as a whole.

This strategy has been very successful, and has played a strong role in attracting FDI companies to locate and expand their operations in Ireland. Action 5.3 in the Action Plan for Jobs 2012 set out the Government's commitment to achieve €500m in R&D investment approvals and to have a total R&D spend of €1.7 billion by multinationals in Ireland by 2014.

In November 2012 Minister for research and innovation Sean Sherlock, TD, announced a €30 million R&D investment by Stryker Instruments at its facility in Carrigwohill, Co Cork. This investment will see the Irish facility playing a leading role in the development of next-generation surgical devices which have the potential to significantly impact the efficiency with which surgical procedures are carried out

The facility will partner with its headquarters in Kalamazoo, Michigan, and several other Stryker businesses to develop technologies for global markets that will be used in a range of medical procedures as hospitals internationally seek new and innovative solutions to medical care challenges.

The investment is part of a long standing commitment to Ireland by Stryker and is supported by the Department of Jobs, Enterprise and Innovation through IDA Ireland and will create 20 additional R&D positions over the next 4 years.

Ireland enjoys a strong global reputation as a leading location for R&D in the life sciences sector and this reputation is further enhanced with Stryker's decision.

9. Developing and Deepening the Impact of Foreign Direct Investment

Foreign Direct Investment (FDI) has been, and will continue to be, an integral part of Ireland's economic success. Foreign-owned firms contribute substantially to Ireland's exports, jobs, expenditure in the Irish economy and to Exchequer funds. FDI plays a key role in stimulating the development of 'new' sectors in Ireland, in enhancing our research, development and innovation performance, in contributing to balanced regional development and in accelerating the achievement of critical mass within sectors.

2013 will be the fourth year of IDA's Horizon 2020 Strategy. The Strategy set high level goals of 640 new investments and 62,000 gross job gains to be achieved over a 5 year period (to 2015). Over the course of the first three years of the five year strategy, we have secured 419 investments (against the five year target of 640) and have delivered an increase in gross job gains of 36,332 (against the five year target of 62,000). The target of achieving 50 per cent of investments outside Dublin and Cork has proven challenging.

In 2012, Ireland turned in a strong FDI performance with gains in employment across a broad range of sectors. In total, there were 145 individual investments, with 66 (over 40 per cent) from companies coming to Ireland for the first time. 12,722 gross job gains were generated last year. IDA client companies added a total of 6,570 new net jobs, the IDA's third consecutive year of growth in net employment. Jobs losses in FDI fell sharply due to company transformation and competitiveness gains. The net gains will contribute to the delivery of the Government's target of 100,000 additional net jobs by 2016.

IDA follows a dual strategy of (a) attracting new companies, and (b) sustaining and growing existing companies. Enterprise policy initiatives aim to support existing companies to expand, transform and diversify in order to increase the strategic importance of Irish operations within their parent corporations. Two of the key aspects of the IDA Horizon 2020 strategy are to drive company transformation to ensure higher levels of job retention and to focus particularly on the growth in employment intensive services, which leads to the speedy creation of jobs.

We will take steps to further strengthen FDI investment in Ireland and strengthen the links between foreign-owned and indigenous enterprises. In 2013, we will:

212	Work to win another 132 new FDI investment projects in 2013.	(IDA)
213	Target 13,000 new gross jobs yielding approximately 6,000 net new jobs.	(IDA)
214	Achieve €500 million in R&D investment to have a total annual R&D spend by multinationals here of €1.7 billion by 2014.	(IDA)
	Enterprise Ireland and IDA Ireland will work together through the joint Senior	

	Management team to:
215	<p>Drive implementation of the Global Sourcing Strategy targetting the procurement of an additional €500 million of domestically sourced goods and services by FDI companies in Ireland:</p> <ul style="list-style-type: none"> ▪ 100 (Phase 1, 2013) referrals to Global Sourcing by IDA Executives of procurement prospects; ▪ Based on assessment of these referrals, target 120 client introductions to MNC Supply Opportunities in 2013; ▪ Appoint 25 MNC/Global Sourcing mentors to clients during 2013; ▪ Host a series of MNC Networking events to build engagement with the Strategy. <p style="text-align: right;">(IDA, EI)</p>
216	<p>Develop joint sectoral approaches for the support of selected growth sectors in Ireland. These will commence in Quarter 1 2013 beginning with Business Process Outsourcing, followed by Medical Technologies.</p> <p style="text-align: right;">(IDA, EI)</p>
217	<p>Attract overseas entrepreneurs, and foreign direct investment from emerging businesses, to Ireland by:</p> <ul style="list-style-type: none"> ▪ Participating in a joint marketing strategy in key target markets including the US, UK and Europe; <p style="text-align: right;">(IDA, EI)</p> <ul style="list-style-type: none"> ▪ Targeting support for 15 overseas entrepreneurs during 2013; <p style="text-align: right;">(EI)</p> <ul style="list-style-type: none"> ▪ Attracting 20 FDI projects from emerging businesses during 2013. <p style="text-align: right;">(IDA)</p>
218	<p>Review the operation of the new Immigrant Investor and Start Up Entrepreneur Programmes.</p> <p style="text-align: right;">(DJE)</p>
219	<p>Extend the multi-entry visa regime for business travellers from India in 2013. The multi-entry visa allows for the granting of multi-entry visas of up to three years duration.</p> <p style="text-align: right;">(DJE)</p>
220	<p>Encourage Irish-based multinational enterprises to avail of access to national and international standardisation committees that NSAI can facilitate in order to establish a valuable local expertise and source of advance market and technology intelligence.</p> <p style="text-align: right;">(NSAI)</p>
221	<p>IDA Ireland will continue to engage with members of the Global Irish Network who have put themselves forward as advocates for FDI to help win new investments for Ireland.</p>

		(IDA Ireland)
222	Convene a third Global Irish Economic Forum in October 2013.	(DFAT)

APJ 2012 Impacts – Winterval Festival

2012 saw the inaugural Winterval Festival take place in Waterford, Ireland's oldest city. The festival which leverages the close links between local government, the community, and enterprise, ran from 30th November to 23rd December with an average of 22 events/attractions on each day of the Festival, many of which were free.

Waterford City Council provided seed capital for the festival and this allowed the organising committee to plan a significant programme of events which attracted private sector sponsorship, both local and national, of €220,000. HASBRO, the toy manufacturing company based in Waterford, organised a Toy Museum, bringing some of its oldest toys on loan from its headquarters in the USA. The Museum alone attracted up to 20,000 visitors and because it was manned by volunteers it was a free attraction.

In addition to the Council, a range of government supported community, education and local development groups took part in and supported the festival. FÁS provided support both directly and indirectly. A Viking Long Boat built by participants on a FÁS training programme brought Santa into the city. Santa's Train Station and Sleigh Stop were also built in the training centre along with the Cities Crib and Winter Garden. The Craft Council ran seasonal craft making classes for children of all ages. Storytelling in Reginald's Tower in co-operation with the Office of Public Works was a huge hit with young and old and over 5,000 school children visited Waterford as part of organised school tours during Festival.

These events were added to by commercial ventures such as Santa's Train, Santa's Grotto and Waterford on Ice as well as events organised by volunteers and community groups such as the Viking Christmas Village, organised by FADO, a local history group which attracted over 12,000 visitors.

Winterval was extremely successful both in promoting a greater sense of community in the locality and in attracting considerable economic activity to the city. Footfall in the city was up over 15% for the month of December over the same period the previous year. Retail sales were up on average 7%. Hotel bed nights were up an average of 10% while food and beverages sales were up 25%; one restaurant reported its busiest Saturday trade since it opened its doors 11 years ago. In addition to the large number of volunteers who made the festival possible, 135 people were employed directly on Winterval events and a further 50 secured seasonal work in hotel, food and beverage trade.

The level of success and interest in Winterval has also raised the profile of Waterford, regionally and nationally. The festival was featured in all the main regional and national radio and print media. There were 34,000 hits on the website and over 13,000 followers on Facebook. It is estimated that the media coverage generated by Winterval is worth over € 1.1 million.

The success of events/festivals such as Winterval lies in the direct involvement and leadership of the local people. Though driven very much by local ideas, the Government will continue to examine the role it can play in supporting such initiatives so their potential to contribute to jobs, growth and community wellbeing are fully realised.

10. Supporting Employment at Community and Local Level

The aim of the Action Plan for Jobs is to support enterprises to create employment throughout the whole of the country and in all regions. Local businesses play a key role in providing employment within their local communities. The Government supports local employment development through local government structures and the inputs of various Departments and agencies. Through the 2013 Action Plan for Jobs, a number of further specific measures will be pursued to facilitate employment growth at local level. These measures will complement initiatives and campaigns which are being taken directly by communities and the business sector to support job creation in the community (e.g. Love Irish Food, Shop Local campaigns, HireIreland.ie, etc.).

Local Economic Development

Recognising that unemployment has increased more in rural areas since the economic crisis began, in 2012, the Minister for the Environment, Community and Local Government, Mr. Phil Hogan, T.D., established a new Commission for the Economic Development of Rural Areas. The Commission will examine the non-farming aspects of economic development in rural areas and undertake an extensive public consultation on the future economic potential of rural Ireland and how best to channel funding and resources between 2013 and 2025. The Commission will produce a report in 2013 that aims to inform medium-term economic development of rural areas.

Also in 2012, the Minister for the Environment, Community and Local Government launched a Local Government Sectoral Strategy - *Supporting Economic Recovery and Jobs Locally* - to promote employment and support local enterprise. This Strategy outlines measures being taken by Local Authorities to assist enterprises in the areas of business charges, local enterprise supports, procurement, and local development and community-based initiatives. Implementation of the Local Government Sectoral Strategy will be reviewed in 2013.

A report published by the County and City Managers' Association (CCMA) in association with the Sectoral Strategy identified over 2,000 separate actions/projects/activities undertaken by Local Authorities in 2011 which contribute to local development, enterprise support and economic growth. A review of activity and the identification of best practice from the sector under this publication will also take place in 2013.

The CCMA findings are based on research assessing the extent of existing local authority activities in support of enterprise, economic growth and employment, covering matters such as:

- The development of local strategies/plans put in place to support economic development;
- Collaborative structures focusing on economic development or promotion or addressing job losses (at a local, regional, national or international level);
- The provision/maintenance of enterprise infrastructure including strategic investment in sites/enterprise centres/incubation space etc.;

- Financial incentives including the freezing, reduction or provision of flexible payments methods for commercial rates, development contributions, water or parking charges;
- Service enhancements/integration within the local authority;
- Infrastructure development such as town centre enhancement schemes and street enhancement schemes to improve business capacity;
- The provision/maintenance of recreation/amenity facilities including arts, tourism, sports and recreation, community infrastructure that impacts on economic recovery;
- Involvement with promoting of networking opportunities / structures;
- Financial support for festivals and events.

It is also proposed to establish Socio-Economic Committees in each local authority area to bring greater coherence and oversight to the range of local and community development interventions locally and provide for a more effective matching of resources to locally identified priorities.

The Local and Community Development Programme and the Rural Development Programme support job creation and the work-readiness of people locally. These programmes have played an important role within local communities for many years and will continue to be an important part of the Government sector's supports to local communities in 2013. In addition, the Department of Children and Youth Affairs, along with the Department of Social Protection will provide over 6,000 after school child-care places targeted at primary school children whose parents have taken up employment opportunities. These places are intended to assist low-income parents to avail of employment opportunities.

Supporting Young People

There is considerable potential for youth work services to contribute, as part of a wider Government approach, to addressing the critical issue of youth employment. Young people under 25 years of age have an unemployment rate of 30%, and over half of them are long-term unemployed. The youth sector represents a significant infrastructure in Ireland. Each year, over 380,000 young people participate in youth work services throughout the country. Youth services provide young people with opportunities for experiential learning, skills building and competence development. The youth sector has an important contribution to make in enhancing attainment of transferable skills for life and complementing young peoples' engagement in education, training and employment. As part of a wider employment and enterprise strategy, it has a particular role in supporting young people who are marginalised from traditional services and are not in education, employment or training. A number of initiatives will be undertaken in 2013 by the Department of Youth and Children's Affairs to ensure that youth work services make as effective a contribution as possible to support young people's progression and employment readiness.

Volunteering is also a very effective means for helping young people, in particular, to develop skills, gain experience and contribute more widely to society. In addition to an undoubted societal dividend, there are tangible benefits for those who are unemployed in terms of keeping them close to the workplace, reducing skills atrophy and providing valuable work experience. In this way, volunteering can be a positive way of engaging young people who are not in employment, education or training. Volunteer Ireland plays an important role as Ireland's National Volunteer Development Agency. It operates as a representative and support body for over 20 Volunteer Centres which are spread throughout Ireland. The Volunteer

Centres provide a range of services and advice, including a placement service between individuals who want to undertake voluntary activity, and organisations that are seeking to involve volunteers.

The Department of Social Protection introduced a “Voluntary Work Option Scheme” in 2010³³, to allow those who are unemployed to volunteer for not-for-profit organisations without losing their unemployment benefits, provided they remain available for work/training. There is no limit on the number of hours of voluntary work which can be undertaken. Applications to volunteer should be approved by the person’s local Social Welfare office. However, at present, the uptake on this scheme is very low. There is scope to significantly promote the availability of this scheme.

Role of Enterprise

Many larger companies in Irish towns and cities have a record of investing in local communities and demonstrating responsible business practices across their business operations. With an increased emphasis globally on sustainable production, companies that demonstrate a commitment to responsible business practices are also achieving competitive advantage in the market place. Business In The Community Ireland (BITCI), which promotes Corporate Social Responsibility, also runs a number of valuable programmes to support marginalised people to access the workforce, including programmes that offer companies a chance to address the issues of integration of immigrants and the homeless.

The role of Corporate Social Responsibility is recognised in the European Commission’s Communication of October 2011 on Corporate Social Responsibility³⁴, which calls on Member States to produce national plans on CSR. As part of the 2013 Action Plan for Jobs, a national Plan on Corporate Social Responsibility will be developed and published.

The co-operative model is one of a number of legal options that are available to those considering establishing themselves in business and the different models have their own distinct characteristics. In 2011, the Government approved the drafting of legislation to ease the regulatory burden on co-operative societies and make it easier to start up and run a co-op as an alternative form of enterprise organisation. Following progress in the drafting of this legislation under the 2012 Action Plan for Jobs, the legislation will be published in 2013.

Social enterprises also play an important role in supporting jobs in many local and rural communities. These are business models set up to tackle social, economic or environmental issues. The nature of the activities carried out by social enterprises varies greatly, with some enterprises adapting a more commercial business model than others. The sector is currently assisted through a range of supports from various Government agencies and Departments. As part of the Action Plan for Jobs 2012, Forfás conducted a review of the potential of social enterprise to create jobs. This report, which was submitted to the Department of Jobs, Enterprise and Innovation for consideration at the end of 2012, will be published in the first part of 2013 and actions will be identified to follow up on the report’s findings.

33 <http://www.welfare.ie/EN/Pages/JobseekersVoluntaryWorkOption.aspx>

34 A renewed EU strategy 2011-14 for Corporate Social Responsibility (COM(2011) 681 final)

To support employment at community and local level, we will:	
223	<p>Prepare a report on the medium-term economic development of rural areas for the period to 2025 based on a national consultation of rural stakeholders including employers, unions, farm bodies, community organisation and the public sector.</p> <p>(DECLG, Commission for the Economic Development of Rural Areas, TEAGASC, Western Development Commission)</p>
224	<p>Establish Socio-Economic Committees in each Local Authority area to bring greater coherence and oversight to the range of local and community development interventions and provide for a more effective matching of resources to locally identified priorities, including those interventions that focus on increasing people's work readiness and employment prospects.</p> <p>(DECLG, Local Authorities, Pobal, Local Development Companies)</p>
225	<p>Review implementation of the local government sectoral strategy to promote employment and support local enterprise "<i>Supporting Economic Recovery and Jobs – Locally</i>".</p> <p>(DECLG, Local Authorities, DJEI)</p>
226	<p>Review activity in the report published in 2012 by the County and City Managers' Association (CCMA) which identified actions/projects/activities undertaken by Local Authorities which can be seen to contribute to local development, enterprise support and economic growth.</p> <p>(DECLG, Local Authorities)</p>
227	<p>Through the Local and Community Development Programme (LCDP), continue to work towards:</p> <ul style="list-style-type: none"> ▪ Increasing access to formal and informal educational, recreational and cultural activities and resources; ▪ Increasing people's work readiness and employment prospects and support for enterprise start-ups; <p>through a particular focus on work readiness and employment prospects and through careful analysis of the Programme outputs and impacts.</p> <p>Current validity of the LCDP objectives and/or outcomes and their compatibility with the Programme for Government will be examined.</p> <p>(DECLG, Pobal, Local Development Companies)</p>
228	<p>Continue to support job creation in rural communities through the Rural Development Programme, primarily through continued focus on enterprise generation and development in rural communities.</p> <p>(DECLG/Local Action Groups)</p>
229	<p>Pursue initiatives in the Irish Language sector including:</p> <ul style="list-style-type: none"> ▪ an internship scheme for Irish language graduates; ▪ supports for Irish language arts, publishing, creative writing and other schemes; ▪ funding of third-level courses in Irish with a view to promoting employment opportunities in translation, interpretation and associated areas.

	(DAHG, Údarás na Gaeltachta, Foras na Gaeilge)
230	<p>Continue to support and stimulate local community development initiatives in Gaeltacht areas to build on the strengths and capacity of community enterprise and its contribution to the economy.</p> <p style="text-align: right;">(Údarás na Gaeltachta)</p>
231	<p>Develop a new Youth Policy Framework which will, <i>inter alia</i>, review youth funding schemes to ensure that youth work and the non-formal education sector contribute effectively to youth employment, including skills development and experiential learning opportunities for individuals and groups of young people.</p> <p style="text-align: right;">(DCYA)</p>
232	<p>Use the Youth Programme developed under Ireland’s Presidency of the EU to focus on the contribution of quality youth work to the development, well-being and social inclusion of young people and to maximise the potential for youth policy to address the goals of Europe 2020 with specific regard to youth unemployment.</p> <p style="text-align: right;">(DCYA)</p>
233	<p>Identify ways in which the youth sector can contribute to the Government’s objectives regarding young people and employment and explore the potential to secure EU funding to support the youth sector’s contribution to preventing youth unemployment and exclusion, in particular for young people facing multiple barriers to labour market entry.</p> <p style="text-align: right;">(DCYA, DSP)</p>
234	<p>Facilitate the increased participation in volunteering opportunities by unemployed people. Such volunteering provides significant opportunities to provide and derive skills, experience and develop new competences which can assist people, including young people, in gaining a foothold in the labour market.</p> <p style="text-align: right;">(DCYA, DECLG, DSP, DJEI, DTTAS)</p>
235	<p>Provide over 6,000 after school child-care places targeted at primary school children whose parents have taken up employment opportunities.</p> <p style="text-align: right;">(DCYA, DSP, DES)</p>
236	<p>Develop and publish a National Plan on Corporate Social Responsibility, highlighting the role that enterprises can play in supporting employment and local communities.</p> <p style="text-align: right;">(DJEI, other relevant Departments and agencies and business representatives)</p>
237	<p>Publish legislation aimed at easing the regulatory burden on co-operative societies and making it easier to run a co-operative as an alternative form of enterprise organisation.</p> <p style="text-align: right;">(DJEI)</p>
238	<p>Publish the Forfás report on Social Enterprise and identify actions to be taken by way of follow-up on the report’s findings.</p> <p style="text-align: right;">(Forfás, Relevant Government Departments)</p>

<p>239</p>	<p>Through the Probation Service, continue to partner with Community Based Organisations (CBOs) to help offenders improve their prospects of employment in the labour market. This will be achieved through assisting offenders to acquire skills, vocational training and qualifications, as well as facilitating work referral and placement.</p> <p style="text-align: right;">(DJE, CBOs)</p>
<p>240</p>	<p>Through the Equality Authority, run a programme of activities to promote the employability of groups that have experienced labour market disadvantage related to discriminatory grounds (e.g. age, race, family status, disability etc.). This will include specific streams for developing the equality capacity of employers, vocational education and training providers and labour market providers.</p> <p style="text-align: right;">(Equality Authority)</p>

11. Sectoral Opportunities

The Action Plan for Jobs 2012 set out specific actions across fourteen sectors: Manufacturing, Health/Lifesciences, Green Economy, Agri-food production, ICT hardware and software, Cloud Computing, Digital Games, Tourism, International Financial Services, Business Process Outsourcing/Shared Services, Education Services, Construction, Retail/Wholesale, and Arts, Culture and Creative Enterprise. The vast majority of these actions have been delivered upon by Government Departments, the enterprise development agencies and a range of public and private sector bodies. Work on supporting all of these sectors will continue in 2013.

Delivery on the actions set out in the earlier sections of this Plan relating to improving cost competitiveness, increased access to finance, aligning skills with enterprise needs, and sensible regulation are important for most, if not all, sectors.

Many sectors have their own strategy for development and all of the content of those plans is not rehearsed here, however, a number of key actions are specifically identified.

Many sectors will benefit in 2013 from the prioritisation of State investment in research and development towards the fourteen priority areas agreed by Government (see Section 6.1). One of the criteria for selecting those priority areas was the strength and potential of the enterprise base and therefore there is a high degree of complementarity between the sectors identified in this plan and priority areas identified through the National Research Prioritisation Exercise.

The significant initiatives identified in this Plan represent further support for a broad range of sectors. The emphasis on ICT skills development in the disruptive reform section will benefit all sectors, not only Ireland's ICT hardware and software sector. The focus on Big Data and Data Analytics will also further strengthen that subset of the ICT sector. The disruptive reform initiative on the National Health Innovation Hub will support the future development of the Lifesciences sector including Medical Devices, Pharmaceutical and BioPharma sector. Other actions relating to global sourcing are particularly relevant for those companies involved in sub-supply. The Trading On-line initiative is relevant to many enterprises whether focused on business to consumer (Retail) or business-to-business markets. This reform will have particular relevance for those that want to broaden their market and begin exporting.

Finally, the earlier sections of this Plan which deal with the enterprise agency support to businesses outline some of the main ways in which Government supports businesses and the sectors they operate within.

APJ 2012 Impacts - Lean means Business

One of the most important steps a company can take to grow its competitiveness is to adopt “lean” concepts. Enterprise Ireland’s “Lean Business Offer” has been encouraging client companies to adopt lean principles and to build the capability and capacity of their people to identify problems and improve operations. Since the programme was started, clients have collectively reduced costs by millions of euro, they have increased sales and output and they have recorded increases in employment levels.

In 2012, 144 Lean projects were supported across a range of business sectors including engineering, food, pharmaceuticals and software and services. Clients range in size from the largest indigenous organisation to SMEs, and they engage with the Lean programme at a level that suits their individual needs and aspirations. During the programme, consultants introduce Lean tools and techniques to clients. Participating companies can also opt to be benchmarked against the largest European databases for SMEs, to capture their true level of competitiveness. And they can participate in best practice visits, to see what is possible both in Ireland and overseas.

Limerick based client company Litho Circuits Ltd, specialists in providing printed circuit board layout to the electronics industry, initially looked at its processes to identify which were adding value and which were not. The Lean project worked on eliminating non-value added processes. Implementing cloud technology reduced overall project lead times and customer invoicing schedules, and as a result there has been a 38% decrease in the number of design hours completed but not invoiced.

Manufacturing

Manufacturing plays a crucial role in any economy. Manufacturing is a driver of innovation and technological advance, provides employment across a broad range of skills levels and across all regions in Ireland, and also generates additional indirect jobs throughout the economy.

Manufacturing encompasses a broad range of activities from research and development through design, production, logistics and distribution to marketing and after sales services. This definition recognises that activities across the supply chain may be located in different countries and undertaken by different companies across the world, where it makes most strategic or economic sense. What is important for Ireland is that we continue to retain a focus on production – the making of things - at the core.

The Action Plan for Jobs 2012 required that Forfás and the Department of Jobs, Enterprise and Innovation (DJEI) develop a long term vision for the manufacturing sector in Ireland with a view to putting in place a strategic plan that will help to realise this vision. The Manufacturing Development Forum (MDF) was also established during the year, chaired by Patrick Miskelly, Kraft Foods and supported by DJEI. The MDF comprises representatives from a range of manufacturing sectors and the enterprise development agencies and provided valuable insights into the development of the strategy. The Forfás report will be published in the first quarter of 2013, following detailed consideration by Government, and specific actions will be identified for follow-through.

A total of approximately 196,000 people are directly employed in manufacturing activities today (CSO QNHS). Agency supported firms account for approximately 90 per cent of this employment. Export performance in 2012 was resilient with exports of agency assisted manufacturing companies reaching €78.5bn in 2012, up from €54.8bn in 2000. Manufacturing firms also contributed €21.7 billion in payroll and purchases of services and material inputs in the Irish Economy in 2011.

While this paints a reasonably positive picture overall, there is an urgent need to enhance the capabilities of the manufacturing sector to compete in international markets today and sustain improvements in Ireland's competitiveness as a location for manufacturing.

The Opportunities³⁵

By 2020 manufacturing will be very different from what it is today. Changing consumer demands, the pace of advances in technologies, environmental concerns and intensified globalisation and competition are driving new models of manufacturing. The changing nature of manufacturing offers significant opportunities for the future of manufacturing globally – and for Ireland. These changes have implications for all manufacturing firms - regardless of sector, scale or ownership - although the emphasis may differ. In particular:

- **Customer responsiveness** is crucial – needing agility and flexibility on the 'factory floor' and market-led product development and customised solutions. This will require investments in manufacturing and information and communications technologies and the adoption of lean and sustainable principles, together with investments in developing capabilities and activities in new product/services development and in market intelligence;

35 Based on forthcoming Forfás report: Making it in Ireland - Manufacturing 2020

- Companies increasingly need to **collaborate to compete**, requiring engagement in networks, clustering activities and in building strategic relationships with HEIs, research institutes, partners and suppliers within and across sectors; and
- **New ways of working** are needed that harness the full potential of each person in the workplace - requiring leadership, change management, reskilling and upskilling.

The fact is that none of the sectors in which manufacturing firms operate is static. Even those that may be categorised as mature or traditional sectors are evolving in response to (sector specific) global drivers of change. New sub-sectors emerge and new opportunities arise at the blurring of the edges of well-established sectors. Ireland has a number of strengths that provide a solid platform for growth and there is a future for manufacturing in Ireland. Building on our strengths, we need a continued focus on sustaining existing employment and on capturing opportunities in:

- **Agri- Food** - responding to global demands, changing consumption trends and market tastes, as well as the CAP reform and abolition of milk quotas (by 2015) to increase exports by 42 per cent by 2020;
- **Pharma/Biopharma** - responding to the shift toward personalised healthcare, and adopting more sophisticated manufacturing processes and analytical methods;
- **Medical Technologies** - targeting high value opportunities driven by advances in technology and convergence;
- **ICT hardware** - targeting intellectual property (IP) intensive activities, prototyping and low/medium volume activities;
- **Engineering** - optimising sub-supply opportunities and building capabilities in own IP and product development to target growth sectors (including agri-machinery, automotive, aeronautics, medical devices etc.); and
- **Offsite Manufacturing** (construction) – taking advantage of increased interest in offsite manufacturing driven by the influence of the green agenda, technological advances, lean methods to produce modular and pre-fabricated buildings/elements of buildings.

New and emerging opportunities will arise from convergence and adjacent possibilities in areas such as Green Technologies, Functional Foods and Nutraceuticals, and Combination Healthcare Products. Green Technologies is crucial for all manufacturing firms as they adopt sustainable manufacturing principles in response to EU regulations and consumer demand – it can also be regarded as a sector in its own right. Across the supply chain, Ireland has potential in Pilot Production/New Product Introduction, Contract / Cloud Manufacturing Operations (CMO), Supply Chain Management (SCM), Manu-services, Materials and advanced manufacturing technologies.

The actions set out below are supportive of all manufacturing activities.

A competitive, productive and innovative manufacturing sector is crucially important to Ireland’s recovery and future growth. Government will continue to ensure that the support environment evolves to meet the changing needs of manufacturing.

241	Bring the recently completed Forfás/DJEI Strategy for the manufacturing sector to Government for consideration and launch the report. (DJEI, Forfás)
242	Examine the potential to develop and implement programmes for manufacturing capability aimed specifically at supporting capital investment by firms as part of a defined strategic business development initiative. (EI, IDA, DJEI, Forfás)
243	Launch a National Step Change Initiative to strengthen Ireland’s manufacturing base, focused on capability building and enabling companies to take one step up to drive enhanced productivity and competitiveness; to internationalise; to deepen engagement in innovation and to collaborate to compete. (DJEI, EI, IDA, Forfás)
244	Review and enhance (if required) existing programmes, including management development programmes and Excellence Through People, to deliver to the needs of foreign owned firms (as appropriate), taking into account sectoral strategies to be developed elsewhere in this Action Plan. (DJEI, IDA, EI, NSAI)
245	Undertake a concerted effort to encourage more manufacturing companies to engage in RD&I (with a particular focus on the cohorts with relatively lower take-up to date) (IDA, EI, SFI,)
246	Engage with manufacturing firms to determine and define specific needs at a research programme level, particularly firms in sectors that would benefit from increased participation. (IDA, EI, SFI)
247	Encourage more manufacturing companies to avail of the access to national and international standardisation committees that NSAI can facilitate in order to establish a valuable source of advance market and technology intelligence to support their RD&I activities. (NSAI)
248	Support manufacturing companies with precision measurement or demanding process measurement challenges through expertise from the National Metrology Laboratory. (NSAI)

<p>249</p>	<p>Embed structured cross agency and cross sectoral collaborative approaches to stimulate the potential for identifying and realising ‘new’ areas of opportunity at an early stage, including the establishment of focused working groups across the agencies and across existing sectoral departments to strengthen knowledge sharing, solidify the opportunities in new convergent areas and to identify policy requirements (barriers and enablers).</p> <p style="text-align: right;">(EI, IDA, SFI, NSAI)</p>
<p>250</p>	<p>Promote relevant Enterprise Ireland funds to indigenous manufacturing start-ups which will facilitate feasibility, prototype development and market testing</p> <p style="text-align: right;">(EI)</p>
<p>251</p>	<p>Recruit of a cohort of manufacturing champions in Ireland and take steps to promote careers in manufacturing.</p> <p style="text-align: right;">(DJEI, IDA, EI, SFI with Manufacturing Development Forum)</p>

Agriculture, Food and Marine

This indigenous manufacturing sector operates on the global market and its export potential is a prime mover in driving growth and employment maintenance and generation. Its capacity for growth and expansion was specifically recognised in the industry developed Food Harvest 2020 report which set 10-yearly growth targets for exports, primary production and value added product.

The State response to these targets is proactively monitored by the Food Harvest High Level Implementation Committee (HLIC), which is chaired at Ministerial level and works in close collaboration with the CEOs of the relevant state bodies. Its primary focus is to achieve these targets by agreeing key actions and interim milestones, developing a coordinated approach to sectoral development and monitoring achievements. In 2012, for the first time, their strategic work programme included quarterly monitoring of the relevant commitments under the Action Plan for Jobs. Despite the challenging global environment, a positive outcome has been achieved on the Food Harvest baseline figures. By end 2012, the value of primary agricultural output increased by 22% vis-à-vis the Food Harvest 2020 target of 33%, while the value of exports rose by 12% as against the overall 2020 target of 42%.

In 2012, the emphasis on trade missions and engagement with Third Countries resulted in positive political and commercial outcomes, particularly from the China and USA trade missions. Food exports to China have risen by 30%, an Irish dairy company has signed a partnership/ joint venture deal with Beingmate of China to supply dairy ingredients for infant nutrition while the profile and the access of Irish meat to the American market was raised at a senior political level. These efforts will continue in 2013.

The opportunities for future growth are particularly evident in the dairy, meat, seafood and drink sectors. Given our relative competitive advantage, the abolition of milk quotas by 2015 presents an opportunity to dramatically increase Ireland's production of milk and associated added value products. Irish milk output is projected to increase by 50% by 2020 and this will generate significant employment. Consequently, at EU level, the Government has taken a leading position on advocating the ending of milk quotas and on active dairy quota management to ensure a structured winding down of the system. As production constraints remain in place for the next 2 years, dairy farmers are currently balancing their expansion within quota limits but key global players in the dairy processing sector have already planned for increased processing capacity post 2015 and have committed to significant capital investments in 2013 and following years. The changing pattern of protein consumption globally and premium markets within the EU provides opportunities to increase the value and value-added components of Irish meat exports.

Food Harvest 2020 specifically highlighted the potential of the seafood industry to increase employment from 11,000 to 14,000. It also anticipated that turnover in the sector will increase from €700 million to €1 billion by 2020. The Department of Agriculture, Food and the Marine (DAFM) and its agencies are pursuing three key strategies to realise this employment potential. These involve increased landings of foreign catch to improve the supply of raw material for domestic processing, growing aquaculture production and adding value to raw product. Progress achieved to date augers well for future employment levels. Catch from two foreign vessels per week is now being processed in Ireland. The streamlining of the aquaculture licencing system has resulted in 115 determinations in 2012 to either grant or renew licences (subject to appeal) and consideration is currently being given to an application for an innovative deep-sea organic salmon project. In addition, the Seafood Development Centre,

which focuses on new product development and innovation, is expected to contribute significantly to the additional €50 million in value added seafood sales projected for 2013.

Beverages are also performing well and the international market demand for whiskey is increasing providing new investment opportunities for increased Irish production, marketing and employment.

To improve competitiveness and efficiency for all farm enterprises, including dairy producers, DAFM and its agencies have put in place a number of measures. These include favourable tax treatment for young farmers, focused groups at farm level to deliver technology adoption programmes, land restructuring relief and increased usage of genomic selection in animal breeding programmes.

Continued and focused efforts by the Food Harvest 2020 Implementation Committee will continue to realise the ambitious targets set out in Harvest 2020.

With a continued focus on implementing Harvest 2020, during 2013 we will:

	Further implement Food Harvest 2020 and related Milestones for Success by prioritising and delivering on the following specific and measurable lines of activity:	
252	Support 18 significant food and drink industry investments including up to 5 additional FDI projects, to achieve the objective of 750 overall new jobs in this sector in 2013.	(EI)
253	Attract graduate talent into the sector through the Bord Bia Marketing Fellowship which will employ 25 new graduates on over 100 business development projects in 2013.	(Bord Bia)
254	Continue to work with 18 seafood companies on their investment programmes to create up to 40 further jobs in 2013, bringing the cumulative number of jobs created since 2010 to 240 under BIM's business development programmes.	(BIM)
255	The Irish Maritime and Energy Resource Cluster (IMERC) will facilitate development of upwards of 20 new jobs in 2013 through its research and commercial cluster environment in its Ringaskiddy campus.	(IMERC)
256	Work to secure adequate funding for the agri-food sector through a reformed CAP policy framework that contributes to the twin goals of competitiveness and sustainability.	(DAFM)
257	Roll out a schedule of food related Ministerial Trade and Investment Missions and continue with technical and diplomatic efforts to improve trade and access for agri-food products.	(DAFM)
258	Using externally-funded research contracts, fill up to 15 new research posts in the Marine Institute (in the areas of fisheries management, environment & food safety, oceanography,	

	and mapping & modelling).	(Marine Institute)
259	Progress the development/licensing of large scale Deep Sea finfish aquaculture sites in line with the roadmap set out in "Food Harvest 2020 Milestones" report.	(DAFM)
260	Progress determination of aquaculture licence applications and renewals having regard to full compliance with environmental requirements.	(DAFM)
261	Progress the SmartBay marine technology test and demonstration facilities in Galway Bay by preparing for the installation of a fibre optic cable from An Spidéal to an underwater hub that links to the unique ¼ scale ocean energy test facility to develop research and commercial opportunities in the technology and energy sectors.	(Marine Institute)
262	Build on positive engagement with key dairy industry players to optimise industry expansion capability in 2013.	(EI)
263	Optimise dairy sector's export and investment potential through the introduction of a sustainability and quality programme for the dairy sector.	(DAFM, Bord Bia)
264	Teagasc will work with the Irish Dairy Board to develop and launch a new cheese product.	(Teagasc, IDB)
265	Teagasc and industry partner to develop a new dairy ingredient/process.	(Teagasc, industry partners)
266	Work with meat industry to progress 13 projects under the Beef-Sheepmeat Fund.	(DAFM, EI)
267	Achieve an annualised sales target of €25 million from Bord Bia's Marketplace 2012 and foster new buyer relationships.	(Bord Bia)
268	Increase new product development (NPD) and sales volume from food innovation initiatives such as BIM Seafood Centre, Teagasc Food Technology Centre and foresight4food.	(BIM, Teagasc)
269	Work to achieve the target of 75% of food and drink exports being supplied by companies participating in the 'Origin Green' sustainability charter by the end of 2014.	(Bord Bia)
270	Initiate a new application phase of the FoodWorks programme in 2013 to support a further	

	cohort of new food entrepreneurs.	(Bord Bia, EI, Teagasc)
271	Advance 10 further food industry co-opetition projects.	(Bord Bia)
272	Achieve by end 2013, completion by 90 food companies of the Lean Manufacturing programme and of the Leadership4Growth programme by 50 CEOs/CFOs from the food sector.	(EI)
273	Work with Research Performing Organisations to progress the 55 agri-food and forestry research projects awarded in late 2012.	(DAFM)
274	Progress new industry-led Dairy Processing Technology Centre with a clear commercialisation agenda and launch Phase 2 of Food for Health Ireland (FHI).	(EI)
275	Encourage a high level of adoption of the internationally recognised Food Safety System Certification (FSSC) by Irish food producers, suppliers, and exporters.	(NSAI)

APJ 2012 Impacts – DCU Innovation Campus for Cleantech

At the start of 2013, in line with the commitment in the 2012 Action Plan for Jobs, the new Dublin City University (DCU) Innovation Campus, a new national centre for innovation in the Cleantech sector, was officially opened by the Minister for Jobs, Enterprise and Innovation.

The establishment of the Innovation Campus follows the transfer of a vacant Enterprise Ireland-owned site to DCU for the purposes of this project. The new campus, which will be a location of choice for Cleantech start-ups, SMEs and larger companies, is expected to drive significant green economy growth in the North Dublin and Leinster area, supporting 200 jobs over the initial 18 months.

The initiative is a great example of using scarce State resources in smart ways to drive job creation, and provides a model of what we must do across Government if we are to create the jobs we need.

The Innovation Campus will be a central element of DCU's contribution to the development of the Green Way, a collaborative venture established by industry, academic institutions and public/semi state players in the north Dublin region to create jobs and trade opportunities through its internationally recognised Cleantech cluster.

The Green Way incorporates the two largest Local Authorities in Ireland, an international airport campus, two major academic institutions and two significant residential communities, and thus, can offer indigenous and multi-national companies opportunities to test new technologies ranging from LED street lighting to electric vehicles and from building retrofitting to waste and water management.

Green Economy

The Green Economy presents a major opportunity for growth, competitiveness and employment creation for Ireland. We have a number of strengths which we can leverage to create employment and growth for both indigenous companies and for foreign investments in Ireland. Our natural assets - clean air and water, consistent wind, ocean resources, natural landscape, and rich biodiversity - provide a strong platform for the development of the Green Economy that surpasses the potential of many other countries.

This natural environment, coupled with our strong research base and a number of leading-edge companies, provides us with extensive opportunities for development of the Green Economy in areas as diverse as renewable energy, sustainable food production, tourism, environmental resource management, “Green” financial services, and resource and energy-efficient products and services.

In November 2012, the Government published a Policy Statement on Growth and Employment in the Green Economy – *Delivering Our Green Potential*, as part of its commitments under the 2012 Action Plan for Jobs. This Policy Statement sets out comprehensively how the Government is supporting the Green Economy in Ireland and affirms the Government’s commitment to further developing the area in the years ahead in accordance with the principles of sustainable economic development.

As part of its approach, the Government will establish a Consultative Committee on Jobs in the Green Economy, which will be chaired by the Minister for Jobs, Enterprise and Innovation, to identify emerging opportunities for Ireland in the Green Economy.

In addition to the actions set out below, a number of actions elsewhere in this Plan will help to support the development of the Green Economy, as will international activity to change international trade rules to lower tariffs and other barriers on trade in green goods and services. These include the initiative to transform Ireland’s energy efficiency performance, as set out in Section 3, work on the ‘Origin Green’ standard in the Agriculture and Food sector, and measures to maximise the impact of energy research as set out in Section 6.1.

In continuing to support growth and employment in the Green Economy in 2013, the Government will:

276	Establish and convene meetings of a Consultative Committee on Jobs in the Green Economy to identify opportunities for further job creation in the sector.	(DJEI)
277	Monitor and report progress on <i>Delivering Our Green Potential</i> to the Cabinet Committee on Climate Change and the Green Economy.	(DJEI)
278	Conduct research to commence benchmarking employment numbers in the Green Economy.	(DJEI)
279	Bring forward for Government, a proposal for a domestic financing mechanism (PAYS) to stimulate Energy Efficiency projects in the domestic consumer market.	(DCENR)

280	Advance the potential to export surplus Renewable Energy. The Minister for Communications, Energy and Natural Resources will sign a Memorandum of Understanding with his UK counterpart on co-operation on Energy matters. Agreement on an Inter-Governmental Agreement would facilitate the development of major windfarms in Ireland for export of wind energy to the UK. The Agreement will also require resolution of significant regulatory and technical issues and is likely to be substantially progressed in 2013.	(DCENR)
281	Implement the Green Public Procurement Action Plan to promote the development of a market for green products and services.	(DECLG, other relevant Government Departments and agencies)
282	Continue to promote energy and resource efficiency measures to cut costs for businesses.	(SEAI, EPA, EI, IDA,)
283	Continue to look for international trade liberalisation in green goods, technologies and services in bilateral and multilateral trade agreements.	(DJEI)
284	Continue to review and upgrade the energy performance standards of buildings in keeping with the standards of the most advanced EU Member States in order to ensure progress towards low energy, low carbon economy and promote innovation and deployment of energy efficient building components and systems.	(DECLG, NSAI)
285	Promote the adoption of the ISO 14001 Environmental Management System standard and/or the ISO 50001 Energy Management System standard by Irish based companies.	(NSAI)
286	Develop an Irish Standard on Energy Efficiency Design Methodology to support the development of the Green Economy and better improve industry energy consumption efficiencies.	(NSAI/SEAI)
	Prioritise the implementation of the key commitments made in the new waste policy, <i>A Resource Opportunity - Waste Management Policy in Ireland</i> , to provide the framework for the delivery of a range of cost effective waste management options in the upper tiers of the waste management hierarchy (e.g. prevention, preparation for reuse, recycling, recovery). In particular, we will:	
287	Reduce the number of waste regions from ten to three.	(DECLG)
288	Develop waste plans for the three new regions reflective of national waste policy and the waste hierarchy as set out in the Waste Framework Directive. The regional plans will also reflect the new regulatory regime which will be applied to waste collection, especially in terms of ensuring that prevention, reuse, recycling and recovery are favoured over disposal of waste	

	to improve Ireland's waste management performance.	(DECLG)
289	Ensure continued and enhanced efforts by Government Departments, agencies, business representative associations and businesses themselves to grow awareness among all SMEs of how best to exploit waste management reduction processes and technologies.	(DECLG, Local Authorities, EPA)
290	Ensure that Ireland's negotiating position at EU level on the revision of waste targets is informed by consultation with all relevant stakeholders.	(DECLG)
291	Review the Producer Responsibility Initiative model in Ireland to ensure, <i>inter alia</i> , that specific waste stream re-use, recovery and recycling targets are achieved at the most efficient cost to stakeholders, whilst maintaining a high level of environmental compliance. This will ensure that Ireland continues to be well placed to meet our increasingly challenging domestic and broader EU recovery and recycling targets in specific waste streams efficiently and effectively in the medium to long term.	(DECLG, Approved Collective Compliance Schemes, EPA, IBEC, Local Authorities, WEEE Register Society)

Construction and Property

The construction sector has an essential 'dual role' in Ireland's economy. As a sector in its own right, it directly provides just over 101,000 regionally distributed jobs across a variety of occupations and skill levels, and at 6.4 percent of GNP is a key generator of wealth³⁶. The sector also provides and maintains the infrastructures and buildings on which every other industry and society depends. A competitive and dynamic construction sector and property market forms a crucial part of the business environment and is a critical competitiveness factor underpinning enterprise investment and growth.

Following a most dramatic transition from boom to bust, the sector in Ireland now faces a tough challenge in seeking to return to a sustainable level of activity in a difficult macro-economic context.

Construction by its nature is a cyclical industry, aligned with economic performance generally. In Ireland's case, what started as a proportionate response to increased demand for property in the late 1990s rapidly progressed to an unsustainable property bubble with substantial over-building by the mid-2000s. With the sector now operating at a sub-optimal level it is now imperative that we return to a more sustainable pattern of activity and that mistakes of the past are not repeated.

As is the case internationally, the vast majority of construction firms have focused on the home market, particularly during periods of high growth. Most have been severely impacted

³⁶ A measure of gross output from the sector that includes value generated from repair and maintenance projects, based on methodology used in DECLG Construction Industry Review and Outlook (CIRO), various years.

by the collapse of the overheated property market and paring back of Exchequer spending, and many have limited capacity to seek out alternative business opportunities overseas.

We recognise that there has been a substantial loss of expertise and capacity as individual firms have resized to cope with current market conditions. This has created a real threat to the sector’s ability to fulfil its important role in meeting economic and social needs as the economy returns to a growth path, and needs to be addressed. At the same time, some enterprises have successfully refocused on international markets, in particular in Europe and the Gulf with the support of Enterprise Ireland.

In response to the requirement set out in the Action Plan for Jobs 2012, Forfás prepared a draft strategy for the sector to 2015³⁷ following consultations with industry and other stakeholders. The draft strategy sets out actions aimed at positioning the sector for sustainable growth and stimulating accelerated recovery with particular focus on:

- Generating more certainty and confidence within the domestic market;
- Removing obstacles to development; and
- Continuing to reinforce capability and competitiveness of construction enterprises to drive business growth both at home and, increasingly, in overseas markets.

It is also critical that the sector continues to provide the required stock of competitive and hi-spec office, commercial and industrial buildings to support both indigenous and inward productive investment, particularly in relation to attracting the next wave of manufacturing investment.

A key objective of Government is to ensure that construction enterprises and the sector can develop along an innovative and sustainable growth path for the future and play its full role in supporting the economic and social development of the country. In this context, we will:

292	Bring the Forfás draft strategy and outlook for the construction sector to Government for consideration and agree actions to be undertaken to meet the Government’s objectives for the sector on foot of the report’s recommendations.	(DJEI)
293	Ensure that the current programme of public capital investment is focused on maximising economic and social returns: <ul style="list-style-type: none"> ▪ Ensure that efforts being made to identify other potential sources of private investment, and how they will operate, are brought to a successful conclusion; and ▪ Prioritise other additional projects (including some which were deferred) that will deliver productive returns to the economy as soon as financing options are identified. 	(DPER)

³⁷ Construction in Ireland: Outlook and Strategic Plan to 2015, Forfás (forthcoming)

294	<p>Better cross-Government co-ordination of action on the property market will be progressed under the active leadership of the Department of Finance.</p> <p style="text-align: right;">(Department of Finance with other relevant Departments and agencies)</p>
295	<p>The on-going review of development management guidelines represents an opportunity to address inconsistencies, inefficiencies and lack of transparency within the planning system currently. In this context, we will ensure that:</p> <ul style="list-style-type: none"> ▪ the process involves engagement with users of the system to facilitate necessary enhancements; ▪ the revised guidelines have adequate statutory underpinning to ensure that they are applied in practice and in a consistent manner; and ▪ where unnecessary constraints to development are identified that are outside the current scope of the development management guidelines, and require legislative change, they are urgently addressed. <p style="text-align: right;">(DECLG)</p>
296	<p>Build on the work of Enterprise Ireland to date in driving further internationalisation within the sector through:</p> <ul style="list-style-type: none"> ▪ actively promoting construction sector participation in management development and international marketing programmes; ▪ rolling out of workshops on legal and technical issues encountered by construction firms in overseas markets. <p style="text-align: right;">(Enterprise Ireland)</p>

Tourism

Tourism continues to contribute significantly to Ireland's economic recovery. Following a period of considerable challenge when global tourist traffic was negatively impacted by a series of externally driven disruptions, the number of overseas visits to Ireland grew for the second year in a row in 2012, supported by a particularly strong performance in the final quarter.

The recovery of the world economy remains fragile, particularly in many of Ireland's main source markets. According to the UNWTO, international tourist arrivals are forecast to reach 1.8 billion by 2030, with a more moderate growth rate than past decades and higher growth rates expected in developing economies.

The tourism sector encompasses a range of activities including accommodation, restaurants, transport, tourist attractions, etc. It supports the employment of approximately 185,000 people throughout Ireland across a broad spectrum of skills levels. CSO data indicates that the numbers working in the Accommodation and Food Services sector have grown by 12,400 (7,200 seasonally adjusted) between the first quarter 2011 and third quarter 2012.

According to the CSO Overseas Travel Survey, visits for 2012 increased by 0.2% overall compared to 2011 and all main market areas registered growth, with the exception of Great Britain. Visits from Britain were down 3.6% for the year to almost 2.8 million; visits from the rest of Europe amounted to over 2.3 million, up 2.8% on 2011; North American visits reached

over 1 million, up 3%; and the number of visits from the rest of the world (principally Australia and other long-haul developing markets) reached 378,600, a 6.1% increase. Although official figures are not yet available for tourism expenditure in 2012, Fáilte Ireland estimates suggest that overseas revenue figures increased by approximately €100 million compared to 2011.

Ireland continues to build on its strong tourism offering, bringing an authenticity to the visitor experience based on a depth of contact with the Irish people. Ireland offers a broad range of activity-based and special interest offerings including, for example, golf, walking, culture and heritage. Dublin has established itself as a vibrant destination in its own right competing with Europe's renowned capital cities, in particular for short-break business. Ireland now offers some of the best value hotel accommodation in Western Europe and the preparations made for the Gathering 2013 set the scene for the attraction of circa 325,000 additional visitors over the coming year.

Visitors, as well as domestic tourists, continue to seek value-for-money. In this regard a continued focus on realising a structural adjustment to Ireland's relative cost base is crucial. Encouragingly, Fáilte Ireland's Survey of Overseas Travellers found that improvements in satisfaction levels with value for money were apparent amongst visitors from all of Ireland's main overseas markets last year, which will help Ireland's competitiveness and should help to improve market share. By the end of 2012, according to Fáilte Ireland, confidence levels in the Irish tourism industry about prospects for the year ahead were at their highest since the downturn began.

Local Authorities work closely with partners including the Arts Council, Heritage Council and relevant Government Departments to enhance the tourism product at local level. This is achieved through the development of local arts, cultural and heritage infrastructure, where Local Authorities invest significant capital and revenue resources as matching and complementary funding to that of state agencies. In addition, Local Authorities provide direct and indirect support for a range of festivals and events through finance and staff resources. The extent of local government involvement in enhancing the tourism product is evident in research carried out in 2011, which identified 415 different festivals and events which were directly supported by Local Authorities in that year. These ranged from a large number of small but significant local events which attract footfall and tourists to local areas, and which sustain small businesses in rural communities, to national and international events such as the Tallships Race which form an essential component of the national tourism product.

While there is potential for growth, companies operating in the sector here continue to face challenges. From an enterprise perspective, the sector in Ireland is made up primarily of small and micro enterprises, many of whom have limited capacity for quantitative business analysis and R&D activities, with knock on implications for growth. Many businesses are operating with very low margins and this limits their capacity to invest in product maintenance and enhancements. Steps have been taken by Fáilte Ireland to assist tourism firms. In addition to the range of business support courses it offers, it has also recently introduced an on-line toolkit that includes an easy step-by-step approach to analysing businesses and identifying steps that can be taken to address operational challenges. Increasingly in 2013, Fáilte Ireland's business support interventions will focus on growing the overseas sales capability of tourism businesses including assisting firms to make better use out of the internet and other digital media.

We will continue to implement strategies to grow overseas visitor numbers to 8 million by 2015 with the aim of supporting an additional 15,000 jobs in the Irish economy. Actions that will be undertaken in 2013 include:

- 297** Deliver 'The Gathering Ireland 2013', a year-long programme of events, festivals and gatherings driven by arts, sports, business and community groups and supported by the Tourism Agencies with a target of attracting 325,000 additional visitors and €170 million in additional revenue.
- (DTTAS with relevant Departments and agencies)**
- 298** Implement an overseas marketing and promotional campaign supported by the Tourism Marketing Fund and the budget of The Gathering to help achieve the targets for 'The Gathering Ireland 2013', while ensuring an ongoing legacy in term of increased interest in visiting Ireland.
- (Tourism Ireland, Fáilte Ireland)**
- 299** Develop new tourism products/activities where Ireland can gain comparative advantage (e.g. in food, culture, activity breaks, events and festivals), including supporting major sports events and conferences for Ireland.
- (Fáilte Ireland)**
- 300** Target capital investment in public tourism product and infrastructure under the capital budget of €19 million available to Fáilte Ireland in 2013.
- (Fáilte Ireland)**
- 301** Continue to apply 9 per cent VAT rate on goods and services benefiting the tourism industry in 2013.
- (D/Finance).**
- 302** Maintain the offer to abolish the remaining Air Travel Tax of €3 subject to acceptable commitments from the carriers to additional inbound flights.
- (DTTAS, D/Finance)**
- 303** Use the Tourism Marketing Fund to support international marketing and advertising programmes, focusing on the four core markets (Great Britain, USA, Germany and France).
- (Tourism Ireland, Fáilte Ireland)**
- 304** Work with tourism businesses, particularly SMEs, to improve their e-capacity to transact and sell, focusing on the source markets with the best prospects.
- (Fáilte Ireland)**
- 305** Build on the work of the industry-led Tourism Recovery Taskforce, maximising the attractiveness of Ireland's overseas tourism offering, particularly by refining our communications, promotion and product with a view to enhancing our competitiveness to British holidaymakers and leisure travellers.
- (Tourism Agencies)**
- 306** Identify potential employment opportunities in the recreational/amenity and tourism sectors

	<p>arising from the restoration of bogs, including use of bogs by communities for local tourism initiatives, such as walks/guided tours of the bogs, focusing on their natural and cultural heritage.</p> <p style="text-align: right;">(DAHG)</p>
307	<p>Strongly promote the Irish Visa Waiver Scheme.</p> <p style="text-align: right;">(INIS, DJE)</p>
308	<p>Put in place a facility for visas to be provided free of charge for visitors attending events taking place under the auspices of The Gathering.</p> <p style="text-align: right;">(DJE)</p>

Retail Sector

Given its size, scope and diversity, the retail sector plays a vital role in the operation of any economy and society. It plays a key role in stimulating entrepreneurial activities, and is employment intensive by its nature, providing significant employment opportunities for people at all levels of qualifications. While most retailers continue to trade locally, advances in ICTs are enabling e-commerce offerings, enhanced productivity and service delivery, stronger customer retail management and the potential for internationalisation.

The retail sector in Ireland has a diverse profile encompassing large international players, large indigenous players (a number of which are now exporting/internationalising) and a very sizeable number of small businesses and franchises, often family owned and owner managed. There are 273,000 people employed directly in the retail and wholesale sector (almost 15% of our total workforce) with other indirect employment in transport, logistics and other services all linked to this sector.

The sector is highly responsive to trends in the wider economy. As a result of declines in consumer spending and shifts in consumer behaviour, the sector has been hit badly, not only in Ireland, but elsewhere in Europe too. Sector specific actions coupled with a return to growth in consumer spending can help return the sector to sales and employment growth. The challenge is to maintain existing employment in the sector and to provide a business environment that will allow firms to grow employment in the years ahead in response to both domestic demand and, for parts of the sector, through internationalisation of activity where appropriate.

In recognising the importance of retail to the economy, the Action Plan contains a number of measures aimed at supporting the sector, including the Trading On-Line initiative and the initiative to streamline business license applications.

While retail growth is intrinsically linked to consumer demand and general economic performance, given the importance of the sector for generating employment in Ireland, the potential for additional measures to support the retail sector will be examined in 2013.

309 Establish an Interdepartmental Group to consider further possible measures to assist the retail sector.

(DJEI/Forfás, with relevant Departments)

APJ 2012 Impacts – Games Industry

Electronic Arts (EA Games) with headquarters in California, posted net revenues of \$1.4 billion in 2012 and is recognised for a portfolio of critically acclaimed, high-quality blockbuster brands such as The Sims, NFL, FIFA Football and Need for Speed. In September 2011, the company officially opened their BioWare (subsidiary) Customer Service Centre in Galway creating 200 jobs. Less than a year later, in September 2012, they announced plans to create a further 300 jobs at the centre through the location of their strategically important European Customer Experience Centre of Excellence here. The EA Games European Customer Experience Centre is the focal point of their strategy to serve games on a global basis. They will engage with all of their customers on a 24/7 basis across all of EA Games services in multiple languages.

Peter Moore, Chief Operating Officer EA Games said Galway's mix of technology infrastructure and talent availability, combined with a pro-business environment, will help EA expand on their existing foundation in Ireland and that they are proud to be part of Ireland's growth into cutting edge digital industries.

In addition to the work undertaken by IDA Ireland and developments in the broader enterprise environment, delivery of the objective to encourage companies to expand their Irish operations is supported by actions to improve the environment for particular sectors. In this regard, as part of the Action Plan for Jobs, the Department of Jobs, Enterprise and Innovation established a Clustering Development Team, comprising industry representatives and representatives of Government agencies, to drive delivery of initiatives to support the growth of the games sector in Ireland.

FDI has been, and will continue to be, an integral part of Ireland's economic success. Foreign firms contribute substantially to Ireland's exports, jobs, Irish Economic Expenditures and Exchequer funds. Ireland is a top ranking global destination in terms of the quality and value of FDI thanks to our exceptional productivity, knowledge intensity and occupational profile.

The decision by EA Games to invest in Ireland is a clear response to the Government's commitment to encourage deepening of foreign direct investments by expansion of existing companies.

Creative Services

The Creative sector is a broad ranging sector encompassing the arts, culture and heritage. Activities range from the more traditional areas of visual and performance arts, to the more technology intensive areas of the film industry, digital animation and electronic games and the more service-oriented areas such as industrial design, architecture and advertising.

Internationally, it is increasingly acknowledged that this wide ranging sector has the potential to drive employment and exports, cultural diversity and social inclusion. Its broad nature makes it challenging to define, but its complementarity with tourism, software and technologies makes it one that has the potential for significant impact across the entire economy. For example, cultural products and services, such as festivals and galleries, play a core role in the vitality of countries, cities and regions as places to live work and visit. They also have a significant impact on international perceptions of a location thereby influencing business investments generally and sectors such as tourism in particular.

The Creative Sector is difficult to size, and depends very much on how it is defined. The most recent review of the Arts sector indicates that it supports more than 21,000 jobs directly and an estimated 79,000 additional jobs indirectly³⁸. Ireland has developed international recognition in a range of activities including film and video production, performance arts, music and literature, games development and animation and benefits from its strong and distinctive cultural base and heritage.

Two recently published strategies are directly relevant, including *The Creative Capital Report – building Ireland’s Creative Audio-Visual Economy*³⁹ which sets out a clear agenda to support the Arts, Culture and Heritage Sector. The *Games Sector in Ireland, An Action Plan for Growth*, published by Forfás in October 2011 helps to set the agenda for action in the games sector as an exemplar of the digital content sector. A Games Clustering Development Team, supported by DJEI, was established during 2012 in response to the Action Plan for Jobs 2012.

Creative industries are virtually synonymous with innovation, based on the creation, production and distribution of goods and services that use knowledge and intellectual property as a primary input. It is also a sector that is characterised by the fact that it often relies on flexible networks of companies and independent artists coming together to work for relatively short periods of time on specific initiatives.

Stimulating such initiatives and facilitating networked activities plays an important role in harnessing cultural and creative talent to best effect – and Ireland’s Presidency of the Council of the EU can be leveraged over the early part of 2013.

We can also continue to build upon and strengthen Ireland’s growing reputation for the games sector, increasing its visibility internationally and continuing to create an environment conducive to further enterprise investment.

38 Assessment of the Economic Impact of the Arts in Ireland, Indecon Economic Consultants for the Arts Council, Update report 2011

39 A report prepared for the Minister for Arts, Heritage and the Gaeltacht by the Audiovisual Strategic Review Steering Group – April 2011

We will seek to maximise the economic impact and job creation potential of investment in arts, culture and heritage. In 2013, we will:

310	Continue to implement actions set out in the Creative Capital Report to double employment in the film and audiovisual sector by 2016.	(DAHG)
311	During Ireland's Presidency of the Council of the EU, promote Irish arts and artists via Presidency Culture Programme.	(DAHG)
312	Roll-out further cultural digitisation initiatives and leverage our unique cultural offerings, especially in the context of The Gathering Ireland 2013, the Decade of Centenaries and Ireland's EU Presidency.	(DAHG)
313	Through the Arts Council, support over 50 venues, 200 festivals and 400 arts organisations in 2013 supporting employment in communities across the country.	(Arts Council)
314	Provide support for Built Heritage projects through the Structures at Risk Fund.	(DAHG)
315	Provide support for a Traditional Building Skills Initiative.	(DAHG)
316	Provide support for pilot actions to upgrade energy efficiency in historical public buildings.	(DAHG)
317	Create up to 300 direct/indirect jobs arising from the 3 year refurbishment programme for the National Gallery of Ireland, commencing in 2013.	(National Gallery of Ireland)
318	Continue to increase the profile of the Craft Sector in Ireland through the involvement of the Crafts Council of Ireland in a number of key initiatives.	(Crafts Council of Ireland)
	Building on progress made during 2012 to drive implementation of the games sector report:	
319	Assess the case for a new financial instrument/relief to incentivise creative content development in the games sector.	(DJEI)
320	Increase levels of collaboration between industry and HEIs/training providers in the design and modification of courses, including the development and extended use of flexible internships as a key element of education and training for the games and digital media sector	(DJEI, Games Clustering Development Team)

Aviation Services

The aviation industry offers considerable opportunity for job creation and growth in Ireland if we harness our existing capabilities and assets.

The aviation sector globally has experienced sustained growth despite repeated shocks from recessions, terrorism and natural disasters. The number of air passengers has risen tenfold and cargo volumes have grown by a factor of 14 over the past 40 years – a period during which world economies have grown three to four fold. Key statistics show that:

- Airlines are estimated to have carried approximately 2.8 billion passengers in 2012 with consistent growth of 4-5 % per year forecast for at least the next five years;
- About 22,000 commercial aircraft are in service worldwide and about 1,350 new aircraft are delivered each year;
- Over 35 % of the worldwide commercial aircraft fleet is owned by leasing companies, a share which is projected to grow to over 50 % in the coming decade;
- These aircraft require regular maintenance, as well as specific modifications as they move from one airline to another. The aircraft maintenance market worldwide will be worth an estimated \$50 billion by 2014;
- To operate and maintain this growing fleet of aircraft, half a million new commercial pilots will have to be trained worldwide in the coming 20 years, as well as 600,000 aircraft maintenance engineers.

Aviation is a key driver of economic growth in Ireland. The aviation sector contributes approximately €4.1 billion directly to the Irish economy. It also generates a number of indirect benefits. Ireland hosts one of the world's largest airlines and is responsible for half of the world's aircraft leasing. A report from Oxford Economics in 2012 estimated the air transport industry directly employed 26,000 people. It facilitates both foreign direct investment and Irish exports. In addition to the direct benefits the industry brings, a further 16,000 people are estimated to be employed along the air transport supply chain. Despite the challenges of recent years, the industry is continuing to perform well.

The Department of Transport, Tourism and Sport has launched the development of a new civil aviation policy for Ireland to ensure that this key sector can continue to optimise its contribution to the Irish economy. This will be pursued throughout 2013 and will involve a full engagement with all industry participants with a view to adopting a policy framework in early 2014. This exercise will also explore how both the State and regional airports can best be utilised to maximise the aviation industry's contribution to economic growth.

The recent report (November 2012) of the Shannon Aviation Business Development Task Force demonstrates the potential for growing aviation services in Ireland. The implementation of the main recommendations of that report is still a work-in-progress and will be pursued throughout 2013. The Task Force identified the particular strengths and opportunities for growth that are available for aviation-related activities in the Shannon region which hosts an international airport with a long runway (facilitating larger aircraft) and a substantial land bank of 1,150 hectares including the Shannon Free Zone. The Task Force identified the potential to establish an International Aviation Services Centre (IASC) at Shannon. It envisages that the IASC would be a vibrant and growing cluster of diverse, international, primarily aviation-related businesses built around the airfield and its surrounding lands, providing skilled

employment as well as training and education opportunities. It would combine established activities with innovative new projects. It will halt the slide in passenger traffic over the past five years and reverse that trend. It will also target a range of aviation-related businesses in areas such as maintenance, repair and overhaul (MRO) of aircraft, flight crew training, simulator-based training facilities, dismantling and recycling of aircraft, aircraft leasing and aviation software and systems development. Other areas that present opportunity include corporate and private aviation (business jets), regulatory compliance services and other specialist airline operations.

It is also proposed to introduce new incentives for the construction of certain infrastructure at Irish airports. For a period of 5 years from commencement of the scheme, construction on certain aviation-specific facilities such as hangars and teardown pads (special parking areas for aircraft being dismantled) will enjoy an accelerated capital allowance over 7 years. These measures are designed to attract additional aviation sector businesses and jobs to Ireland and to encourage Irish and overseas businesses already located here to expand their operations. Although these incentives were originally proposed by the Shannon Aviation Business Development Task Force, they are being made available to all airports in the State that wish to avail of them.

We will take steps to further Ireland’s strengths in aviation services. In 2013, we will:

321	Support the development of an International Aviation Services Centre (IASC) in Shannon. (DTTAS, DJEI)
322	Review the tax code to establish the feasibility of providing a market for specific forms of aircraft financing - enhanced equipment trust certificates. (D/Finance)

International Financial Services

Ireland is continuing to develop its global reputation as a leading financial services hub. There are more than 250 international financial services firms with operations in Ireland and approximately 33,000 people employed in these enterprises and related activities in Ireland. The main areas of activity in Ireland include:

- Investment/asset management: including real estate, hedge funds and private equity;
- Banking & capital markets: including trading debt, equities, funds, foreign exchanges, commodity and derivative instruments;
- Insurance & pensions: Insurance provides protection against financial losses resulting from a variety of hazards.

The broadening of the base of financial services activities in Ireland continued in 2012 with a number of significant announcements of investments by leading corporations in new areas including in Islamic finance and the burgeoning payments sector, trading and funds servicing operations and a growing range of research, development and innovation related activities. The Strategy for the International Financial Services Industry in Ireland sets an objective to increase employment in this sector by 10,000 by 2016 and good progress is being made on these targets.

Based on global trends and existing strengths, the opportunities for employment growth where Ireland is well placed to secure further investments from leading indigenous and overseas players where Ireland is building strong clusters include:

- Banking & Capital Markets - opportunities in Financial Shared Services, Operations Centres, Banking Technology, Bond Financing, Debt Management;
- Insurance - Insurance Technology, Life Assurance, Non-Life Assurance, Reinsurance and Captive Insurance all offer possibility for growth;
- Funds and Investment Management - opportunities for growth include Fund Administration, Leasing, Prime Brokerage, Asset Servicing, Proprietary Trading, Structured Financing and Securitisation;
- A number of cross-sectoral opportunities also exist – relating to Information Security and Payments, Green Finance, Data and Analytics, and Islamic Finance.

Ireland has a strong international reputation based on core competencies, including in asset management, insurance and fund administration, a supportive tax and fiscal regime (including our network of double taxation agreements), and regulatory and compliance expertise in the internationally traded sector.

The international financial services sector is characterised by a high degree of innovation and a short innovation cycle. IDA has worked with many of the leading corporations to develop their research and innovation activities in Ireland, with good success to date. We will continue to support the innovation strategies of financial services enterprises, in particular through supporting greater linkages between our research and education sectors and the industry. A number of the priorities under the Research Prioritisation Exercise are relevant to the industry. The ambition is for Ireland to be a leading location for the industry to drive the development new products and services within the sector and to improve the efficiency of operations centres, and to be a leading location in the development of the technologies that will drive innovation processes in the sector into the future.

International Education Services

The quality and capacity of Ireland's education and research systems on international benchmarks is continuing to improve, in part based on sustained Government investment in the underpinning research base of the sector and the attraction of leading researchers and academics from abroad. The increased internationalisation of the education sector is recognised as critically important to sustained improvement in overall quality and performance, including developing outwards links between our institutions and leading centres of excellence internationally and attracting students from around the world to study in Ireland and contribute to the development of a diverse and excellent education system.

In this context, the Government has placed a strong emphasis on the promotion of Ireland's reputation as a leading location for international students to have the highest quality educational experiences and to increase the number of international students in our universities and colleges, providing high quality education services. The International Education Strategy (2010-2015) has the stated primary objective that "Ireland will become internationally recognised and ranked as a world leader in the delivery of high-quality international education by providing a unique experience and long-term value to students". The Strategy includes the following targets:

- Increase total international student numbers (including full-time, part-time and exchange) in higher education institutions from over 25,500 in 2010 to 38,000 by 2015;
- Increase the number of English-language students from 96,000 in 2010 to 120,000 per annum by 2015;
- Enhance the economic impact of international education from an estimated €900 million per annum in 2010 to approximately €1.2 billion per annum by 2015.

While good progress is being made on the targets set out in the Strategy, a review will be undertaken in 2013 to determine if further initiatives can be taken at this stage. A compelling rationale for the internationalisation of education services is that it represents an investment in future global relationships, forging strong links with our current and potential trading partners. Ireland has a number of strengths that provide it with a competitive advantage in the market for international education services. We are considered a small, safe and friendly country. We are a member of the European Union and have extensive global links through our diaspora. We are an English speaking country with a unique cultural heritage.

Our education system has had a long history of international engagement and is globally respected. Ireland's offering in international markets is based on a reputation of quality, underpinned by Ireland's National Framework of Qualifications (NFQ) and the European Qualifications Framework (EQF) which facilitate worldwide recognition of Irish qualifications. The strong presence of many leading global corporations in Ireland also provides a range of potential career opportunities for the best international graduates to live and work in Ireland and to gain valuable experience upon completion of their studies.

324	Continue to implement the <i>International Education Strategy</i> , encouraging more students to study in Ireland, driving revenue, growth and jobs. (Enterprise Ireland with relevant Departments and agencies)
325	Undertake a short focussed review of the <i>International Education Strategy</i> . (DES with relevant Departments and agencies)

APJ 2012 Impacts - Cloud Computing

Launched in February 2012, the Irish Centre for Cloud Computing and Commerce (IC4) is a multi-institutional research centre located at Dublin City University and has additional research facilities within University College Cork and Athlone Institute of Technology.

The vision for IC4 is to be an internationally recognised industry-led centre of excellence for innovation and applied research, accelerating the development and adoption of cloud technology and showcasing Ireland's capabilities in this field. IC4's industry partners include Microsoft, Fujitsu, Intel, IBM, Salesforce.com, InishTech and Cloudium Systems.

IC4's research programme focuses on the development of cloud based technologies and applications, security and regulation for cloud services, supporting the adoption and use of cloud computing for competitive advantage.

In addition to its core research programme, IC4 also has three major outreach initiatives commencing in 2013: Cloud Computing and Commerce Capacity Building Programme; National Cloud Technology Incubator and CloudClinic Programme, and Cloud Technology Standards Observatory.

The Cloud Computing Technology Centre represents a key input in developing the potential of cloud computing and positioning Ireland as a centre of excellence for this technology – both as a provider of supporting software, services and related hardware and as an early adopter across the enterprise and public sector to realise associated productivity gains.

Cloud Computing

The Action Plan for Jobs 2012 set out specific actions in respect of the cloud computing sector. These actions were designed to address the challenges that cloud computing offers for the ICT sectors and a wide range of other sectors of the economy around next generation broadband, skills enterprise development, the regulatory environment and the development of a cloud computing strategy for the public service. Throughout 2012, Government Departments, the enterprise development agencies and a range of public and private sector bodies implemented these actions to support the growth and jobs potential of cloud computing.

Also, in mid-2012, a high level expert group submitted its report on cloud computing to the Minister for Jobs, Enterprise and Innovation. This group, the Cloud Computing Implementation Group, had been established by Minister Bruton in June 2011 and tasked with examining the opportunities and challenges presented by cloud computing, for both business and Government, from the perspectives of:

- cloud computing as a source of exports, growth and jobs;
- the opportunities and benefits for indigenous enterprises;
- the opportunities for attracting foreign direct investment;
- Government usage of cloud computing; and,
- the business environment and key infrastructures.

Many of the actions recommended by the Cloud Computing Implementation Group are addressed in the disruptive reforms on “Big Data/Data Analytics” and “ICT Skills” and in Section 6.1 on Research and Innovation. Other actions to follow-up on the Group’s recommendations are set out below.

Building on the work of the Cloud Computing Implementation Group, in 2013 we will:

326	Treble the number of Enterprise Ireland client companies providing services from cloud computing platforms from 80 to 250.	(EI)
327	Heighten awareness of how business can use cloud computing for competitive advantage, using traditional and e-marketing seminars.	(EI)
328	Provide forums for the purpose of promoting the cloud computing standard, SWiFT 10, and discussing cloud computing and issues related to standards.	(NSAI)
329	Through the Office of the Data Protection Commissioner (ODPC), continue to provide general and tailored advice to organisations on how they can fulfil their data protection obligations as they migrate to the use of cloud computing.	(ODPC)
330	Promote the Innovation Voucher Scheme as a means of assisting SMEs who are interested in	

	migrating their business to a cloud computing model.	(EI)
331	Explore utilising the InterTradeIreland “Fusion” Graduate Placement Programme to advance the potential for cloud computing opportunities for SMEs.	(ITI)
332	Assist early stage, high potential, Internet companies to grow their business. Enterprise Ireland will actively encourage participation by 20 companies in its current Internet Growth Acceleration Programme (iGap).	(EI)
333	Promote Ireland as a centre of excellence in Information Security.	(EI, DJEI)

Glossary of Terms

BGE	Bord Gáis Energy
BIM	Bord Iascaigh Mhara
CBOs	Community Based Organisations
CCMA	County and City Managers Association
CEBs	County Enterprise Boards
CER	Commission for Energy Regulation
DAFM	Department of Agriculture, Food and the Marine
DAHG	Department of Arts, Heritage and the Gaeltacht
DCENR	Department of Communications, Energy and Natural Resources
DCYA	Department of Children and Youth Affairs
D/DEFENCE	Department of Defence
DECLG	Department of Environment, Community and Local Government
DES	Department of Education and Skills
DFAT	Department of Foreign Affairs and Trade
D/FINANCE	Department of Finance
D/HEALTH	Department of Health
DJEI	Department of Jobs, Enterprise and Innovation
DJE	Department of Justice and Equality
DPER	Department of Public Expenditure and Reform
DSP	Department of Social Protection
D/TAOISEACH	Department of Taoiseach
DTTAS	Department of Transport, Tourism and Sport
EGFSN	Expert Group on Future Skills Needs
EI	Enterprise Ireland
EPA	Environmental Protection Agency
FP7	7th Framework Programme for EU Research
HEA	Higher Education Authority
HEI	Higher Education Institutes
HIQA	Health Information and Quality Authority
HRB	Health Research Board
IBEC	Irish Business and Employers Confederation
IDA	Industrial Development Agency

IDB	Irish Dairy Board
IMDA	Irish Medical Devices Association
IMERC	Irish Maritime and Energy Research Cluster
INIS	Irish Naturalisation and Immigration Service
IPSO	Irish Payment Services Organisation
IRC	Irish Research Council
ISME	Irish Small and Medium Enterprises Association
ITI	InterTradeIreland
LEOs	Local Enterprise Offices
LGMA	Local Government Management Agency
NALA	National Adult Literacy Agency
NDFA	National Development Finance Agency
NPRF	National Pensions Reserve Fund
NPS	National Procurement Service
NSAI	National Standards Authority of Ireland
ODPC	Office of the Data Protection Commissioner
SBG	State Bodies Group
SEAI	Sustainable Energy Authority of Ireland
SFA	Small Firms Association
SFI	Science Foundation Ireland
SME	Small and Medium Enterprise
STEM	Science, Technology, Engineering, Mathematics
TI	Technology Ireland
VEC	Vocational Education Committees
WEEE	Waste Electrical and Electronic Equipment

