

ACTION PLAN FOR JOBS

2016



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



Welcome to this Government's fifth Action Plan for Jobs. This has been a hugely successful process from its inception in 2012, when we set out to change radically the environment for jobs to be created in Ireland.

Five years ago unemployment was above 15 per cent. It is now under nine per cent for the first time since 2008. We have more than exceeded the targets we set ourselves in the first Action Plan for Jobs when we aimed to add 100,000 jobs by 2016.

With more than 135,000 additional jobs in place, we are now committed to working to ensure that we have 2.1 million people in employment in this country by 2018, two years ahead of schedule. In 2016 alone, we are aiming to add 50,000 jobs - another step in the journey towards full employment in this country.

As well as raising our sights, as the process has evolved we have also widened our focus. We know how some parts of the country have been slower than others to see the fruits of recovery. That is why a particular focus for this year is to stimulate regional growth, delivering on the wide range of Government initiatives in place to realise the potential of each region, chief among them our new Regional Action Plans for Jobs. We will be driving them forward in 2016 with the goal of having up to an additional 15 per cent at work in each region by 2020, and to ensure the unemployment rate is within one per cent of the State average.

When we began this process, our main focus was on stabilising an exceptionally difficult situation in which thousands had lost their jobs. Now, thanks to the efforts of the Irish people, we are in a very different position.

We will continue in our efforts to reduce unemployment – particularly among our young and among those who have been without work for a long time – but we now have new challenges and opportunities to face. These are reflected in the priorities we have set ourselves in this new Action Plan for 2016.

We have to keep a strong focus on competitiveness – having improved on performance in recent years we cannot afford to slip back now.

We need to ensure that we are generating and attracting the skills and talents we need to underpin continuing economic growth and recovery.

With *Innovation 2020*, a new strategy for science and technology now in place, we need to create a culture of innovation right across the country – from our schools and universities, to big and small enterprises, whether in traditional or cutting-edge areas of activity.

We all have a part to play.

Under previous Action Plans, as Taoiseach I have encouraged Ministers and their Departments to work together and engage intensively to deliver the necessary actions in their areas of responsibilities. They have done so with an impressive achievement rate. This whole-of-Government approach has been a real strength and essential to the success of the process. I am determined that it will continue in 2016.

My ambition for this task and for the people of this country remains high.

We have come a very long way, but the journey continues.

I look forward to working with my colleagues in Government to deliver the Action Plan for Jobs 2016, helping to create jobs and opportunities for all of our people.

Enda Kenny, T.D.

Taoiseach

January 2016

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



In July 2011, shortly after the new Government was formed, I spoke at the MacGill Summer School about the challenges we faced as a country. They were very different times. I described an economy that had lost over 300,000 jobs, almost two thirds of those who lost their jobs were under 25 and emigration was rocketing. Our economy, our country, had suffered a humiliating loss of sovereignty and the scale of the collapse was truly unprecedented.

In the face of such a crisis I insisted that we could not make the same policy mistakes of the past and that the biggest mistake after an earthquake was to build again over the same fault lines using the same design. That is where the idea for the Action Plan for Jobs was born. It was a decisive shift to an economy driven by enterprise, exports and innovation. It was not another document high on ambition but weak on implementation, but instead a ‘to do’ list for the economy - a to-do list for the whole of Government, not just the obvious Departments and agencies. And it is not just Government talking to important stakeholders in the economy but working with them to achieve shared goals, and responding to experience and feedback.

Most importantly it publicly committed to exact timetables for delivery and with the Office of the Taoiseach overseeing and driving implementation and publishing a delivery record each quarter for all to see. It is because of these structures and this approach that the OECD in its review of the APJ in 2014 said the APJ *“marks an important innovation in Irish governance.”*

It has been this innovative approach that has, I believe, allowed the real heroes of the recovery to take centre stage – the entrepreneurs and workers who actually made the recovery happen. And make no mistake, it is through the hard work of the Irish people that this recovery has happened. It is Government’s job to do everything it can to help – or in many cases not hinder – the people that are going to create the jobs that can make our economy and society a success. And that is why the right policies matter, and their diligent and careful implementation matter. Bad policy is often quite easy and only unmasked in the catastrophic crash that we are still emerging from.

As we publish the fifth of the annual Action Plan for Jobs reports we can look at the impact of the right policy mix in helping enterprises to succeed; careful and astute Budgets, strong jobs activation programmes via the Pathways to Work agenda, innovative tourism initiatives, aggressive international promotion of Ireland and many others. Their efforts have helped us surpass our target of 100,000 additional jobs by the end of 2016 a year and a half ahead of schedule. Today we stand at 136,000 additional jobs since we launched the first of our Action Plans in February 2012. Encouragingly every region of the country has seen jobs growth, the sectors growing jobs are diverse too and close to 100 per cent of the jobs are full time jobs.

Our enterprise agencies have both just reported the best set of job creation figures in their history. Between IDA and Enterprise Ireland their client companies added 22,000 jobs in 2015 alone. This is a remarkable performance. It is in these exporting sectors that the long term future of the Irish economy lies.

With these successes, and off the back of the successful policy implementation model that the Action Plan provides, we are now looking to the future so that we can lock in the approach that it insists upon; constantly challenging the system and stakeholders to innovate and renew every year.

That is how we can stay ahead of our competitors. That is what drives the ambition of our recently published *Enterprise 2025* long term strategy for the enterprise sector. That document sets a vision of a full employment economy by 2020 but, crucially, sustaining it for a generation. That has never been done before, but with the right policy mix and the right collaborative approach, I think it is now achievable.

In July 2011 in Donegal, I imagined our economy having 2 million people employed by 2020. Today we are just below that totemic figure. Thanks to the resilience and ingenuity of our people we can now legitimately aim to have almost 2.2 million people in jobs by 2020. That is an astonishing testament to the potential of government working coherently and constructively with the very people that their policies will either liberate and encourage or frustrate and depress.

If we can continue to get this policy mix right and manage to fan rather than smother the enterprising spirit of Irish entrepreneurs and workers then that long term goal of sustainable full employment is within reach.

We've all travelled a long distance since that July evening in Donegal.

Richard Bruton, T.D.

Minister for Jobs, Enterprise and Innovation

January 2016



1. SUPPORT 2.1M IN EMPLOYMENT BY 2018



+136,000 AT WORK

SEASONALLY ADJUSTED, SOURCE: CSO

UNEMPLOYED

UNDEREMPLOYED



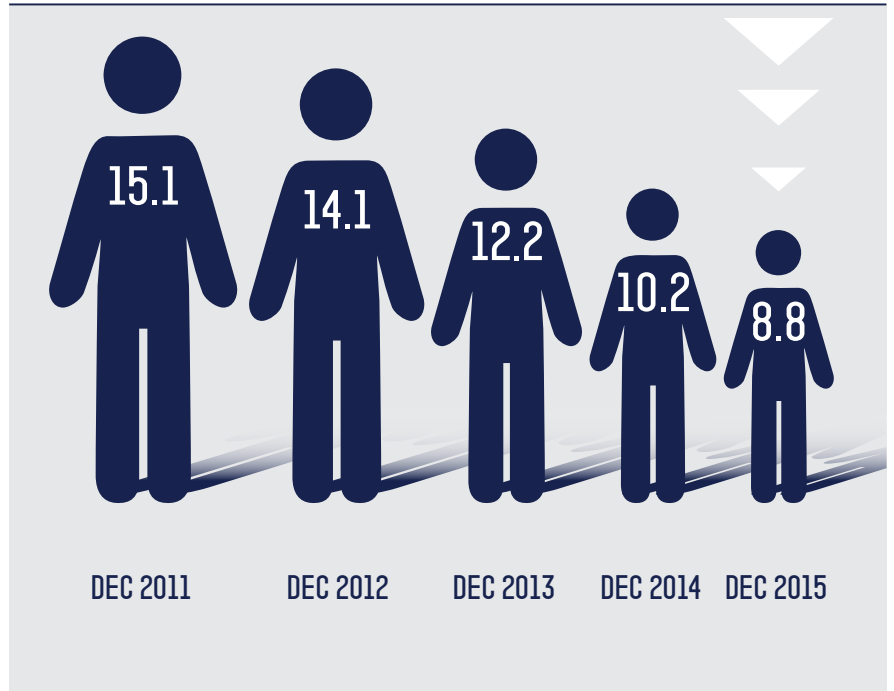
LABOUR FORCE

EMPLOYMENT

SEASONALLY UNADJUSTED, SOURCE: CSO

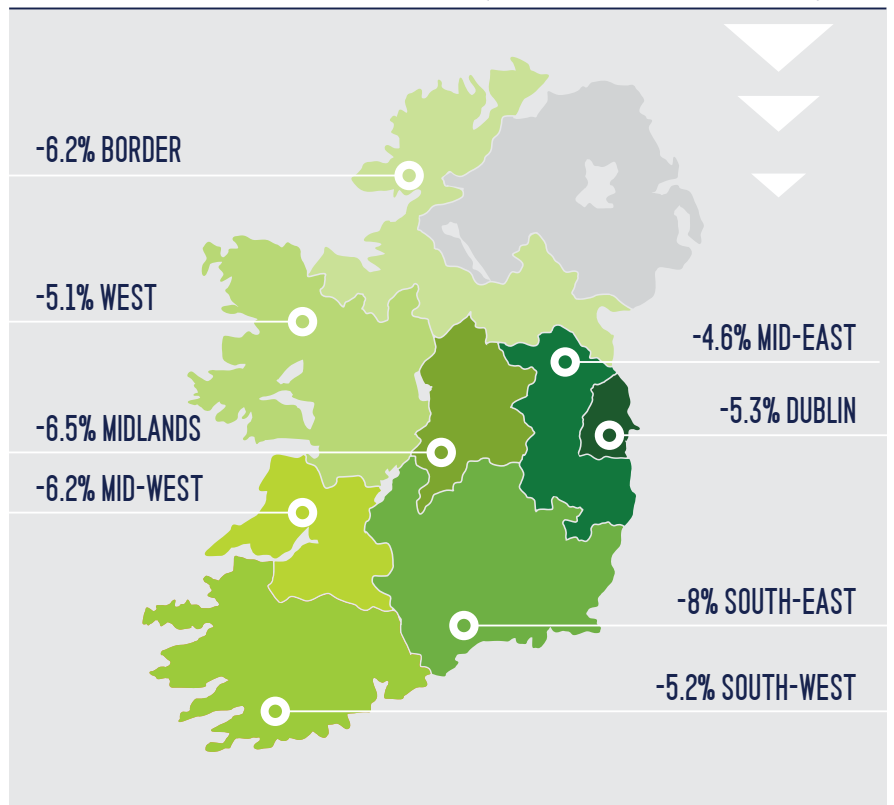
Since the launch of Action Plan for Jobs in 2012

UNEMPLOYMENT RATE DOWN TO 8.8% IN 2015



SEASONALLY ADJUSTED SOURCE: CSO

UNEMPLOYMENT DOWN IN ALL REGIONS (CHANGE SINCE Q1 2012)



NOT SEASONALLY ADJUSTED Q3 2015: SOURCE CSO

DIRECT EMPLOYMENT 2011 - 2015

EI FIRMS UP
26,589
+34,566 INDIRECT JOBS

IDA FIRMS UP
34,098
+23,869 INDIRECT JOBS

SOURCE: SPD, DJEI



2. RESTORE OUR COMPETITIVENESS TO RANK IN THE TOP THREE MOST COMPETITIVE SMALL COUNTRIES IN THE WORLD



BUSINESS
4th IN THE WORLD

SOURCE: FORBES 2015



WORKFORCE
1st IN THE WORLD
FOR FLEXIBILITY
AND ADAPTABILITY

SOURCE: IMD, WORLD COMPETITIVENESS
YEARBOOK 2015



INVESTMENT
1st IN THE WORLD
FOR FOREIGN DIRECT
INVESTMENT

SOURCE: IBM 2015 GLOBAL
LOCATION TRENDS REPORT



**8th MOST
INNOVATIVE
IN THE WORLD**

SOURCE: GLOBAL INNOVATION INDEX, 2015



**16th MOST
COMPETITIVE
IN THE WORLD**

IRELAND'S COMPETITIVENESS HAS
IMPROVED 8 PLACES SINCE 2011

SOURCE: IMD, WORLD COMPETITIVENESS YEARBOOK 2015



3. STIMULATE THE DOMESTIC ECONOMY AND GENERATE EMPLOYMENT IN LOCALLY TRADED SECTORS

SINCE Q1 2012 THE NUMBER OF PEOPLE AT WORK HAS GROWN BY:

29,500

IN AGRICULTURE



22,000

IN CONSTRUCTION



16,200

IN ACCOMODATION & FOOD SERVICES



18,500

IN RETAIL, HEALTHCARE & EDUCATION



SOURCE: CSO

COMMERCIAL PROPERTY CONSTRUCTION INCREASED

300%

VOLUME OF OFFICE SPACE UNDER CONSTRUCTION IS UP IN MAIN CITIES IN YEAR TO Q2 2015

SOURCE: DTZ SHERRYFITZ



GROWING DOMESTIC ENTERPRISE BASE

1,617 NEW COMPANY INCORPORATIONS PER MONTH

SOURCE: CRO

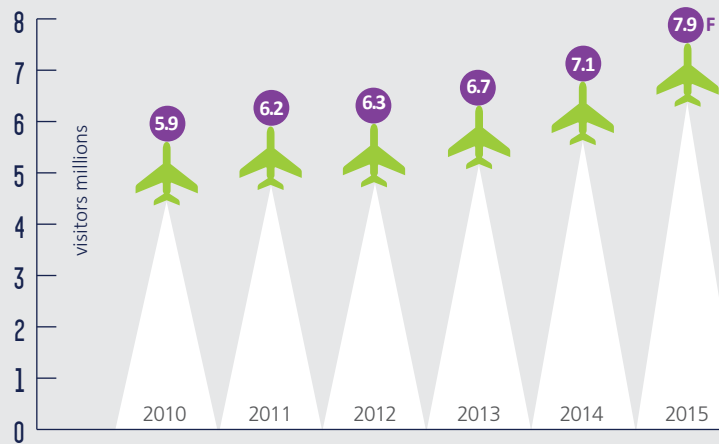


6TH BEST SMALL COUNTRY IN THE WORLD FOR ENTREPRENEURSHIP

SOURCE: GLOBAL ENTREPRENEURSHIP INDEX

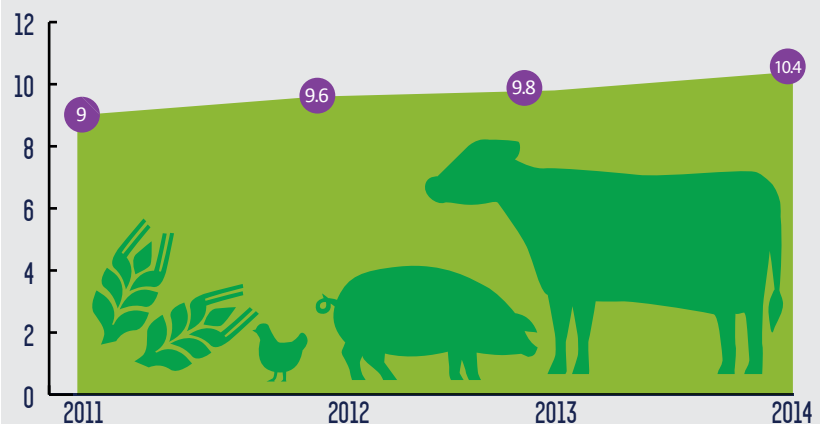
7.9m OVERSEAS TOURISTS IN 2015

ARRIVALS



SOURCE: FAILTE IRELAND/ TOURISM IRELAND

AGRI-FOOD EXPORTS CONTINUE TO INCREASE



FOOD AND BEVERAGE EXPORTS UP ALMOST €400m DURING THE FIRST NINE MONTHS OF 2015

SOURCE: CSO EXPORTS DATA



4. BUILD AN INDIGENOUS ENGINE OF GROWTH THAT DRIVES UP THE EXPORT MARKET SHARE OF IRISH COMPANIES

EI CLIENTS INCREASE EXPORTS TO HIGH GROWTH ECONOMIES SINCE 2011

EXPORTS TO ASIA/PACIFIC ARE UP 43%



EXPORTS TO LATIN AMERICA ARE UP 61%

In 2014 EI clients exports to Latin America reached €224m and exports to the Asia /Pacific reached €1.4bn

SOURCE: EI

EI FIRMS SPEND IN THE IRISH ECONOMY IN 2013

MATERIALS €10.3bn

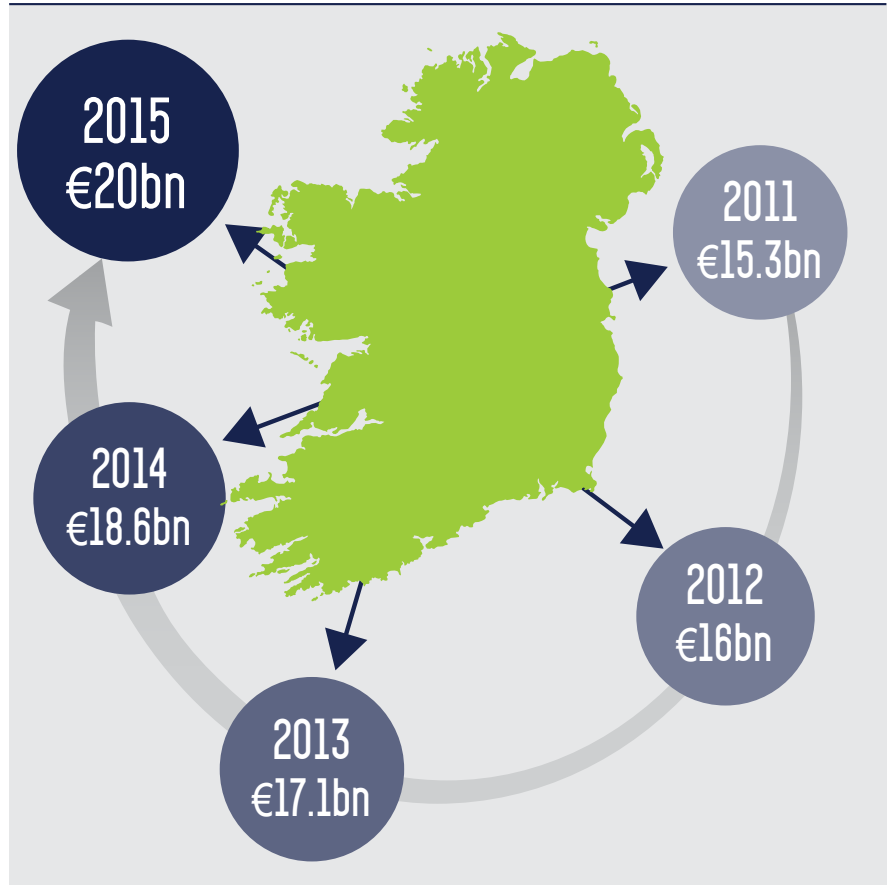
€21bn

PAYROLL €6.6bn

SERVICES €4.4bn

SOURCE: SPD, DJEI

RECORD LEVELS OF EXPORTS OF GOODS AND SERVICES BY EI SUPPORTED FIRMS



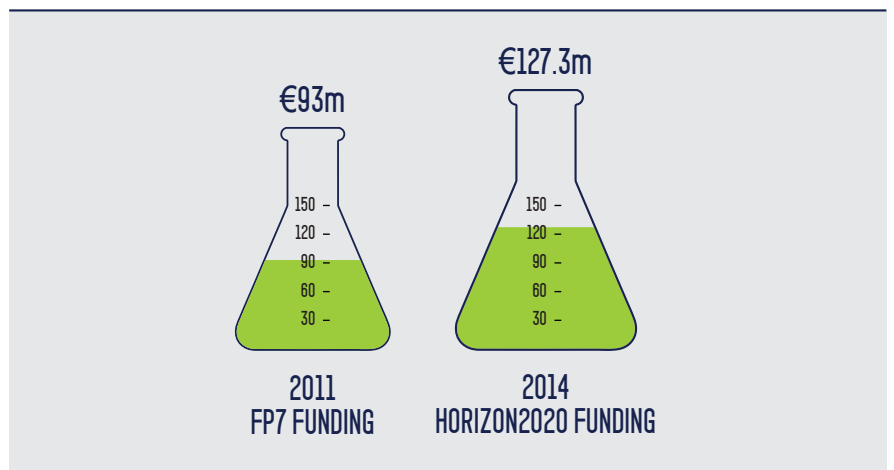
SOURCE: SPD, DJEI



EI AMONG THE WORLD'S TOP VC INVESTORS

SOURCE: PITCHBOOK

SUCCESS IN SECURING EU FUNDING FOR R&D



SOURCE: SPD, DJEI

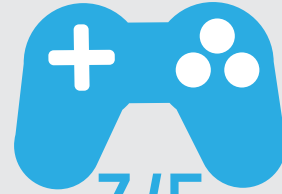


5. BUILD WORLD-CLASS CLUSTERS IN KEY SECTORS OF OPPORTUNITY

IRELAND IS HOME TO:

9/10

TOP GLOBAL SOFTWARE COMPANIES

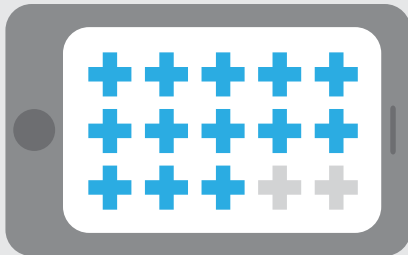


3/5

TOP US GAMES PUBLISHERS

13/15

TOP GLOBAL MEDICAL TECHNOLOGIES COMPANIES



9/15



TOP INTERNET PROPERTIES

9/10

TOP GLOBAL PHARMACEUTICAL COMPANIES



15/25

TOP INTERNATIONAL FINANCIAL SERVICES COMPANIES



200

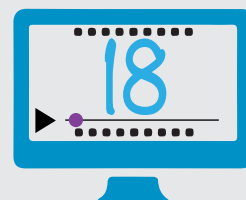
IRISH OWNED INTERNATIONAL FINANCIAL SERVICES FIRMS

ORIGIN GREEN

474



COMPANIES SIGNED UP TO WORLD'S ONLY NATIONAL SUSTAINABILITY PROGRAMME FOR FOOD AND DRINK



WORLD CLASS IRISH-BASED STUDIOS ANIMATION IRELAND

Executive Summary

Our economy is at an inflection point...

This fifth Action Plan for Jobs is presented at a critical juncture in Ireland's transformation from an economy recovering from the most severe recession to a competitive, innovative, highly productive, and environmentally sustainable economy providing sustainable full employment for its people. The results of the concerted action on job creation since 2012 demonstrate that the process is working. As of Q3 2015, there are 136,000 more people at work – exceeding the original target of an additional 100,000 jobs by 2016. In the first three quarters of 2015, 43,400 new jobs were created – the target for the year was 40,000. The unemployment rate has fallen below nine per cent for the first time since 2008, down from a high of 15.1 per cent in early 2012 and employment growth is spreading across all sectors and regions.

Our roadmap for sustainable growth, *Enterprise 2025*...

In November 2015, we launched our long term enterprise strategy, *Enterprise 2025*, which charts the course to rebuilding the economy to achieve full employment and to sustaining it over the long term.

Action Plan for Jobs 2016 marks the transition to the implementation of key Government policies that plan for medium term growth. *Enterprise 2025* is our ten year jobs and enterprise strategy, which sets out the roadmap to build a sustainable economy and have 2.18 million people at work by 2020, the highest in the history of the State. The ambition is for Ireland to be the best place to succeed in business delivering sustainable employment and higher standards of living for all.

In addition, *Innovation 2020* sets our five year strategy for research and development, science and technology including a roadmap to deliver on the vision for Ireland to become a global innovation leader by focussing on excellence, talent and impact.

Fragilities remain...

While recovery is underway, it is still fragile as the international context remains uncertain and unemployment still remains unacceptably high at 8.8 per cent. There are indications of rising cost pressures, we need to increase our investment in RDI and the innovation performance of our enterprise base, we need to address emerging skills issues and step-up investment in workforce development and we need to build resilience in our enterprise base in terms of productivity, and in our export and investment markets. We must continue to carefully implement the policies necessary to deliver sustainable employment and growth over the longer term.

The primary objective of the actions to be delivered in 2016 is to secure the gains already made and deliver the Government target to have 2.1 million people in employment by 2018, and to achieve the ambitious longer term goal of 2.18 million people at work by 2020. Our target is to support the creation of an additional 50,000 new jobs in 2016, which would bring the number of people at work to over two million by the end of 2016 – from an estimated 1,984,000 at the end of 2015 to 2,034,000 by the end of 2016¹.

¹ This includes an estimate of 10,000 new jobs for Q4 2015.

Developing and attracting talent key for our growing economy...

Our future growth will be based on the talent and skills of our people, across all qualification levels. With the objective of having 2.1 million people in employment by 2018 and the tightening labour market – the labour force at the end of Q3 2015 stood at 2.17 million – we need to address the skills demanded for a growing economy. This will include supporting the entry or re-entry of those who are currently outside the labour market and also attracting home our emigrants in large numbers. Our ambition is to create opportunities for all those who wish to return.

A number of Government strategies have set out the actions needed in specific policy areas and where relevant these are incorporated as part of a cohesive implementation approach for 2016 in this Action Plan for Jobs, including:

- the Government's *Spring Economic Statement*, which sets out medium-term focused budgetary and economic policies that will secure sustainable increases in jobs and living standards;
- *Building on Recovery*, the Government's six year Capital Plan to address emerging economic and social infrastructure bottlenecks that could constrain recovery and growth; and
- Sectoral strategies recently agreed including: *Food Wise 2025*, the strategy for the agri-food sector; *IFS2020*, the strategy for the international financial services sector; the new tourism policy, *People, Place And Policy – Growing Tourism to 2025*, and the new *National Aviation Policy for Ireland*.

Improving our competitiveness is critical...

As a small open economy, Ireland's ability to achieve sustainable growth is dependent on our ability to maintain and improve our competitive position on international markets for exports and as a location for investment. Ireland's improving competitiveness performance over the period 2011 to 2015 has been central to the recovery in employment, earnings and economic growth. However, this has been largely driven by external factors such as a weak euro and low oil prices, which are unlikely to remain in our favour in the longer term.

As the economy returns to growth, there are indications that pressures are already emerging, which if left unchecked would constrain our potential to increase economic activity and create jobs. Chief among them are emerging skills shortages in key growth sectors, and the availability of competitively priced residential accommodation and commercial property and business costs. We cannot put our hard won competitiveness gains at risk. We will ensure a sustained focus on improving competitiveness across all areas of Government activity in 2016, particularly to implement further structural reforms which can bring about lasting improvements in competitiveness.

Delivering on the potential of our regions...

In 2015 we set out a new approach to upgrading the attractiveness and competitiveness of all our regions, through the development of Regional Action Plans for Jobs. We want each region to achieve its economic potential and raise employment levels in each of the regions through the implementation of the Regional Action Plans for Jobs. Our goal is to have a further 10 to 15 per cent at work in each region by 2020 and to ensure the unemployment rate is within one per cent of the State average.

Continued focus on reducing unemployment...

A key objective of this Government is to ensure that the increase in employment generated by the actions under the Action Plan translates into a reduction in the number of people on the Live Register. The Action Plan for Jobs complements the Government's new *Pathways to Work* Strategy for the period 2016 to 2020, which sets out actions to be taken in support of those that are currently unemployed, in order to help them access the labour market and new job opportunities. Our Departments will continue to build on the progress to date through the Action Plan for Jobs and *Pathways to Work* to ensure that more employment opportunities are available to those who are seeking work.

The Action Plan for Jobs is an integrated whole of Government commitment to job creation with actions across all Government Departments. As in previous years, the Action Plan has been informed by extensive engagement with external stakeholders, input from the National Competitiveness Council and consultation with the Industry Partners Forum on the Disruptive Reforms. This year the Government will also progress the outcomes of the Global Irish Economic Forum held in 2015.

Disruptive Reforms

Driving reform across the economy has been a key objective of the Action Plans for Jobs since 2012 and for 2016 we will deliver five specific Disruptive Reforms, which are designed as significant cross Government initiatives that will have a measurable impact and that in most instances will be rolled out over more than one year. The five new Disruptive Reforms in 2016, which reflect the key priorities of Government, are set out below.

Step-Up in Enterprise Skills Supply

In 2016 we will develop 25 new apprenticeship programmes led by industry groupings, we will launch a First-Stop-Shop portal, with a budget of €1.5 million, for those overseas looking to find ICT jobs and help them move to Ireland; and we will establish Regional Skills Fora as a mechanism for enterprise and education and training providers to work together in building the supply of skills for their regions.

€530m towards Stimulating Regional Growth

We will invest €530 million through competitive calls for enterprise-focused initiatives and investment in property solutions in the regions to achieve the ambition set out in *Enterprise 2025* of ensuring that regional unemployment rates are no more than one percentage point higher than the national rate by 2020. We will provide €250 million through the IDA property programme to attract new investment projects to the regions and the Enterprise Ireland regional competitive calls to support job creation and entrepreneurialism, innovation and exports. €250 million has been allocated under LEADER for the period to 2020 to fund community-led initiatives including enterprise development, job creation, rural tourism and recreation while we will provide funding of €30 million under the new Town and Village Regeneration Scheme. We will implement the Regional Action Plans for Jobs and provide support within a framework of metrics focusing on jobs and enterprise impacts in terms of exports, innovation, collaboration and scaling of the enterprise base in the regions.

All Government Transactions with Business Online by 2017

This Reform will deliver on the Government's key ambition of being the best small country in which to do business by bringing all significant Government transactions with businesses online by 2017. The scope of the ambition of this Reform covers 370 different types of Government interactions that are currently required to establish and operate a business in Ireland and will significantly ease the administrative burden on all 185,000 businesses in the State, particularly on small businesses and start-ups.

National Clustering Initiative

Under this initiative, Enterprise Ireland will launch a competitive call under the broader competitive regional call of up to €40 million to support significant projects or initiatives to improve or leverage identified enterprise capability in the regions. We will support enterprise-led cluster initiatives to build world-class clusters in key sectors of opportunity in the regions in areas such as agri-food, engineering, ICT and life sciences, and will support clusters of scale that can drive innovation, collaboration, productivity and resilience. The clustering approach will invite industry, research institutions and other relevant stakeholders to collaboratively engage in identifying challenges and developing solutions.

Doubling Intellectual Property Outputs from Enterprise

We will introduce the first competitive Knowledge Development Box. Ireland will be the first country world-wide to offer an OECD compliant Knowledge Development Box, with the ambition of doubling Ireland's performance in Intellectual Property management by enterprises and to join the best in class in Europe. In parallel there will be a range of initiatives to enhance the IP management capability of businesses.

Key Actions and Impacts

In addition to the new Disruptive Reforms outlined above we have set stretch targets to be achieved in 2016 in the key areas that are essential to support enterprises to grow employment.

Delivering skills for a growing economy:

The skills and talent of our people are essential to our ability to increase living standards over the medium term. We need skills at all qualification levels. For example, researchers employed by enterprise are projected to increase from 21,600 in 2013 to between 35,000 to 41,000 in 2020. In the freight and the logistics sector it is estimated there will demand for an additional 6,000 workers to 2020, in the hospitality sector there will demand for an additional 20,000 workers to 2020 and up to 5,000 additional openings in the bio-pharmaceutical sector. We need to ramp up the availability of the required skills and talent base to meet the needs of our growing economy. We will implement the new national strategies in the further education and training sector and implement the *ICT Skills Action Plan 2014-2018* to provide 74 per cent of demand from domestic sources. We will publish the new National Skills Strategy early in 2016, which will set out a framework for the period up to 2025 for how Ireland can continue to develop relevant skills and ensure that our supply of skills is activated and effectively used. In 2016, our focus will be on ensuring that labour market constraints do not act as a barrier to sustainable economic and employment growth.

Driving export led growth to achieve 74,000 agency-supported net new jobs by 2020:

We will support an increase in Enterprise Ireland client exports from an estimated €20 billion in 2015 to €22 billion in 2016. The State will continue to support first time exporters, market diversification, export growth and job creation through the development agencies, together with a programme of

trade missions to high potential markets. As part of *Enterprise 2025* the enterprise agencies will target 74,000 net new jobs over the period 2015 to 2020. In 2015 Enterprise Ireland and IDA supported a net 22,000 jobs and while this is a positive start, the challenge will be retaining the pace of employment growth given the emerging constraints. IDA and Enterprise Ireland will target 29,000 gross new jobs in 2016.

Double jobs impact from start-ups by supporting survival and scaling

We will sustain the rate of increase in new start-ups and entrepreneurship across the country through the work of the Local Enterprise Offices and Enterprise Ireland. The LEOs will support 4,000 additional jobs, as part of an ambitious and coordinated strategy. We will support 185 high potential and early stage start-ups and launch ten competitive start funds to support 100 entrepreneurs, including two funds targeted at attracting overseas start-ups to Ireland. The implementation of the recommendations in the *National Policy Statement on Entrepreneurship* is to be integrated into the Action Plan for Jobs process, and we will review the competitiveness of our mix of direct and indirect supports for entrepreneurs. We will bring forward an ambitious medium term strategy for the Local Enterprise Offices to achieve a step-up in small business performance. We will ensure the new National Skills Strategy has a particular focus on embedding entrepreneurship in the education system.

Increasing innovation towards doubling researchers in enterprise:

During 2016 we will target €150 million in Horizon 2020 funding, 30 new spin outs from the research system and 155 commercialisation agreements. We will implement the actions arising from the reform recommendations in *Innovation 2020* and deliver the national Health Innovation Hub Ireland. We will increase support for and the numbers of HEI-industry collaborations, commercialisation of publicly funded research and international engagement.

Finance for growth:

Finance is the lifeblood of every business and the Government will continue to address the financial needs of SMEs and ensure that Irish companies are positioned to avail of the different types of credit and equity finance that is available to their international counterparts. €675 million of the Strategic Banking Corporation of Ireland's initial €800 million fund has been made available through AIB, Bank of Ireland, Finance Ireland and Merrion Fleet as of December 2015. We will deliver the balance of the original €800 million fund to the SME market by the end of 2016.

Maintaining and improving competitiveness:

In 2016 we want to reform how we tackle key competitiveness issues across the public sector. The objective is to institutionalise the focus on competitiveness. As the economy returns to growth, we need to address the competitiveness pressures that are emerging across the economy, which if left unchecked, will constrain our growth potential - including emerging skills shortages, sufficient housing and commercial property and other increasing business costs such as insurance. Through the Regional Action Plans we will work with local authorities and other stakeholders to ensure fast and efficient delivery of services and improvements to the business environment for enterprise investment.

Increasing labour market participation:

The APJ complements *Pathways to Work* which sets out actions to support the unemployed and the new Pathways Strategy 2016-2020 will be aligned with the implementation of the actions set out in this document.

Stimulating the domestic economy:

We will retain a strong focus on stimulating the domestic economy through the implementation of ambitious strategies for the tourism, construction, agri-food and marine sectors;

- *Food Wise 2025*, a ten year plan for the agri-food sector, sets out ambitious and challenging growth projections for the industry over the next ten years including an: 85 per cent increase in exports to €19 billion; 70 per cent increase in the sectors value addition to the economy to over €13 billion and the creation of 23,000 additional jobs all along the supply chain;
- *People, Place And Policy – Growing Tourism to 2025*, the new tourism policy statement, sets out a series of policy objectives to support the headline targets of €5 billion in overseas visitor revenue, total employment of 250,000 in the tourism sector and ten million overseas visitors by 2025;
- Actions arising from *Construction 2020* will ensure that Ireland has a strong and sustainable sector that can build the homes and infrastructure that we need; and
- The Regional Action Plans for Jobs will step up the range of activities by local authorities and others to improve the attractiveness of our cities, towns and villages as vibrant places to shop.

New Sources of Growth:

The Government has identified a number of new sources of growth that will support job creation over the medium term:

- The rollout of Ireland’s Broadband Intervention Strategy by the end of 2018, which will enable 85 per cent of premises to have access to broadband services of at least 30 megabytes per second by 2018 and all premises by 2020, will stimulate new opportunities in the **digital economy** and help achieve the *Enterprise 2025* ambition for Ireland to become a digital ‘hot-spot’. The Government will also roll out a further 1,000 Trading Online Vouchers through the LEO Network. The Government will also work to ensure that our approach to data protection in a digital economy is best in class globally.
- Actions arising from the **International Financial Services** strategy, *IFS2020*, will ensure that the ambitious targets to grow the numbers in employment in the sector from its current base of 35,000 to 45,000 by the end of 2019.
- The implementation of the National **Aviation** Policy will maximise the contribution of the sector to overall economic growth as well as enhance Ireland’s connectivity and foster growth of aviation enterprise and support job creation. There will be a particular focus on leveraging Ireland’s strengths in the aircraft leasing, finance and maintenance, repair and overhaul.
- There are a number of actions that recognise the potential for the **audio-visual sector** to contribute 5,000 new jobs by 2020 and in 2016 the Irish Film Board will increase employment in the sector by up to 1,000 through supports for up to 32 projects including feature documentaries, animation, TV drama and short films.
- Finally, the **bio-economy** represents a significant opportunity for those parts of the economy that use renewable biological resources from land and sea – such as crops, forests, fish, animals and micro-organisms – to produce food, materials and energy and the Government will assess the potential and conditions necessary for the strategic development of Ireland’s bio-economy to contribute to longer term sustainable development and to build upon Ireland’s already strong agricultural, industrial and technological sectors.

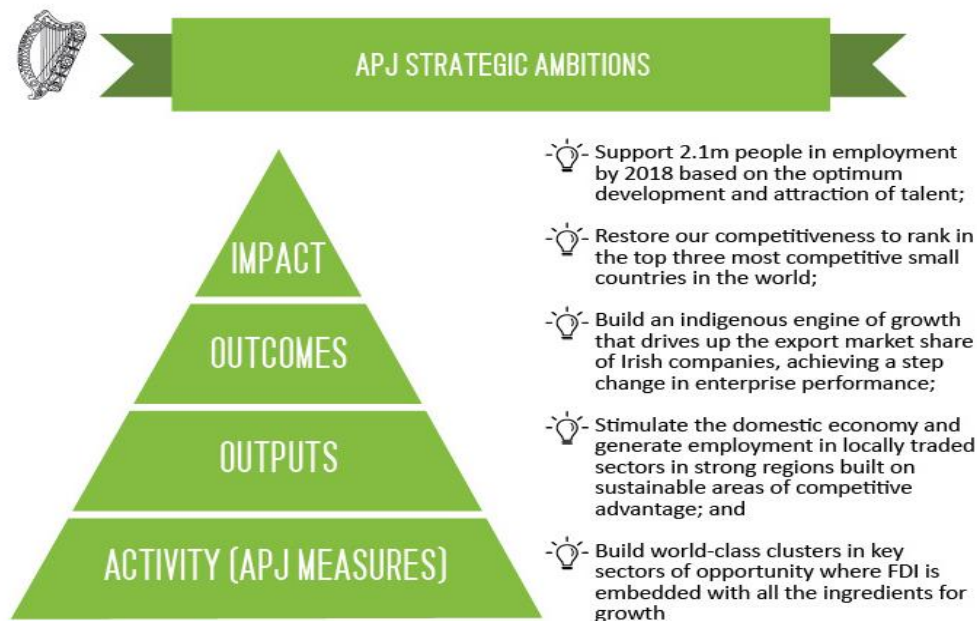
1. Building on Reform

This fifth Action Plan for Jobs is presented at a critical juncture in Ireland's transformation from an economy recovering from the most severe recession to a competitive, innovative and highly productive economy providing sustainable full employment for its people.

The results of the concerted action on job creation since 2012 are being seen:

- 136,000 more people are at work (as of Q3 2015)– exceeding the original target of an additional 100,000 jobs by 2016;
- in the first three quarters of 2015, 43,400 new jobs were created – the target for the year was 40,000;
- the unemployment rate has fallen below nine per cent for the first time since 2008, down from a high of 15.1 per cent in early 2012;
- the strong export performance continues with the exports of Irish goods and services increasing to €215 billion in 2014 from €187 billion in 2012; and
- employment growth is spread across sectors and regions.

The aim of the Action Plan for Jobs is to create the conditions that support private sector-led, export-orientated growth and job creation. The successes that have been achieved over the last five years are being felt by business and households throughout the country as we continue to move towards realising the strategic ambitions that underpin the Action Plan for Jobs. The logic model, illustrated below, is a practical tool to describe what the APJ intends to achieve and how it is supposed to be achieved.



Support 2.1 million in employment by 2018 based on the optimum development and attraction of talent

As firms in Ireland have increased their sales and grown their overseas markets, the number of jobs has grown to the highest level since Q1 2009 and the monthly unemployment is at its lowest level since December 2008. The enterprise development agencies are continuing to play an important role in helping to achieve our target of having 2.1 million in employment by 2018. They have supported an increase of 60,687 jobs in agency assisted firms between 2011 and 2015. The expansion of employment in exporting firms has provided a spur to jobs growth in the domestic sector, with analyses indicating that every additional job in the exporting sector supports a new job in the locally traded sector.

Restore our competitiveness to rank in the top three most competitive small countries in the world

As a result of our concerted efforts to improve competitiveness, Ireland's relative international competitiveness as measured by a range of indices has improved. Ireland moved from 24th to 16th in the IMD's World Competitiveness Yearbook, from 29th to 24th in the WEF Global Competitiveness Report and 17th out of 189 countries, up two places on last year as assessed by the World Bank. The Bank's latest report shows Ireland is now ranked fourth in the euro area in terms of ease of doing business. In 2015, Ireland moved from 11th to eight in the Global Innovation Index rankings and we remain first in the world for foreign direct investment as measured by the Global Location Trends Report. We are cognisant of maintaining and enhancing hard won competitiveness gains and will take steps to ensure that the new phase of economic growth that Ireland has entered is characterised by sustainability and resilience.

Build an indigenous engine of growth that drives up the export market share of Irish companies, achieving a step change in enterprise performance

Small and medium sized firms with the potential to grow are central to our economy and future sustainable growth. The Action Plan for Jobs process has introduced a sophisticated portfolio of reforms to increase domestic exports, support entrepreneurship, improve the flow of credit to business, encourage greater levels of research, development and innovation and enhance supply links between foreign-owned and Irish firms. It is clear these actions are having the intended effect. Between 2011 and 2014, exports from Enterprise Ireland supported firms increased by 22 per cent and exports now account for 51 per cent of their total sales. In 2015 Enterprise Ireland supported firms are forecast to increase exports to €20 billion, representing annual growth of 7.5 per cent. Ireland now ranks 12th in the world, up five places in the Global Entrepreneurship Index and more than 1,600 new companies are incorporated in Ireland every month. In 2016, we will continue to prioritise actions that seek to develop indigenous business and increase the market share of Irish companies.

Stimulate the domestic economy and generate employment in locally traded sectors in strong regions built on sustainable areas of competitive advantage

The Action Plan for Jobs process recognises the importance of a vibrant domestic economy to achieve full employment, and support competitiveness and regional development. Latest CSO data indicates that construction, agri-food and tourism have experienced levels of jobs growth that are above the national average since the launch of the first Action Plan. The volume of construction activity continued to improve in 2015. The agri-food sector makes a particularly significant contribution to employment in rural areas and continues to diversify the range of exports markets, with 60 per cent of exports now destined for non- UK markets. Ireland maintains its position in the

top ten of international rankings of the best tourist destinations. These consumer preferences were reflected in 2015 being the fifth consecutive year of growth in overseas visitor numbers. Increased employment and the corresponding rise in consumer spending are also providing a more favourable operating environment for the retail sector. In November 2015, the KBC/ESRI consumer confidence index hit a ten year high. The positive correlation between consumer sentiment and retail sales performance suggests that the rate of growth in the sector is likely to increase over the coming months.

Build world-class clusters in key sectors of opportunity where FDI is embedded with all the ingredients for growth

Clustering is a proven strategy providing potential for economies of scale and access to opportunities that would be outside the capability or scope of a business working alone. The benefits of clustering are many and include increased productivity and company income, increased market share, greater innovation and knowledge transfer and enhanced capability. Ireland has proved successful in building a range of sectoral clusters in areas such as med-tech, pharmaceuticals, financial services, animation, and “born on the internet” companies. Clustering ideally happens organically but cluster enabling policy interventions have been effective in seeding and encouraging more extensive collaboration, and in enhancing the scale and competitiveness of clusters. Through the National Clustering Initiative, Action Plan for Jobs 2016 will drive forward a range of measures that will develop Ireland’s nascent clustering policy activities and realise the potential benefits for enterprise and employment growth.

Measuring Success

The 2014 OECD review of the process applauded the Action Plan for Jobs as “*a coordination mechanism that ensures high-level political buy-in and oversight, whole of government engagement and the establishment of quarterly targets underpinned by a robust monitoring system*”.

Building on recommendations put forward in the OECD review, a new addition to the Action Plan for Jobs in 2015 was the introduction of an assessment framework underpinned by the APJ’s five strategic ambitions. The objectives and actions set out in this Plan are designed to achieve ten specific measurable impacts, which are the critical success factors at national and regional level to deliver on the ambition to have 2.1 million people at work by 2018, through:

1. Increases in sales or exports;
2. Stimulating the domestic economy (retail, construction, tourism, agri-food);
3. Improved availability of skills;
4. Increased activation of the unemployed;
5. Increases in levels of entrepreneurship/start-ups;
6. Enhanced firm level productivity;
7. Increased level of RDI;
8. Increased ease of doing business (including adequacy of economic infrastructure);
9. Decreased cost of doing business; and
10. Enhanced availability of funding mechanisms for SMEs.

For each of these impacts, a range of metrics have been identified to facilitate an assessment of the impact of the APJ. Benchmark metrics are supplemented with key data from the annual surveys of

the enterprise agencies, such as employment, expenditure, sales exports, value added, the number of new exporters, share of output exported by Enterprise Ireland supported firms, and outputs from incubators and accelerators, etc. (See Annex 1). The remainder of this chapter brings together these metrics to assess current performance across each of the ten impact areas listed above.

Sales and Exports

Ireland has the fifth most open economy in the world. Driving export-led growth has been at the centre of the Action Plans for Jobs. Exports of Irish goods and services have increased by 15 per cent between 2012 and 2014 to €215 billion. Exports by Enterprise Ireland supported firms reached record levels of €18.6 billion in 2014, a nine per cent increase on the 2013 figure and are forecast to reach €20 billion in 2015. Enterprise Ireland supported firms are becoming more export focused with the share of sales that arise from exports reaching 51 per cent in 2014. They are also expanding their presence in new markets with exports to Latin America in 2014 up over 61 per cent on the 2011 figure. Ireland remains a world class location for overseas companies and ranks among the leading OECD countries as a destination for foreign direct investment. During 2015, IDA secured 213 investments, up from 197 in 2014.

Domestic Economy (retail, construction, tourism, agri-food)

Since the launch of the first Plan in Q1 2012, 136,000 more people are at work - exceeding the original target of an additional 100,000 jobs by 2016. Employment has grown in most economic sectors in the year to Q3 2015 – the largest increase was in construction, which is up 13.3 per cent from Q3 2014. The sector's strengthening performance is further reflected in improved levels of activity, with the volume of output on an annual basis up 14 per cent in Q3 2015. The tourism sector is also expanding with the number of overseas visitors forecast by Tourism Ireland to reach 7.9 million in 2015, an 11 per cent increase on 2014 and a 16 per cent increase in revenue from overseas tourists to almost €4.2 billion. The agri-food and retail sectors are also growing - Irish food and drink exports increased to €10.5 billion in 2014, a new high for the sector while the retail sector recorded a 5.6 per cent increase in sales values in the year to the end of November 2015.

Skills Provision

Access to a high quality talent pool is becoming the defining feature of modern competitive economies. During 2015, we successfully rolled out employer focused programmes for the unemployed; including Springboard+ 2015 (which is providing for 9,000 free higher education places) and the second iteration of Momentum (provided up to 6,000 additional places). To meet the high level ICT skills of the economy, ICT graduate numbers continue to increase. In the period 2012 to 2015, over 12,000 ICT graduates at levels 8, 9 and 10 have graduated from Irish Higher Education institutions. We announced 25 new apprenticeship proposals across a range of sectors which will be developed in 2016. Enhanced global competition for trade and investment means that Ireland must sustain a strong level of investment in education and training to meet the demands of our growing economy.

Activation of the Unemployed

For the first time since 2008, the unemployment rate has fallen below nine per cent and the numbers of people unemployed dropped below 200,000. Unemployment has fallen in all regions since 2012. In the year to Q3 2015, 55,600 more people are at work while unemployment declined by 41,300. The sustained trend of jobs growth and falling unemployment shows that the Government's twin track approach of the Action Plan for Jobs and *Pathways to Work* is working. In

the year to Q3 2015, the long term unemployment rate decreased from 6.4 per cent to 5.0 per cent year on year. The launch of JobsPath in 2015 represents a new approach to employment activation which targets long-term unemployed to assist them to secure and sustain employment. While the number of unemployed young people (15-24 years) has fallen significantly in the last year, the rate of youth unemployment (20.8 per cent) remains high, underlining the importance of continuing to provide targeted and well-resourced measures to increase youth employment.

Level of Entrepreneurship/Start Up

While our exporting sectors have proved their resilience in recent years and acted as a driving force for our recovery and return to growth, it is important that we take action to support a culture of entrepreneurship that will deliver a more sustainable and diverse enterprise base over the medium and longer term. The Government published Ireland's first ever *National Policy Statement on Entrepreneurship* in October 2014 and we are making good progress on implementing its recommendations. New company incorporations have increased by almost 33 per cent since 2011 and on an annual basis grew by 12 per cent in 2015.

Firm Level Productivity

While our relative performance in terms of productivity levels improved considerably between 2008 and 2014, much of that progress was a result of compositional effects arising from changes in the labour market (for example the decline in relatively low productivity construction sector employment) and the impact of Ireland's large base of high productivity multinationals. However, it is encouraging to note that Ireland is one of the few benchmarked countries to demonstrate positive total-factor productivity since 2010, a measure of an economy's long term technological dynamism. A range of domestic challenges remain to be tackled to ensure Ireland can achieve its productivity potential, for example the narrow base of companies and sectors driving overall productivity performance, which serves to highlight the scope for reform.

Innovation

In the last decade Ireland's commitment to research, development and innovation has expanded significantly. Business expenditure on RDI (BERD) and the number of indigenous and overseas firms that are RDI active has continued to increase. At present the foreign owned sector accounts for 65 per cent of BERD. Ireland is the top performer in the EU in terms of the economic impact of innovation (employment, exports, sales, licence and patent revenues), and innovators i.e. systems which are characterised by high rates of firms involved in innovation activities. In 2015, Ireland achieved a top ten ranking in the Global Innovation Index rising three places to number eight. Ireland's R&D intensity rate (R&D expenditure as a percentage of GNP) in 2013 was 1.81 per cent of GNP (1.54 per cent of GDP) and lags competitor countries. Israel, considered a world leader in innovation, has an intensity rate of 4.2 per cent of GDP. The *Europe 2020* strategy sets a three per cent objective for R&D intensity and Ireland has recommitted to a target of 2.5 per cent of GNP (2.0 per cent of GDP) by 2020. To become an innovation leader we will increase public investment in RDI, which will in turn leverage increased private investment to reach our 2020 target.

Ease of Doing Business

Ireland continues to rank highly internationally for ease of doing business, but our ranking has slipped marginally from 11th to 13th in the OECD-32 between 2015 and 2016 in the World Bank's Doing Business Report. We continue to rank first for ease of paying taxes, perform well on

protection for investors, getting credit, and starting a business, and have improved our poor performance on construction permits and connection to the electricity supply. Our rankings for trading across borders and enforcing contracts, however, have fallen significantly. Average waiting times for the employment appeals tribunal have fallen since 2011, as has the processing time for employment permits. Investment in and availability of appropriate critical infrastructure is crucial to future productivity growth, competitiveness and attractiveness of foreign direct investment. Ireland ranks 31st for transport infrastructure according to the 2015-16 WEF Competitiveness Report, while in another key infrastructure area, electricity and telephony infrastructure, we rank 17th.

Cost of Doing Business

Ireland's improving competitiveness performance over the period 2011-2015 has been central to the recovery in employment and economic growth. Despite these improvements, the National Competitiveness Council cautions that Ireland's cost base is out of line with other locations with which we compete for trade and investment, and that there are a series of upward cost pressures emerging as the economy grows. Improvements in Ireland's relative cost competitiveness have been largely driven by external factors such as a weak euro, low ECB interest rates and low oil prices, which may not remain favourable. Particular focus is required to address domestically influenced costs factors including labour, property and accommodation, insurance and utilities. We cannot put our hard won competitiveness gains at risk. We need a sustained focus on improving competitiveness across all areas of Government activity in 2016, particularly structural issues which can bring about lasting improvements in competitiveness.

Credit and Investment for Growth

Substantial work has been undertaken over the lifetime of the Action Plan for Jobs to enhance the availability of funding for growth for Irish companies – including the establishment of the Strategic Banking Corporation of Ireland, the Microenterprise Loan Fund and measures to increase awareness of supports, improve prompt-payments and enhance credit supply levels and tax incentives for investment. The effect of these measures is taking hold with access to finance improving (e.g. lower decline rates and improved turnaround time from application to when a decision is made) and business investment growing strongly. According to the Central Bank, lending to SMEs is up 31 per cent in the year to June 2015. However, Irish SMEs continue to be overly reliant on bank finance. In 2016, our focus will be on ensuring that Irish companies are positioned to avail of the different types of credit and equity finance that is available to their international counterparts.

2. Disruptive Reforms

As in previous Action Plans, we have agreed a number of Disruptive Reforms designed as significant cross Government initiatives that will have a significant, measurable impact and that in most instances will be rolled out over more than one year. There are five Disruptive Reforms in 2016 which will deliver substantial new initiatives which reflect the key priorities of Government and that will have a transformative impact on the capacity of firms to compete on international markets and to create quality jobs:

1. A Step-Up in Enterprise Skills Supply: This will include the launch of new apprenticeships, an ICT jobs portal and the establishment of Regional Skills Fora;
2. Stimulating Regional Growth: This will see the implementation of the Regional Action Plans for Jobs, and the investment of €530 million in competitive calls for enterprise-led initiatives and investment in regional property solutions, to achieve the ambition set out in *Enterprise 2025* of ensuring that regional unemployment rates are no more than one percentage point higher than the national rate by 2020;
3. All Government transactions with business online by 2017- Reducing red tape: This reform will deliver on the Government's key ambition of being the best small country in which to do business, by bringing all significant Government transactions with businesses online by 2017, easing the administrative burden, and making it easier to establish and operate a business in Ireland;
4. National Clustering Initiative: This will see the implementation of a new National Clustering Initiative to deliver key enterprise policy goals including driving entrepreneurship, entering new markets, achieving a step change in enterprise productivity, and gaining access to new global supply chains;
5. Driving Intellectual Property in Enterprise: This reform will aim, through the introduction of the first competitive Knowledge Development Box and a range of initiatives to enhance the IP management capability of businesses, to double Ireland's performance in Intellectual Property management by enterprises, and join the best in class in Europe.

2.1 Step-Up in Enterprise Skills Supply

Access to a high quality talent pool is becoming the defining feature of modern competitive economies, a trend driven by the move towards increasingly knowledge based activities. The use of skills is also being impacted internationally by a changing and dynamic environment, driven by global trends expected to persist over the coming decade. Technological change, the emergence of global value networks, shifting economic power structures, changing consumption patterns, increasing urbanisation, and the emergence of new ways of working, are forecast to reshape the environment in which business operates, and give rise to more frequent skills obsolescence and workforce transitioning.

It is against this global background that Ireland must compete to develop and attract talent in the coming years. This challenge was recognised in the 2015 Plan, through the Disruptive Reform on the National Talent Drive, which builds on the reforms underway in the education and training sector, to deliver a more dynamic, responsive and high quality system and ensure that the skills needs of our growing economy are met.

In 2016 this will mean three new initiatives that will provide opportunities for both employers and jobseekers:

- Developing 25 new apprenticeship programmes and progressing the second phase;
- Launching a new web portal that will attract technical talent to Ireland, including returning Irish emigrants;
- Sustained engagement between employers and the higher and further education and training system through the Regional Skills Fora to meet enterprise skills needs.

These new initiatives are in addition to the ongoing wide-ranging skills initiatives that are presented in Chapter 3.

2016 Actions

Building skills for the new economy	
1	<p>Develop new apprenticeships to meet the skills demands in a range of sectors and update existing apprenticeships.</p> <p style="text-align: right;">(SOLAS, Apprenticeship Council, HEA, DES, employers and education bodies)</p>
2	<p>Establish a network of Regional Skills Fora to foster greater engagement between the education and training system, employers and other local stakeholders in building the skills needs of their regions.</p> <p style="text-align: right;">(DES, HEIs, ETBs, Skillnets, employers, EI, IDA, SOLAS, HEA, LEOs)</p>
3	<p>Launch the single ICT website portal through industry and agencies working together to attract international technical talent.</p> <p style="text-align: right;">(EI, DJEI, IDA, DFAT)</p>

2.2 Stimulating Regional Growth

The aim of the Action Plan for Jobs is to support enterprise growth and job creation in every region of the country. To accelerate the pace of progress in the regions, Delivering Regional Potential was identified as a Disruptive Reform in 2015 to maximise the job potential of each region. Vibrant and competitive regions are important, not just from an economic perspective, but also from a societal point of view. Growing the economic base of regions supports social cohesion and provides opportunities for young people in particular to continue to live and work in their local communities.

2.2.1. Regional Enterprise Development

We launched the Regional Action Plans for Jobs Initiative in February, the purpose of which is to identify a range of actions over the period 2015-2017 to help each region achieve its economic potential and raise employment levels in each of the regions. The goal is to have a further 10 to 15 per cent at work in each region by 2020 and to ensure the unemployment rate is within one per cent of the State average. This is being achieved through a collaborative approach between public sector bodies and relevant private sector actors within each region, building on existing strengths and assets and identifying opportunities within each region.

To date, seven Regional Plans (Midlands, South West, South East, Mid-West, West, North East/North West and Mid-East) have been published with the Dublin plan in development. Each Plan will be overseen by a Regional Implementation Committee, comprising enterprise champions from the region, local authorities, LEOs and other key stakeholders and agencies. The Implementation Committees will work closely with the new Regional Skills Fora to deliver the employers' skills requirements in the regions. The Plans will be flexible and dynamic to allow additional actions to be added as they emerge over the lifetime of each Plan.

The Government will provide up to €250 million in funding over the next five years to support our regional development goals. €150 million of funding is supporting the IDA property programme. Up to €100 million is being made available through Enterprise Ireland for three separate competitive calls which will support innovative and collaborative approaches to job creation across the regions including community enterprise initiatives, innovative proposals from the LEOs and collaborative regional proposals from other public and private sector bodies and enterprises.

The timely delivery of the State intervention to deliver high speed broadband access to every home and business in the country is a key enabler of regional growth and development (see section 11.1).

2016 Actions

Delivering on our regional development goals	
4	Progress the implementation and monitoring of the Regional Action Plans for Jobs, including the identification of examples of best practice of cross-agency collaboration and promotion of peer learning. (DJEI, relevant public bodies)
5	Establish Regional Implementation Committees to review progress and monitor the impact of the Plans. (DJEI, relevant public bodies)

6	<p>Develop and agree regional indicators to monitor the impact of the plans in terms of, for example, jobs created, new business start-ups, FDI projects won etc.</p> <p style="text-align: right;">(DJEI, relevant public bodies)</p>
7	<p>Publish six-monthly progress reports on the implementation of the Regional Action Plans.</p> <p style="text-align: right;">(DJEI, relevant public bodies)</p>
8	<p>Deliver on the target of achieving a minimum 30 per cent to 40 per cent increase in the number of investments for each region outside Dublin over the lifetime of the IDA strategy <i>Winning: Foreign Direct Investment 2015-2019</i>.</p> <p style="text-align: right;">(IDA)</p>
9	<p>Following on from the identification of regional locations requiring property solutions:</p> <ul style="list-style-type: none"> ▪ Construct three advance technology buildings in Sligo, Castlebar and Tralee for marketing to clients; and ▪ Commence the process of providing three new advance buildings in Limerick, Dundalk and Galway. <p style="text-align: right;">(IDA)</p>
10	<p>Expand the campus incubation programme to increase campus incubation capacity and address unmet regional start-up company needs.</p> <p style="text-align: right;">(EI)</p>
11	<p>Implement the Community Enterprise Initiative Scheme which was launched in May 2015 and which aims to provide continued support to regional enterprise and to maintain and grow jobs in micro and small business throughout the country.</p> <p style="text-align: right;">(EI)</p>
12	<p>Support the creation of 500 new jobs and continue to support existing jobs in Údarás na Gaeltachta client companies in the Gaeltacht, including through supports for post-research/pre-commercialisation units in the life sciences, food and business support services and creative enterprises sectors, and ongoing support for community development initiatives.</p> <p style="text-align: right;">(DAHG, ÚnaG)</p>
13	<p>Develop advanced property solutions for innovative companies in the Gaeltacht seeking to move from the incubator phase to market.</p> <p style="text-align: right;">(DAHG, ÚnaG)</p>

REGIONAL ACTION PLANS FOR JOBS

Examples of impactful actions to deliver on our regional potential

Midlands

- Establish a Midlands Manufacturing Technologies Campus.
- Develop new cycling, walking and other recreational trails along the waterways of the region.
- Develop a Regional Energy Hub for the Midlands.
- Attract at least 25 additional multinational investment projects to the region by 2019, including building two advance facilities for Athlone, appointing an IDA Regional Manager for the midlands and ensuring that key IDA personnel overseas have enhanced knowledge and marketing plans for the region.

Mid West

- Increase by at least 25 per cent the number of start-ups in the region, through targeted initiatives and programmes to support enterprise – among other measures, a specific Competitive Feasibility Fund for the Mid-West to assist start-ups will be run in 2015.
- Attract more investment to the region: over the next 5 years, IDA is aiming for a total of 66 investments within the region and will deliver a new IDA Advance Technology Building in Limerick in 2017.
- Strengthen the important sectoral clusters in the region: Aviation, Lifesciences, Engineering and Internationally Traded Services.
- Increase the value of agri-food exports by 85 per cent by 2025 by supporting food start-ups to grow and scale and enhancing the marketing of the region's food and beverage products.

North East/ North West Plan

- Increase the number of IDA investments in the region with a minimum of 61 additional projects for the North East/North West region by 2019. As part of this, IDA is delivering a range of property solutions including advance facilities in Letterkenny, Sligo and Dundalk
- IDA will develop a value proposition for the North East/ North West aimed at securing potential “second site” investments from companies with large scale existing operations in Dublin.
- The Local Enterprise Offices will disburse over €2.2 million in grant funding, and provide training and mentoring support to over 1,500 business-people per year.
- A Regional Innovation Forum for the North East/North West region to help support more companies to innovate and engage in R&D.

South East

- Support a 30 per cent increase in the number of new businesses, through provision of enhanced mentoring and incubation spaces for start-ups, and extra supports through the Local Enterprise Offices
- Deliver 44 new investments by overseas companies in the region by 2019. Deliver the development of three new advance facilities, improvements in marketing including a South East Enterprise Conference, a campaign to encourage Dublin-based MNCs to establish satellite offices in the South East, and a 'quality of life' campaign marketing the South East as a good place to live and work.
- Support a 20 per cent increase in jobs in exporting companies, in particular in manufacturing, agri-food, global businesses services and biopharma/medtech.
- Building on the regions traditional strength in manufacturing, develop a cluster of advanced manufacturing and 3D printing.
- Help Ireland's South East achieve international "stand-out" via the Ireland's Ancient East Brand and build on the region's comparative advantage in built and cultural heritage.

South West

- Support a 40-50 per cent increase in the number of businesses starting-up, scaling and surviving, through the establishment of more co-working space and mentoring for entrepreneurs and accessing new funding through competitive calls.
- Increase employment in exporting companies by 20 per cent by winning 139 IDA investments, building an IDA advance facility in Tralee, and increasing by 50 per cent enterprise-research collaborations.
- Advance the ambitious plans for the establishment of the Munster Technological University, combining the strengths of Cork and Tralee Institutes of Technologies to better meet the needs of learners and enterprise in the region.
- Double workforce training and development activity and investment by enterprise and maximise use of the capacities of the Education and Training Boards in the region to increase the employment prospects of the unemployed to meet enterprise needs. Increase agri-food output in the region by 40 per cent by 2020 by developing the region as an international centre of excellence in areas like agri-engineering, agri-food, seafood production and food product development.

West

- Increase jobs in export-led sectors by 20 per cent across the region by 2020. Create 540 extra jobs in Gaeltacht regions in life sciences, mariculture and food, supported by Údarás na Gaeltachta. Increase the number of IDA investments in the region by a minimum of 92 additional projects for the West region by 2019. As part of this, IDA will build advance facilities in Castlebar (completion 2016) and Galway (completion 2017).
- Create a food innovation hub and a dedicated food innovation centre in the region, and help food companies with high potential to scale.
- Launch a new programme to build on the success of the Wild Atlantic Way, by building out new tourism offerings and deliver new opportunities for the region.

2.2.2. Rural Development

Town and Village Regeneration Scheme

Funding of €30 million will be provided over six years under the new *Town and Village Renewal Scheme*. The scheme will begin in 2016 with a budget of €5 million. It is part of a concerted effort by Government to support the economic development of rural towns and villages. The central aim of the scheme is to support the revitalisation of towns and villages to improve the living and working environment of their communities and enhance their potential to support increased economic activity into the future. The types of projects to be funded under this initiative will primarily be a matter for the local authority in partnership with their communities and stakeholders however the overall intention of the funding is to increase the attractiveness of the town as a place to live and work; promote its position as a local commercial and social centre; promote the town as a centre for culture and local heritage; enhance its environment and amenities; promote more sustainable development patterns; promote low carbon actions and climate resilience; and tackle minor infrastructural deficits.

2016 Actions

Supporting the development of rural towns and villages

14	Roll out the Town and Village Regeneration Scheme to support the economic development of rural towns and villages.
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(DECLG/WDC)

LEADER Local Development Strategies

The LEADER element of the Rural Development Programme 2014-2020 aims to improve the quality of life in rural areas and to encourage diversification of economic activity in rural areas. LEADER has been allocated €250 million for the programming period. Notwithstanding the community led nature of the LEADER process it is expected that it will fund enterprise development, job creation, rural tourism and recreation. In addition to promoting social inclusion through building community capacity, training and animation and basic services for hard to reach communities. The increased focus on coordination at a local level through the Local and Community Development Committees will ensure that the impact of LEADER funding is maximised and targeted where it is needed most.

2016 Actions

Supporting rural enterprise development

15	Commence the implementation of LEADER Local Development Strategies to support rural enterprise development in all 28 sub-regional areas.
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(DECLG)

16	Continue to implement the Social Inclusion and Community Activation Programme, which as the primary social inclusion programme of Government, has a strong focus on community activation, social inclusion and community development, while also prioritising those hardest to reach.
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(DECLG, Pobal, LCDCs, relevant Departments)

17	Ensure that support for social enterprises, which was a new element in the Social Inclusion and Community Activation Programme, is being delivered and that the specific targets set are achieved. (DECLG, Pobal, LCDCs)
18	Develop the potential for job creation at regional and local levels through resource efficiency and sustainability initiatives including opportunities in reuse, recycling and recovery of waste as well as waste prevention and cost-saving initiatives for SMEs, farmers, communities and the public sector. (DECLG)

2.3 All Government Transactions with Business Online by 2017 – Reducing Red Tape

The objective is that all significant Government transactions with businesses will be available online by 2017. This represents a significant step up in the reduction of the administrative burden particularly for small and medium sized businesses and start-ups.

This Disruptive Reform is aligned with one of the core objectives of the *Public Sector ICT Strategy of Digital First*, that is, the digitisation of key transactional services and the increased use of ICT to deliver improved efficiency within public bodies and provide new digital services to citizens and businesses.

ICT has been recognised as a critical component for the successful delivery of many existing Government services to businesses and this Disruptive Reform will build on these successes. Each Government Department will be required to report quarterly on their progress to achieving this ambitious Government goal.

In parallel with this the Government will continue to drive the rollout of Licences.ie, the new licensing portal that will allow retailers, in the first instance, to register and apply for licences they are obliged to have for trading purposes in one location. Businesses and start-ups will enter their information once and then re-use that information as required. They will also be able to apply for multiple licences and pay fees in one single transaction. As more and more Government transactions are brought online over the next two years Licences.ie will provide a one-stop-shop application portal thereby even further reducing the administrative burden for businesses.

2016 Actions

Reducing red tape	
19	Examine the licensing, authorisation, certification, permit application, and payment-taking procedures most relevant to business users, especially SMEs, which it and all offices, agencies, local authorities and other licensing bodies under its aegis provide, and present a detailed plan for the full e-delivery by November 2017 of such procedures. <p style="text-align: right;">(All Departments)</p>
20	Provide updates each quarter on progress achieved towards the Government's commitment to make all licensing, authorisation, certification, permit application, and payment-taking procedures for business fully available online on a progressive basis by November 2017. <p style="text-align: right;">(All Departments, DJEI)</p>
21	Continue the rollout of licences.ie with a particular focus on the retail sector in the first instance. <p style="text-align: right;">(DJEI, LGMA)</p>

2.4 National Clustering Initiative

This Disruptive Reform National Clustering Initiative will deliver key enterprise policy goals through the activities of emerging and strengthened clusters, such as: entering new markets; achieving a step change in enterprise productivity; and gaining access to new global supply chains.

Research undertaken for *Enterprise 2025* highlighted that while co-location of enterprises on a sectoral basis is a feature of the Irish enterprise landscape, actual clustering dynamics are relatively limited in practice. We will therefore strengthen clusters in Ireland by designing a cluster approach to ‘grand challenges’ to achieve growth and resilience in the enterprise base. Actions arising for specific initiatives where Government and enterprise can collaborate to address societal challenges and create new opportunities are also included.

Enterprise Ireland will launch a competitive call under the broader competitive regional call (2015 - 2017) of up to €40 million to support significant projects or initiatives to improve or leverage identified enterprise capability in the regions. This call will include addressing a capability weakness in a group of companies in a region; establishing or building a network; appointing cluster development managers; developing a regional brand; and developing a hub (e.g. design, medical devices).

Addressing societal challenges can also stimulate economic growth through the development of new products and services that may in time develop as competitive clusters. One of the defining characteristics of societal challenges from an enterprise perspective is that the public sector will have a significant presence in the global customer base for new products and services that address these challenges, either as a customer and/or as a regulator.

A focus on societal challenges can also encourage enterprise investment in new products and services. By facilitating early market traction and gathering real-world data on the costs and benefits of their innovative technologies, Ireland’s SMEs will be in a better position to address global markets and supply chains.

The Government has established cross-government groups to address two specific societal challenges that could also in time provide a basis for competitive clusters: Smart Ageing and Energy.

2016 Actions

Developing and strengthening clusters	
22	Launch the regional enterprise competitive call to support the development of regional sectors. (EI)
23	Develop and roll out a demonstrator ‘grand challenge’ clustering approach that will invite industry, research institutions and other relevant stakeholders to collaboratively engage in identifying challenges and developing solutions to key national and international societal and/or economic challenges. (DJEI)

Transitioning to a low carbon economy and the Energy Innovation Hub

Tackling climate change is the most fundamental challenge we face. The transition to a low carbon economy also brings with it opportunities to grow our economy. To take advantage of sustainable economic opportunities both within and outside Ireland, we need to ensure that we have the right frameworks and measures in place. The National Mitigation Plan will track implementation of measures already underway, and identify additional measures in the longer term to reduce greenhouse gas emissions and progress the overall national low carbon transition agenda to 2050.

We will advance the development of the first statutory National Climate Change Adaptation Framework in line with the requirements of the Climate Action and Low Carbon Development Act 2015 and continue work on the development of the sectoral adaptation plans. We will support the development of local authority adaptation strategies, which will set out the actions required to ensure Ireland maintains a climate resilient path. We will also develop Climate Ireland, a one-stop web-based resource of climate and adaptation information for Ireland.

The energy sector is set for a period of revolution and rapid growth as industry and society moves towards a low carbon economy. This drive for a low carbon economy poses a series of challenges for industry and society but also provides many economic and social opportunities. A cluster approach to the development and deployment of energy products and services can assist in the transition to a low carbon economy and also grow export and investment opportunities.

The development of Ireland as Europe’s Energy Innovation Hub will build on our existing strengths and transformation in energy markets internationally so that Ireland leads in the development of innovative products and services along the energy value chain and enables the transition to a low carbon economy. To deliver on this ambition, an Inter-Departmental Committee, co-chaired by the Department of Jobs, Enterprise and Innovation and Department of Communications, Energy and Natural Resources was established in 2015 and has developed a value proposition for Ireland as Europe’s Energy Innovation Hub and a corresponding brochure. Underpinning this is the creation of a one-stop portal of national assets and infrastructure, energy related enterprises and innovators and research activities. The portal on Ocean Energy and Smart Grid are now complete with the focus now shifting to energy efficiency and renewable technologies.

2016 Actions

Transitioning to a low carbon economy	
24	<p>Publish the first statutory National Mitigation Plan which will set out the policy measures required to manage greenhouse gas emissions at an appropriate level to further the achievement of the National Transition Objective set out in the Climate Action and Low Carbon Development Act 2015.</p> <p style="text-align: right;">(DECLG, other relevant Departments)</p>
25	<p>Develop the first statutory National Climate Change Adaptation Framework to provide a strategic policy focus to ensure adaptation measures are taken across different levels of Government to reduce Ireland’s vulnerability to the negative effects of climate change and avail of any positive opportunities that may arise.</p> <p style="text-align: right;">(DECLG)</p>

26	<p>Develop Sectoral Adaptation Plans, which will specify the sector specific adaptation policy measures required to enable adaptation to the effects of climate change and the achievement of the National Transition Objective set out in the Climate Action and Low Carbon Development Act 2015.</p> <p style="text-align: right;">(DECLG, other relevant Departments)</p>
27	<p>Support the development of local adaptation strategies to advance adaptation at the local scale, local authority level.</p> <p style="text-align: right;">(EPA)</p>
28	<p>The Sustainable Energy Authority of Ireland will work with enterprise, the development agencies and the Department of Jobs, Enterprise and Innovation to realise the potential for enterprise and jobs growth identified in its report <i>Ireland's Sustainable Energy Supply Chain Opportunity</i>, by addressing barriers to supply chain growth in the sector, fostering growth by developing local capacity to capture export opportunities and assisting a favourable environment for FDI.</p> <p style="text-align: right;">(SEAI, EI, IDA, SFI, DJEI)</p>
29	<p>Following on from work completed in 2015 the Inter-Departmental Committee will agree a programme of activity to promote Ireland's value proposition as an Energy Innovation Hub to entrepreneurs, investors, businesses and research organisations both at home and abroad.</p> <p style="text-align: right;">(IDC, DCENR, DJEI, relevant Departments and agencies)</p>

Smart Ageing

Smart Ageing was identified as one of the sectoral opportunities by the Global Irish Economic Forum in 2013. While demographic change will pose many societal and healthcare challenges it will also bring an enormous opportunity for economic, social and cultural development. *A Mapping of the Activity on Smart Ageing in Ireland and An Assessment of the Potential Economic Opportunity Areas* was completed, and found that there is a critical mass of activity in Ireland across a range of application areas in Smart Ageing with a concentration of activity in healthcare, food and nutrition and housing which are areas of significant global opportunities. Realising the opportunities requires a coherent, co-ordinated and multi-disciplinary approach amongst the variety of stakeholders across the public or private sectors.

2016 Actions

Smart Ageing

30	<p>Building on the Report of the Inter-Departmental Group on Smart Ageing, map out and implement a programme of actions and proposed timelines.</p> <p style="text-align: right;">(D/Taoiseach, DJEI, DoH, other relevant Departments and agencies)</p>
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2.5 Driving Intellectual Property in Enterprise

Intellectual Property (IP) is a topic of high global importance for fostering innovation, doing business and succeeding in markets and for creating jobs and growth. Recent studies show that 39 per cent of total economic activity and 26 per cent of employment in the EU is generated by IP-intensive sectors, and jobs in these sectors enjoy a wage premium, with 40 per cent higher remuneration compared to non-IP-intensive sectors.

Evidence points to an opportunity for firms based in Ireland to derive more economic value from knowledge generation by an increased focus on Intellectual Property Rights. A study by the Department of Jobs, Enterprise and Innovation suggests that policy interventions should focus on:

- Increasing IP capacity and usage of formal and informal IP at firm level;
- Innovation active firms and internationally trading firms; and
- Widening the base of innovation active firms engaging in IP.

In order to drive greater levels of IP activity amongst the firm base and deliver on our ambition of doubling Ireland's performance on IP management by enterprises and join the best in class in Europe, there are a number of specific areas that Ireland needs to take action on. These include: raising awareness of the value of IP strategies amongst firms; supporting the development of enhanced IP management capability within firms; and investing in widespread education on IP.

Knowledge Development Box

Following the Budget 2015 Road Map for Ireland's International Tax Competitiveness, in Budget 2016 the Government announced the introduction of the Knowledge Development Box. This is an income-based tax regime for certain intangible assets which takes effect from 1 January 2016. The introduction of the Knowledge Development Box will further strengthen the attractiveness of Ireland as a place for innovation, entrepreneurship and investment – delivering sustainable job creation and growth.

By being the first country world-wide to offer an OECD compliant Knowledge Development Box, Ireland is offering certainty to global and Irish owned enterprises. Ireland's rate is 6.25 per cent (half of the corporation tax rate of 12.5 per cent) which is internationally competitive. The Knowledge Development Box complements the existing suite of initiatives and supports available to companies that undertake R&D activities in Ireland across the lifecycle of research and development – including R&D tax credits, RD&I grant supports, tax relief for investment in intangible assets, significant state investments in National Research Centres and knowledge transfer infrastructures, and advisory supports for accessing Horizon 2020 funding.

2016 Actions

Driving IP capacity and activity in enterprise

31	Support the Knowledge Development Box by amending the Patents Act, 1992 to allow for the reintroduction of substantive patent examination in Ireland to ensure qualification for all Irish granted patents under the Knowledge Development Box.	(DJEI)
32	Develop a new certification scheme, underpinned by legislation, to enable the Controller of Patents to consider applications for inventions that claim to be novel, non-obvious and useful in line with the OECD nexus approach and that qualify for the Knowledge Development Box in line with the Finance Bill 2016.	(DJEI/Patents office)

33	<p>Introduce the new Knowledge Development Box and special provisions for SMEs to support their IP generation and exploitation.</p> <p style="text-align: right;">(DoF, DJEI)</p>
34	<p>Establish an overarching inter-agency group to scope out and develop a roadmap leading to the development and building of IP capacity at enterprise level including awareness building around IP management in enterprise.</p> <p style="text-align: right;">(DJEI, EI, IDA, SFI and other relevant bodies)</p>
35	<p>Work towards completion of the implementation of the new European Patent system and the Unified Patent Court to provide an alternative patenting option for industry.</p> <p style="text-align: right;">(DJEI/Patents Office)</p>
36	<p>Progress legislative reform in the copyright area to provide a more progressive IP environment fit for the digital age and responding to the work of the Copyright Review Committee.</p> <p style="text-align: right;">(DJEI with relevant Departments)</p>

3 Increasing Labour Market Participation

Since they were launched in 2012, the *Action Plan for Jobs* and *Pathways to Work* strategies have complemented each other as twin approaches to labour demand and supply respectively. This approach, which continues into 2016, has proven to be effective in bringing about a jobs recovery. The unemployment rate has fallen below nine per cent for the first time since 2008, down from a high of 15.1 per cent in early 2012 to 8.8 per cent in December 2015.

We are also making progress on reducing the numbers of long-term and youth unemployed. In the year to Q3 2015, the long term unemployment rate declined from 6.4 per cent to 5.0 per cent, while youth unemployment has fallen from 23.2 per cent to 20.8 per cent. Part time underemployment has also decreased by 14.4 per cent in the year to Q3 2015.

A key objective of this Government is to ensure that the increase in employment generated by the actions under this Action Plan translates into a reduction in the number of people dependent on jobseeker payments and in particular those who are in long-term receipt of jobseeker payments. Towards this end the Government has, under *Pathways to Work*, developed a programme of activities to ensure that as many of the jobs created under the Action Plan for Jobs are filled by people taken from the Live Register.

While significant progress has been made in reducing the number of people unemployed, unemployment is still unacceptably high. The new *Pathways to Work 2016-2020*, which was published in January 2016, reflects a change from 'activation in a time of recession' to 'activation for a recovery' and has two main objectives:

- Continue and consolidate the progress made to date with an initial focus on working with unemployed jobseekers, in particular people who are long-term unemployed; and
- Extend the approach of labour market activation to other people who, although not classified as unemployed jobseekers, have the potential and the desire to play an active role in the labour force.

The measures to deliver on these objectives fall under six broad headings:

- Enhancing the quality of engagement between unemployed people and Intreo;
- Increasing the employment focus of activation programmes and opportunities;
- Making work pay;
- Incentivising employers to offer jobs and opportunities to unemployed people;
- Building organisation capacity to deliver high quality services to unemployed people; and
- Ensuring the strategic reforms underway in the education and training sectors are closely aligned with the needs of employers, workers and jobseekers.

As in previous years, the actions in the new *Pathways to Work* strategy to deliver on the above objectives will be reported separately.

Over the medium term, our objective is to ensure that all those who want a job are equipped with the skills to avail of job opportunities as they arise. Educational attainment is a good predictor of labour force activity: 17 per cent of those with a third level qualification are inactive compared to 33 per cent of those with a higher secondary or Post-Leaving Certificate qualification. While the focus of the new *Pathways to Work* strategy must remain on the unemployed for now, during 2016 we will explore the potential to undertake the preparatory work on measures to expand the labour market planned for the second phase of the new Pathways strategy.

Greater female participation in the work force has the potential to deliver significant social and gender equality benefits, while also helping to address the growing need for skills and talent. Currently, women make up 63 per cent of the inactive working age population. Enhancing the availability of high quality, affordable childcare is important to make participation in the labour force more attractive to parents.

The Government is committed to developing sustainable childcare solutions and as part of Budget 2016 we announced €85 million to support a portfolio of activity over the next 12 months. Key measures include the extension of the Early Childhood Care and Education (ECCE), funding for an additional 8,000 community childcare subvention places for families on low incomes and the provision of a €3 million capital fund to extend the availability of after-school services. In 2016 the Department of Justice and Equality’s training for women returning to the workforce initiative will provide supports to women currently detached from the labour market by offering them a locally delivered development course comprising a series of training opportunities focusing on self-development and work related skills.

People with disabilities are only half as likely to have a job as the population at large. In October 2015, the Government adopted a ten year Comprehensive Employment Strategy for People with Disabilities (2015-2024) which sets out a strategic approach to promote employment of people with disabilities, with a particular focus on stemming flows into economic inactivity both from school leavers and from those experiencing onset of a disability in the course of working life. The strategy includes an action plan for the first three years with detailed targets and timeframes.

The objectives for 2016 are to:

- Increase the frequency and quality of engagement with registered jobseekers;
- Facilitate and advance recruitment levels from the Live Register to enterprise development agency client companies;
- Continue to invest in childcare to support labour market participation;
- Roll out the Youth Employability Initiative; and
- Implement the Comprehensive Employment Strategy for People with Disabilities.

2016 Actions

Increasing labour market participation	
37	Continue the development and reform of the State’s public employment services to help ensure that the number of people on the Live Register is reduced as the economy recovers and the labour market responds flexibly and efficiently to employment growth. <div style="text-align: right;">(DSP)</div>
38	Promote and support development of the “Skills to Work” brand to increase awareness of re-skilling options for jobseekers. <div style="text-align: right;">(DES, DSP, D/ Taoiseach, SOLAS, HEA, Skillnets)</div>
39	Lead and coordinate the actions of the Steering Group to ensure implementation of the Protocol between the Department of Social Protection and the Department of Jobs, Enterprise and Innovation, the aim of which is to maximise recruitment from the Live Register by enterprise development agency client companies. <div style="text-align: right;">(DJEI, supported by DSP and the enterprise development agencies)</div>

40	<p>Continue to invest in childcare to support labour market participation.</p> <p style="text-align: right;">(DCYA)</p>
41	<p>Fund locally delivered courses for women which will comprise a series of training opportunities on self-development and work related skills to assist a return to the labour market and promoting entrepreneurship.</p> <p style="text-align: right;">(DJE)</p>
42	<p>Implement the Government's Comprehensive Employment Strategy for People with Disabilities.</p> <p style="text-align: right;">(DJE)</p>
43	<p>Establish a pilot three-year Employer Helpline and Disability Support Service, to provide peer information and advice to employers and to share good practice on the employment of people with disabilities, with the aim of increasing disability competence and confidence among employers and promoting increased employment of people with disabilities.</p> <p style="text-align: right;">(DJE)</p>
44	<p>Roll out the Youth Employability Initiative to enhance the employability of young people aged 15 to 24 years who are most at risk of unemployment and who are not in education, employment or training.</p> <p style="text-align: right;">(DCYA, CES)</p>
45	<p>Participate actively in the Department of Social Protection's Work Placement Programme and the National Internship Scheme.</p> <p style="text-align: right;">(D/Defence)</p>
46	<p>Initiate a pilot Employment Support Scheme, in conjunction with the Department of Social Protection, to enhance the prospects of participants aged between 18 and 24 years obtaining employment to help develop a path to economic independence.</p> <p style="text-align: right;">(D/Defence, DSP)</p>

Department of Social Protection and the Enterprise Development Agencies' Protocol

In May 2015 IDA Ireland, Skillnets, the IMDA Skillnet and the Department of Social Protection (DSP) launched an Engineering Process Technician training programme, focused on persons on the live register in the North West Region.



The launch of the Engineering Process Technician Training Programme in IT Sligo on the 7th Sept 2015

The objective of the multi-agency programme is to identify, train up to 16 persons currently on the live register and offer 3 month paid placements with companies in the Medical Device and Precision Engineering sectors located in the Sligo area.

The successful completion of the training course and placement will result in an NFQ level 6 qualification in process engineering.

The participating companies are Abbvie, Lindal (Litec Moulding), Protek, Ophardt and Verus. Verus is an

Enterprise Ireland client company, while all the others are clients of IDA Ireland. A key driving force behind the initiative is the need for Medical Technology/ Precision Engineering companies in the region, and indeed nationally, to increase the flow of new skilled talent into the sector.

The course has been designed by the participating companies, and focuses on providing a basic grounding in Good Manufacturing Practice (GMP), Basic Metrology, Injection Moulding, Basic Electrics, Pneumatics, Hydraulics and interpreting drawings.

The course is funded by Skillnets and the IMDA Skillnet. The candidate identification and selection process was run by DSP, in close coordination with the participating companies. The participating companies in collaboration with IDA Ireland identified and defined the skill set to be addressed. IT Sligo, in collaboration with First Polymer Skillnet Athlone, won the contract to provide the training course.

An information day for potential candidates identified by DSP was held on July 6th 2015 last in Sligo. At the information day potential candidates got to meet and see presentations from representatives of the participating companies, and learn more detail about the structure and content of the training programme and work placements.

Following the information day, 70 candidates, out of the 80 plus who attended the information day applied for the training positions. From this the companies selected and interviewed 60 candidates and 16 were subsequently awarded places. The course started in September 2015, and will finish in January 2016. The three month paid placements are scheduled to start in January 2016 and be completed by late April 2016.

About the Protocol

As part of the Action Plan for Jobs and *Pathways to Work*, the Department of Social Protection, the Department of Jobs, Enterprise and Innovation, IDA Ireland, Enterprise Ireland and the Local Enterprise Offices (LEO's) have agreed a protocol that seeks to maximise the recruitment of appropriately skilled persons from the Live Register by enterprise agency client companies. To find out more about labour activation measures planned for 2016 see chapter 3.

4. Delivering Skills for a Growing Economy

Access to a high quality talent pool is becoming the defining feature of modern competitive economies, a trend driven by the move towards increasingly knowledge based activities. The OECD has called skills the new global currency of 21st century economies and many countries have placed a major focus on human capital development and investment in education and training, raising their skills profile, productivity and attractiveness to international investors.

The use of skills is meanwhile being impacted internationally by a changing and dynamic environment, driven by global trends expected to persist over the coming decade. As highlighted by Ireland's new 10 year enterprise strategy, *Enterprise 2025*, factors including technological change, the emergence of global value networks, shifting economic power structures, changing consumption patterns, increasing urbanisation, and the emergence of new ways of working, are forecast to reshape the environment in which business operates, and give rise to more frequent skills obsolescence and workforce transitioning.

It is against this global background that Ireland must compete to develop and attract talent in the coming years. During 2015, we have sought to comprehensively address our skills needs through the wide-ranging actions committed to under the Disruptive Reform on the National Talent Drive and reinforce Ireland's positive global reputation for the quality of its people and clearly establish Ireland as a hub for talent. We successfully rolled out employer focused programmes for the unemployed, including Springboard+ 2015 (which provided for 9,000 places on 285 courses in 42 colleges) and the second iteration of Momentum (provided up to 6,000 additional training and education places to the long-term unemployed). We announced 25 new apprenticeship proposals across a range of sectors which will be developed in 2016. We are establishing a network of Regional Skills Fora to foster greater engagement between the education and training system, employers and other enterprise stakeholders in identifying and addressing the skills needs of each region. We also published the *Strategy for Higher Education-Enterprise Engagement 2015-2020*.

The Department of Education and Skills is leading the development of a new National Skills Strategy for the period to 2025. The demand for and availability of skills is impacted by a range of issues including economic performance, growth and decline in particular sectors, investment, demographic change, changes in the skills required for particular occupations, skills deficiencies in the population as well as the availability of unemployed people and people who are not currently participating in the labour market with unused skills. This changing and dynamic environment means that the skills requirements of the economy are continually changing and the development of a skills strategy will ensure a coherent response to future skills needs.

An examination of progress against 2020 targets set out in the 2007 National Skills Strategy generally shows strong progress has been made. This is encouraging given that many of its targets focus on progression of the population up the national framework of qualifications and we know that better employment outcomes and lifetime earnings are strongly linked with levels of educational attainment. In Ireland in Q4 2014, the unemployment rate for people with lower secondary or less education was 18 per cent, whereas it was 12 per cent for those with higher secondary or further education and training and six per cent for those with higher education. Participation in lifelong learning in Ireland (6.7 per cent in 2014) lags the EU average of 10.7 per cent. People with lower skills are also more likely to be economically inactive. Overall, progress has been slower in reducing the numbers with low or no qualifications and in increasing the numbers with intermediate level skills than it has been in increasing the numbers with higher level qualifications. This is an important consideration in framing the new strategy and in tackling longer term unemployment.

The new strategy will set out a framework for the period up to 2025 for how Ireland can continue to develop relevant skills and ensure that our supply of skills is activated and effectively used. This will

include formally setting out our structures at national and regional level to produce and disseminate good quality labour market information to inform education and training provision; identify skills gaps; and engage with employers on key skills issues and on shaping supply. These will build on existing structures, including the newly created Regional Skills Fora. Amongst other things, the new structures will need strong engagement at national and regional level from all stakeholders to ensure effective communication and collaboration at all levels of the system.

Policies to support talent and ensure the effective use of skills meanwhile go wider than the education and training system, with global competition for mobile talent. Both the attraction of talent and providing attractive places to live and work are also key to sustaining and building on current levels of FDI job-creation. It is critical that we continue to nurture talent to meet the needs of an advanced economy, and make sure that work always pays. Nurturing the talent pool in Ireland means being able to develop, attract and retain the talent required.

This year the Disruptive Reform ‘Step-Up on Enterprise Skills Supply’ outlines the new opportunities that will be available for employers and jobseekers in 2016 (see section 2.1). In 2016, we will also focus on ensuring that labour market constraints do not act as a barrier to sustainable economic and employment growth.

Our key objectives for 2016 include:

- Implementing the new National Skills Strategy;
- Developing a Workforce Development Strategy in alignment with the new National Skills Strategy to improve lifelong learning;
- Continuing to implement the *ICT Skills Action Plan 2014-2018* to ensure we meet our targets; and
- Measures to attract talent.

2016 Actions

Enhancing the responsiveness and capacity of the education and training system to meet enterprise needs

47	Finalise and publish the new National Skills Strategy. The new strategy will set out the framework for the period to 2025 for how Ireland can continue to develop relevant skills and ensure that our supply of skills is activated and effectively used. (DES, DJEI, DSP, SOLAS, HEA, education and training providers, employers)
48	Implement the <i>Strategy for Higher Education-Enterprise Engagement</i> , including enhanced communications, comprehensive employer access to skills and research development opportunities in Higher Education and Training, and embed entrepreneurship as a core feature of Higher Education and Training. (DES, HEA, HEIs)
49	Continue to progress the reconfiguration of the higher education system envisaged by the National Strategy for Higher Education, through the further development of regional clusters of higher education institutions and implementation of the revised higher education landscape. (HEA, DES)

50	Continue implementation of the Strategic Dialogue process for 2016 under the <i>Higher Education System Performance Framework 2014-2016</i> , including monitoring of performance metrics for the skills needs of the economy.	(HEA)
51	Develop a Workforce Development Strategy for employees, in alignment with the new National Skills Strategy, and in consultation with enterprise and education and training providers regionally and nationally.	(SOLAS, DES)
52	Systematically monitor and evaluate the impact of Springboard+ to further strengthen the contribution of the programme to supporting learners and skills development, job creation, reducing unemployment and meeting the skills needs of emerging industries.	(HEA)
53	Roll out the 2016 call for proposals for Springboard courses, with a particular focus on priority areas identified by industry through the Expert Group on Future Skills Needs including ICT, the medtech and biotech sectors; skills for enterprise to trade internationally; international financial services; and entrepreneurship and business start-ups.	(HEA, HEIs, Employers)
54	Finalise and publish the Foreign Languages Strategy.	(DES, HEA, HEIs, NCCA, schools)
55	Deliver the third Further Education and Training Services Plan incorporating improved alignment of provision to employment opportunities and identified skills needs.	(SOLAS)
56	Review the skills gaps identified by Enterprise Ireland's clients as an input into the Regional Skills Fora and the policy making process.	(EI)
57	Embed the Graduates Business Growth (G4G) Initiative in 80 Enterprise Ireland client SMEs.	(EI)
58	Develop a new strategy for technology-enhanced learning for the further education and training sector.	(SOLAS)
59	Increase the number of research Masters awards under the Irish Research Council Employment Based Programme to address national skills requirements, particularly in the SME sector.	(IRC)

60	<p>Through the National Skills Bulletin report, the Expert Group on Future Skills Needs will identify key existing and emerging skills needs of the economy to inform education and training providers and other stakeholders and assist in the alignment of skills provision with the needs of enterprise.</p> <p style="text-align: right;">(EGFSN)</p>
61	<p>Conduct a review of the supply and demand of the skills required to meet the needs of the biopharma sector and identify gaps in provision, including a profiling of current provision.</p> <p style="text-align: right;">(EGFSN, DJEI)</p>
62	<p>Review the status of recommendations made in reports of the Expert Group on Future Skills Needs, including 2015 reports on the freight transport, distribution and logistics sector and the hospitality sector, with a view to progressing implementation of the recommendations and, in particular, those that require prioritisation.</p> <p style="text-align: right;">(DJEI, EGFSN)</p>
<p>Developing the pipeline for skills</p>	
63	<p>Deliver a strengthened Communications Strategy for the Expert Group on Future Skills Needs, which will result in more effective dissemination of information on the skills needs of the economy through improved engagement with education and training providers and other key stakeholders.</p> <p style="text-align: right;">(EGFSN, DJEI)</p>
64	<p>Drive increased collaboration between Government, industry and education under the Smart Futures programme.</p> <p style="text-align: right;">(SFI)</p>
65	<p>Implement the <i>National Plan for Equity of Access to Higher Education 2015-19</i>, including funding and actions targeting increased access and participation in higher education by mature and part-time students.</p> <p style="text-align: right;">(DES, HEA, HEIs, other stakeholders)</p>

4.1 Increasing ICT Skills

The *ICT Skills Action Plan 2014-2018*, published in March 2014, aims to meet ICT skills needs through a mixture of domestic supply and skilled inward migration (both from within the EU and through the reformed employment permit system). The target is that by 2018, 74 per cent of supply will come from the Irish education system. A High Level Steering Group on ICT Skills, co-chaired by the Departments of Education and Skills, and Jobs, Enterprise and Innovation, and comprising senior enterprise and education representatives, is responsible for monitoring and overseeing delivery of the plan. Between 2012 and 2015, there were over 12,000 ICT graduates of level 8, 9 and 10 programmes in higher education institutions. During 2015, Skillnets conversion programmes delivered training for around 240 participants and 10,600 training days. We also undertook a range of initiatives in higher education institutions to enhance retention in ICT programmes. In 2016 we will continue to deliver the measures required to meet the ICT skills requirements in the economy.

2016 Actions

Increasing ICT Skills	
66	Through strengthened collaboration between Government, the education system and industry and as part of the goal of making Ireland the most attractive location in the world for ICT skills and ability, implement the key actions from the <i>ICT Skills Action Plan 2014 – 2018</i> . (HEA, HEIs, Employers)
67	To continue to increase the supply of ICT graduates, provide a higher incentive for 500 additional places on Level 8 ICT programmes in 2016. Review implementation of the <i>ICT Skills Action Plan 2014-2018</i> in 2016 and what additional measures can be taken. (DES, HEA, HEIs)
68	Continue collaboration and engagement between enterprise and higher education providers to provide Level 8 ICT Conversion programmes as part of the Springboard+ 2016 programme. (HEA, HEI, Employers)
69	Provide support to institutions in delivering in excess of 20 Summer Computing Camps to encourage second-level students, including those targeted by the access programmes of institutions, to consider ICT careers, through the Information Technology Investment Fund, and the higher education institutions will continue to support Coder Dojo in provision of space, administrative supports and mentoring strategies. (HEA)
70	Provide support to higher education institutions to continue to implement retention supports for ICT students through the Information Technology Investment Fund. (HEA)
71	Undertake an analysis of data on ICT capacity in the Higher Education Sector. (DES, HEA)
72	Enhance industry input to programme content, provision of work placements and promotion of ICT programmes as part of the implementation of Skillnets ICT Conversion Programmes. (Skillnets)

4.2 Attracting world class talent to Ireland

Demand for skills continues to grow with 56,000 jobs created in the year to Q3 2015. Given our commitment to have 2.1 million people in employment by 2018 and the tightening labour market – the labour force at the end of Q3 2015 stood at 2.17 million – we also need to start considering measures to increase the labour market.

Ireland has developed a significant competitive advantage as a magnet for world-class talent. Through our sustained focus on ensuring Ireland remains an attractive place to live and work we will further enhance Ireland’s status as a hub for high skills. We will ensure we have the people and talent needed to meet enterprise needs, drive future growth and achieve sustainable improvements in living standards.

The importance of connecting with our diaspora around the world is recognised across Government and we will take practical steps to encourage our emigrants to return home. The *hometowork* communications campaign, which ran in the Christmas period of 2015, aimed to start a conversation at home and among the Irish diaspora abroad about coming back to Ireland to live and work and to encourage them to consider moving back to Ireland to participate in our economic recovery. This conversation was driven largely on social media using the hashtag #hometowork.

We will launch a web portal to promote Ireland as a destination for high skilled professionals and provide a single, focal point for information geared to make moving easier for talented professionals and their families.

In 2015 the Department of Jobs, Enterprise and Innovation launched its Trusted Partner initiative which streamlines the application process for firms applying for employment permits on behalf of employees. The launch of an online application system for employment permits in 2016 will further enhance the employment permit service.

Ensuring Ireland remains an accessible, appealing and welcoming destination for in-demand, high skilled overseas talent is a core focus of our activity in 2016.

2016 Actions

Attracting world class talent to Ireland, including our emigrants and diaspora	
73	Deliver the online application system for employment permits. (DJEI)
74	Undertake the Remuneration Review to provide clearly defined criteria for use in an evidence based setting of salary thresholds for Employment Permits. (DJEI)
75	Undertake the Biannual Review of Highly Skilled and Ineligible Occupations Lists. (DJEI)
76	Utilise the Research Professorship Programme to attract leading research talent to Ireland in key areas of opportunity. (SFI)
77	Explore, in the case of non-European Economic Area students obtaining Irish masters and doctoral degrees, the possibility of extending the current 12 month postgraduate permission. (DJE)

4.3 Making Work Pay

The principal function of the Low Pay Commission, which was established during 2015, is to examine the national minimum hourly rate of pay annually and make a recommendation to the Minister for Jobs, Enterprise and Innovation. The Low Pay Commission is also charged with submitting a report on the matters considered when making the recommendation. The recommended increase in the minimum wage to €9.15 per hour came into effect on the 1st January 2016.

Along with its main task of making a recommendation on the appropriate rate for the national minimum wage, the Low Pay Commission will also undertake additional research in relation to other related matters. In 2016, it will examine the appropriateness of the sub-minima rates as currently provided for, in particular their impact on youth unemployment rates and participation in education. It will also examine the issues around the preponderance of women on the national minimum wage to obtain a better understanding of the composition and profile of this group and the underlying causality.

A competitive income tax regime is critical to attract and retain individuals in Ireland and more generally to encourage people to remain in or return to the labour market. We will reduce the tax burden as resources become available.

2016 Actions

Making work pay	
78	Undertake analysis and make a recommendation on the appropriate level of the national minimum wage. (LPC)
79	Examine the appropriateness of the sub-minima rates which currently apply, with regard, in particular, to their impact on youth employment rates and participation in education. (LPC)
80	Examine the issues surrounding the preponderance of women on the national minimum wage and report its views in relation to the underlying causes. (LPC)
81	Reduce the income tax burden, as resources become available, to make Ireland more attractive for all workers, including for mobile foreign investment and skills and for our returning emigrants. (DoF)

Smart Futures – Young People and Stem Careers

Smart Futures is a collaborative government-industry-education programme that provides information about careers in science, technology, engineering and maths (STEM) to post-primary students in Ireland. It does this through the careers resource website, www.SmartFutures.ie and by providing access to STEM role models to students, parents, guidance councillors and teachers.



CAO students with Alto Cloud CEO and Dragon's Den star Barry O'Sullivan

The programme aims to challenge negative stereotypes about careers in STEM, improve national coordination of industry/research efforts to drive the uptake of STEM subjects at post-primary and third level and ultimately increase STEM graduate numbers. It is managed by

Science Foundation Ireland in partnership with Engineers Ireland STEPS programme.

Smart Futures has directly engaged over 92,000 post-primary students nationwide since its inception in 2013 and earlier this year launched a new online booking system for schools to request free career talks.

There are now over 1,500 STEM volunteers from industry and SFI Research Centres available across the country via the Smart Futures programme, ready to share their career experiences with young students and answer practical questions about STEM study and career paths so that students can make more informed decisions.

Over 50 organisations from sectors including ICT, pharmaceutical, medical devices, space, engineering, financial services, food and energy are participating in Smart Futures outreach activities, providing volunteers to visit schools and connect with students during events such as Science Week, Engineers Week, SciFest, career fairs and more.

About Smart Futures and Action Plan for Jobs

The Smart Futures programme is an important initiative in the portfolio of actions that seek to support our skills competitiveness. To find out what other Actions are planned to enhance Ireland's pool of world class talent check out the Step-up in Enterprise Skills Supply Disruptive Reform and Chapter 4 - Delivery of Skills for a Growing Economy.

5 Innovation

Measures to promote innovation are an important component of Ireland's research, development and innovation (RDI) systems. Innovation support makes a critical contribution to enterprise policy, and to the goal of developing a competitive national economy, through the stimulus given by innovation to high value economic activities and jobs. By encouraging the development of new economic activities, RDI policy measures strengthen Ireland's competitive advantage and build potential new areas of economic activity. The impacts of innovation and research include increased competitiveness, maintaining high-value jobs and attracting foreign direct investment, developing our human capital and ensuring a culture of evidence-based policy, processes and practices in both the public and private sectors.

Ireland's investment in RDI has in the past decade been guided by the *Strategy for Science, Technology and Innovation 2006-2013*. This strategy put Ireland on the global map in terms of research excellence, helping to build up a strong research capacity, and brought us to the forefront in generating the use of new knowledge for economic and social progress, within an innovation driven culture. Past investment has facilitated an increasing base of enterprises engaging in RDI activity, and has been instrumental in securing, diversifying and growing foreign direct investment, the licensing of new technologies, creation of new companies, and provision of a highly educated workforce needed to grow the economy and contribute to society. Since 2009, we have been listed among the top 20 countries in global rankings for the quality of our scientific research with our ranking in citations moving up to 16th place in 2014.

Recent years have seen a maturing of our national ambition. 2012 saw the introduction of a step change in public policy in research and innovation, with research prioritisation implemented as the Government's primary science, technology and innovation policy goal. A majority of competitive funding is now concentrated on areas which are deemed most likely to achieve greatest economic and societal impact.

We launched *Innovation 2020*, our five year strategy on research and development, science and technology which sets out the roadmap for continuing progress towards the goal of making Ireland a global innovation leader. The new strategy will allow us to build on the significant progress made to date in developing Ireland's research and innovation system, as we continue to support research excellence across the full continuum and all disciplines. It complements the whole of Government approach to innovation advanced through the national and regional actions plans process, *Enterprise 2025*, the *National Policy Statement on Entrepreneurship*, and the forthcoming National Skills Strategy. *Innovation 2020* sets out the roadmap to deliver on our vision by focusing on excellence, talent and impact.

We remain committed to maintaining and improving standards in the excellence of our research. People are our biggest asset. As the European country with the highest proportion of young people, we have the opportunity to nurture this talent to best serve the needs of our society and economy. The strategy commits to increasing enrolments in Masters and PhDs to meet growing demand for talent from enterprise. We will continue to ensure that research is supported in strategically important areas that have impact for the economy and for society. This includes research that has direct relevance for the enterprise base, and meets the needs of society including improving the quality of our public services; protecting the environment, our natural resources and the climate; and ensuring food security and sustainability of energy supply.

A key commitment in the strategy is to increase public and private investment in research. A path is presented to obtaining an increase in public research investment and to leverage greater private investment in order to reach Ireland's research and development intensity target of 2.5 per cent of GNP by 2020. We will maintain a focus on the relevance as well as the impact of research and put in

place the framework conditions to encourage greater engagement in RDI in both indigenous and foreign owned enterprises, and in SMEs and large scale enterprises. It also commits to supporting the full continuum of research, from frontier research- research at or beyond the frontiers of understanding- to the creation and development of research informed innovation products, processes and services. Research excellence across all disciplines will be supported, as will the provision of necessary research infrastructure.

Innovation 2020 introduces a challenge centric approach by committing to explore support for research focussed on national and global challenges which academia, public sector and enterprise can work collectively to address. The strategy also recognises the importance of innovation in ensuring that the public sector embraces the most efficient systems and service delivery. Collaboration is a cross cutting theme in the strategy including within the public research system, between public and private and at international level.

The benefits of international and EU collaboration in research and innovation accrue not only to our researchers but also to our enterprise base and public policy makers. This manifests itself through access to shared infrastructure and facilities, being able to collaboratively address global societal challenges, and obtaining financial support from EU programmes such as Horizon 2020 and the Structural Funds.

Optimising the transfer of knowledge from our public research system to enterprise has been central to our strategy for science and innovation for many years. We have built up capacity within the public research system to engage with industry on issues relating to intellectual property, and we have assisted the enterprise sector to absorb research outputs and to engage with the academic research community.

Knowledge Transfer Ireland, based in Enterprise Ireland and co-funded by the Irish Universities Association, enables the enterprise sector to leverage the commercial potential of Irish research and innovation by connecting businesses with cutting edge research, expertise and opportunities. Knowledge Transfer Ireland has promoted the use of Ireland's IP Protocol across the public research system and industry and will publish a revision of the Protocol in early 2016 to take account of the experiences of users. The Protocol will be complemented by practical 'how to' guides to help researchers and enterprises to engage with each other on matters relating to IP.

To maximise efficiency of State resources in driving and overseeing implementation of *Innovation 2020*, a streamlined governance structure will underpin a whole of Government approach to its delivery.

Our key objectives for 2016 include:

- Reviewing all enterprise RDI supports to ensure that these supports meet the needs of small and early stage firms as well as the needs of larger, established firms;
- Promoting all available RDI supports to enterprise to maximise take-up of supports and ensure the maximum use of publicly-funded research;
- Delivering on targets for the transfer of economically valuable research outputs to enterprise, from all publicly-funded research, through the knowledge transfer infrastructure supported by Knowledge Transfer Ireland;
- Securing €150 million in research funding to Irish companies and academics under Horizon 2020; and
- Encouraging more start-ups and SMEs to utilise design as a competitive advantage and promoting Ireland's creative economy and design excellence as part of our enterprise and innovation culture.

2016 Actions

Promoting innovation	
82	<p>Within the current cycle of Research Prioritisation, stimulate public research on services and business processes and manufacturing competitiveness</p> <p style="text-align: right;">(SFI, HEIs, IRC)</p>
83	<p>Initiate a market-led horizon scanning exercise to prepare for the next cycle of Research Prioritisation, due in 2018.</p> <p style="text-align: right;">(DJEI, research funders, enterprise development agencies, key stakeholders)</p>
84	<p>Review all enterprise RDI supports to ensure that these supports meet the needs of small and early stage firms as well as the needs of larger, established firms.</p> <p style="text-align: right;">(DJEI, EI, IDA and other relevant funders)</p>
85	<p>Increase awareness of supports and ensure maximum use of publicly-funded research, by the promotion and showcasing of available research, development and innovation supports to enterprise through the Knowledge Transfer Ireland website and other opportunities at a regional and national level.</p> <p style="text-align: right;">(KTI/EI with all funders, IDA, SFI and other relevant stakeholders)</p>
86	<p>Publish a revised IP Protocol to ensure that the Irish protocol remains best in class and knowledge transfer capabilities between academia and industry are increased.</p> <p style="text-align: right;">(DJEI/KTI/EI)</p>
87	<p>Further drive industry-academic collaboration and exploitation of Intellectual Property from the public research system through active promotion of the resources and know-how available to facilitate this, through Knowledge Transfer Ireland.</p> <p style="text-align: right;">(KTI/EI)</p>
88	<p>Develop standardised key performance indicators and associated targets for maximising the impact of the technology gateways, technology centres and research centres, including <i>inter alia</i>, enterprise co-funding and movement of researchers into enterprise.</p> <p style="text-align: right;">(DJEI, EI, IDA, SFI)</p>
89	<p>Ensure that all relevant research funding programmes incentivise collaboration between research performing institutions and centres in order to maximise impact.</p> <p style="text-align: right;">(Innovation 2020 Implementation Group, SFI, EI)</p>
90	<p>Achieve €600 million in R&D investment annually to have a cumulative €3 billion in new R&D investments by 2019.</p> <p style="text-align: right;">(IDA)</p>
91	<p>Increase collaboration between firms and the public research system.</p> <p style="text-align: right;">(SFI, EI)</p>
92	<p>Examine barriers to pension portability that can restrict researcher mobility.</p> <p style="text-align: right;">(DES, HEA, HEIs, RPOs)</p>

93	<p>Ensure a strategic approach to the development of existing and new research infrastructure programmes.</p> <p>(DJEI, DES, SFI, HEA with other departments and funders, HEIs, enterprise agencies and other stakeholders, research funders)</p>
94	<p>Support collaboration between the health system and enterprise leading to development and commercialisation of new healthcare technologies and to facilitate the health system to find efficiencies and improvements.</p> <p>(EI, DJEI, DoH, HIHI)</p>
95	<p>Deliver on targets for the transfer of economically valuable research outputs to enterprise, from all publicly-funded research, through the knowledge transfer infrastructure supported by Knowledge Transfer Ireland.</p> <p>(EI/KTI in collaboration with all research funders)</p>
96	<p>Drive the national Horizon 2020 European engagement agenda to secure €1.25 billion by 2020 in research funding for Irish companies and academics.</p> <p>(EI, Horizon 2020 National Support Network, Research Performers, Strategic Research Proposals Group reporting to High Level Group, SFI, IRC)</p>
97	<p>Expand the Technology Gateway network to ensure better regional geographic and technological coverage.</p> <p>(EI)</p>
98	<p>Identify a pipeline of potential Small Business Innovation Research projects.</p> <p>(EI)</p>
99	<p>Develop and operate the Regional Innovation Process to foster peer-to-peer interactions and SME-HEI linkages (people, resources, training and research).</p> <p>(EI)</p>
100	<p>Drive market led innovation which addresses real patient needs through continued support of the Fellowship aspect of the Bio Innovate Ireland Programme for High Potential Start-Ups.</p> <p>(EI)</p>
101	<p>Run an Innovation for Growth programme (I4G) to 30 Enterprise Ireland client companies in 2016.</p> <p>(EI)</p>
102	<p>Secure €12 million in contracts from the European Space Agency.</p> <p>(EI)</p>
103	<p>Increase the early career stage human capital in Ireland.</p> <p>(SFI)</p>
104	<p>Expand Science Foundation Ireland industry facing programmes to seed the establishment of long term collaborations of academic researchers with SMEs and MNCs in areas of economic importance.</p> <p>(SFI)</p>

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105	Grow and develop the 12 existing Science Foundation Ireland-supported research centres. (SFI)
106	Fund new world-leading, large-scale research centres that will provide major economic impact for Ireland. (SFI)
107	Grow the total number of Industry Fellows to 80 thereby increasing the pool of researchers strongly positioned to take up employment in industry in Ireland. (SFI, EI, IDA)
108	Cultivate individual enterprise focused early stage career researchers, and building on a decade of partnering with 300 employers, increase the number of Enterprise Partnership Scheme Post doctorate awards. (IRC)
109	Partner on research with Government entities and civic society to address national societal challenges. (IRC)
110	Promote the new innovation standard among the third-level education sector and research community in Ireland. (NSAI)
111	Take steps to establish a national biobanking system and support infrastructure. (HRB)
112	Following investment to establish Clinical Research Facilities in Dublin, Cork and Galway and the establishment of Clinical Research Coordination Ireland, take steps to improve the accessibility and usage of the connected infrastructure for clinical studies and/or clinical trials. (HRB, CRCI)

5.1 Design for Innovation

Design driven innovation is an important dimension of the innovation eco-system. User-centric design is a key business differentiator and source of international business competitiveness for a number of key sectors. Crucially, design integrates both the development and the marketability of new products and processes. Therefore, a focus on design driven innovation can generate strong economic impacts. Design is pervasive, impacting all business sectors from manufacturing to the creative economy and in all regions of the country.

Design impacts across product development (e.g. medical devices, electrical devices, and food products) and is a key component in construction and consumer goods as well as in architecture and engineering. Design is also driving the emerging creative sectors such as graphics; film and animation; web interface and ICT design; costume and set design; organisational and service design; and even food design where future growth, exports and job creation are expected to outperform the norm.

Year of Design 2015 has engaged in a year-long programme to promote the value of design in Ireland, to promote Ireland's design capability internationally and to promote collaboration between the education sector, the design sector and the enterprise sector.

Influencing the design-led innovation management capability of SMEs will play a significant role in addressing lower innovation capability. In that context, the main objectives of our design policy are: to encourage more start-ups and SMEs to utilise design as a competitive advantage; to develop the design sector in Ireland; and to promote Ireland's creative economy and design excellence as part of our enterprise and innovation culture.

2016 Actions

Stimulating design driven innovation	
113	Consider what follow up actions are necessary in response to the Department of Jobs, Enterprise and Innovation research study on the <i>Economic Impact of Design Across All Sectors of the Economy</i> . (DJEI, EI, DCCOI)
114	Evaluate the delivery and outcomes of the 2015 Design 4 Growth pilot scheme led by LEO Dublin City which was aimed at assisting participating companies to use good design in a strategic way to enhance their product or service. (EI/4 Dublin LEOs, DCCOI)
115	Investigate the opportunity for Irish participation in design based projects under Horizon 2020. (EI, DCCOI)
116	Continue to promote Ireland as a source of internationally competitive design and creative, innovation-led companies. (EI)
117	Promote product design and design thinking as part of management capability in client companies via existing supports. (EI)

118	Conduct a scoping exercise on the nature of the design skills required across the economy to meet the future needs of enterprises in both design-intensive and non-intensive sectors. This will include a profiling of the current provision of design skills. (EGFSN, DJEI)
119	The Embassy Network, including through the Global Irish Network, will continue to promote Irish design internationally. (DFAT)

LeanTransform



Klasmann-Deilmann Ireland is part of a 100 year old international group based in Germany supplying organic substrates and peat products to the horticulture and food industries. Klasmann-Deilmann Ireland focuses

almost entirely on peat production and 95 % of its products are exported.

The harvesting of peat is a seasonal (summer) business and therefore productivity improvements are essential to maximise the potential of a short season.

The company wanted to shift its thinking from a reactive to a proactive approach to process planning and problem-solving. This required a significant shift in culture with much greater levels of employee engagement in designing and implementing process improvements. The company visited other businesses in other sectors to learn from their experience. As a result of the three projects (Lean Start, Plus and Transform), the whole company has been engaged with the Lean approach and considerable change has occurred.

An 'action board' meeting is held once a week encompassing all levels of the company while a number of process improvement projects are underway at any point in time. Each department has a target of six problem-solving meetings a year and each makes use of skilled internal resources. The consultant contracted under the Lean transform project reviews the success of the problem-solving activities and improvement projects.

The company has invested considerably in its Lean activities under Lean Transform and has improved its productivity during the harvest season by just over 50 per cent. This means it is able to harvest and sell 50 per cent more product per year for the same inputs. In addition, the administrative processing of sales information has been decreased from 7-8 minutes to 2 minutes ensuring that the additional product is sold and is sold efficiently. As is often the case in process improvement initiatives, staff were initially concerned that the Lean approach would lead to job cuts or wage reductions but staff have redeployed to other areas of the business, gained new skills and received wage increases annually.

Despite the recent change in Senior Management, current Managing Directors Ciaran Cuddy and Kevin Mahon are committed to sustaining the Lean philosophy at the company as facilitated by Quality Manager Ed Neenan. Over the last 5 years, changes have been evident – particularly from a cultural standpoint which Kevin alludes to, “We have noticed a real change in our culture. Previously, our problem solving skills would have been ‘Band-Aid’ at best. Now we try to identify the root cause which means we’re no longer resolving the same problem over and over”. Ciaran has also seen a change in the level of engagement amongst the team, adding “the engagement of our people is perhaps the biggest change over the last 5 years. We actively encourage our team to highlight problems on a daily basis”.

About LeanTransform

LeanTransform is a large scale, extensive and holistic company transformation programme run by Enterprise Ireland. To find out what Lean initiatives are planned in 2016 see Chapter 9.

6 Competitiveness

Since its introduction, the Action Plan for Jobs has recognised the fundamental link between competitiveness and job creation. All of the Action Plans to date have provided a sharp focus on specific aspects of the competitiveness agenda, particularly in the area of costs, improving Ireland's global competitiveness ranking and making it easier to start, run and scale a business.

As a result of our concerted efforts to improve competitiveness, Ireland's relative international competitiveness as measured by a range of international indices has improved. Ireland moved from 24th in 2011 to 16th in 2015 in the IMD's World Competitiveness Yearbook and from 29th to 24th in the World Economic Forum Global Competitiveness Report.

As the economy returns to growth, pressures are already emerging which could, if left unchecked, constrain our potential to increase economic activity and create jobs. Chief among them are skills shortages in key growth sectors, the availability of competitively priced residential accommodation and commercial property. We cannot put our hard won competitiveness gains at risk. We will ensure a sustained focus on improving competitiveness across all areas of Government activity in 2016, particularly to address structural issues which can bring about lasting improvements in competitiveness.

Our key objectives for 2016 include:

- A renewed focus on maintaining and improving our competitiveness – priority issues identified by the National Competitiveness Council will be brought to Government and followed up in a structured way, overseen by the appropriate Cabinet Committee structures;
- Delivering a range of measures to improve resource efficiency (e.g. energy, waste) which is one of the most effective ways for businesses to cut costs;
- Investing in economic infrastructure to support sustainable growth and competitiveness through the Capital Plan, *Building on Recovery: Infrastructure and Capital Investment 2016—2021*;
- Advancing the preparation of a new National Planning Framework, covering the period 2016 to 2036, as a successor to the National Spatial Strategy; and
- Improving the ease of doing business and reducing red tape.

6.1 Institutionalising the Drive for Competitiveness

A central tenet of successive Action Plans has been ensuring that we never again take our competitiveness for granted. The Government has already taken steps to strengthen the institutional arrangements which support competitiveness. For example, the Government has put in place a formal structure to ensure that all official Government decisions are analysed for any potential impacts on competitiveness before they are made. The Minister for Jobs, Enterprise and Innovation further strengthened the mandate of the National Competitiveness Council (NCC), appointed key industry figures to the Council, expanded its sectoral reach and tasked it with inputting to the Action Plan for Jobs on competitiveness issues.

The NCC's submission on the competitiveness priorities for 2016 outlined the competitiveness gains of recent years but highlighted the urgent need for both the public and private sectors alike to manage proactively their cost base and drive efficiency, thus creating a virtuous circle between the costs of living, wage expectations, productivity and cost competitiveness. If people want to grow jobs, grow the economy but ensure that it is sustainable, we must keep our eye on competitiveness.

As a small open economy, we need to be constantly looking to the future, to new markets, new products, and new opportunities. Maintaining and improving our competitiveness will remain vital to our success. In 2016, we will continue to build on what has been achieved and reinforce the progress made. Priority issues identified by the NCC (e.g. improving cost competitiveness with a particular focus on insurance, labour, property and energy costs; improving the ease of doing business, for example the administrative and regulatory procedures associated with registering property, enforcing legal contracts and dealing with construction permits; enhancing talent and skills; supporting innovation and productivity; and improving access to finance for enterprise) will be brought to Government and followed up in a structured way, overseen by the appropriate Cabinet Committee structures.

2016 Actions

Institutionalising the drive for competitiveness

120

The National Competitiveness Council's priority issues for sustainable competitiveness over the short and medium term will be brought to Government. Individual Government Departments will respond and bring forward proposals as appropriate to enhance competitiveness. This work will be overseen by the relevant Cabinet Committees.

(D/Taoiseach, all Government Departments)

6.2 Reducing the Cost of Doing Business

Ireland's improving cost competitiveness performance over the period 2011-2015 has been central to the recovery in employment and economic growth. Despite these improvements, the NCC cautions that Ireland's cost base is out of line with other locations with which we compete for trade and investment, and that there are a series of upward cost pressures emerging as the economy grows. There is a role for both the public and private sectors alike to proactively manage their cost base and drive efficiency.

Improvements in Ireland's relative cost competitiveness have been largely driven by external factors such as a weak euro, low ECB interest rates and low oil prices, which are unlikely to remain favourable in the longer term. As a small open economy, dependent on exports and foreign investment, any loss of cost competitiveness will have a major negative impact on both our economic prosperity and our standard of living. To protect gains made to date, we must focus on the controllable portion of our business cost base and continue to take action to address unnecessarily high costs (i.e. cost levels not justified by productivity) wherever they arise.

In its annual submission to the Action Plan for Jobs 2016, the NCC highlighted a number of business input costs for immediate attention including labour, property, insurance, energy and legal services. We will ensure a sustained focus on improving competitiveness across all areas of Government activity in 2016, particularly structural issues which can bring about lasting improvements in competitiveness.

As highlighted by the NCC, a sustainable housing market is an essential element of a functioning economy - high or rapidly increasing house prices are not good for competitiveness, notwithstanding the wealth effects for existing owners. They have an indirect impact on competitiveness through their effect on wage demands as accommodation shortages lead to increased costs and result in wage inflation leading to adverse impacts on quality of life for those already living here, and make Ireland a less attractive location for potential migrants, especially high-skilled migrants who have their choice of destinations. We are committed to addressing this critically important issue and set out the range of actions to be taken during 2016 in section 10.5 (construction).

Increased resource efficiency is one of the most effective ways for businesses to cut costs. In 2016, we will seek opportunities to deal with our waste in a more resource efficient way; a way that is good for the environment and good for business. As a country, Ireland needs to rethink the waste resources we produce and use and what we do with them afterwards, recognising the enterprise opportunities that exist and propose ways to make it easier for these opportunities to be realised.

We published our new Energy White Paper, *Ireland's Transition to a Low Carbon Energy Future*, in December 2015, which sets out a framework to guide policy to deliver a low carbon future between now and 2030. Improving energy efficiency is a critical element of the transition. During 2016, we will continue to deliver a range of actions under the National Energy Efficiency Action Plan to enable us to meet our 2020 targets.

A strategic approach to economic regulation is essential for Ireland to maintain its international advantage as an attractive and stable place to do business. With this in mind the Government's Policy Statement on Sectoral Economic Regulation, *Regulating for a Better Future*, was published in 2013 and its implementation is now entering its third year. Implementation has always been focused on developing a whole of Government approach to economic regulation and aiding sectoral Departments in developing increasingly effective regulatory policies and actions which are competition and consumer focused. In particular the establishment within the Commission for Energy Regulation of independent economic regulatory functions for water could be presented as a model for application across sectors. In 2016, we will undertake a formal review of the implementation of the Statement at the sectoral levels to ensure its objectives are being delivered.

2016 Actions

Decreasing the costs of doing business

121	Assess the factors impacting upon housing supply in Ireland from a competitiveness perspective.	(NCC)
122	Implement the National Waste Prevention Programme delivering resource efficiency initiatives for businesses, farms, communities and the public sector to enhance competitiveness and reinforce Ireland's green reputation.	(DECLG)
123	Encourage local authorities to exercise restraint in adopting the Annual Rates on Valuation and, where appropriate, the Base Year Adjustments for 2016. Encourage local authorities to provide to the greatest extent possible certainty for commercial ratepayers in terms of the impact harmonisation may have on their rates bills in future years.	(DECLG, LAs)
124	Ensure that the commitments and targets set out in the National Energy Efficiency Action Plan are adhered to.	(DCENR and relevant Departments)
125	Publish and implement the Public Sector Energy Action Plan.	(DCENR and relevant Departments)
126	Plan for the implementation of phase two of the Energy Efficiency Obligation Scheme, requiring all participants in the energy sector to work with their customers to deliver energy efficiency gains.	(DCENR)
127	Review the National Energy Services Framework to ensure adequate expertise and best practice models are available to organisations wishing to pursue energy efficiency projects.	(DCENR, SEAI)
128	Provide €55 million in Exchequer supports to further stimulate energy saving activity in the residential and community sectors.	(DCENR, SEAI)
129	Pilot a range of affordable financing options to support domestic households in improving the energy efficiency of their home.	(DCENR)

Regulating for a better future

130	Ensure the implementation of the <i>Regulating for a Better Future</i> across Departments, building upon recent progress and completing outstanding actions. Actions will focus on enhancing national competitiveness and securing Ireland's ongoing economic recovery.	(DCENR/DTTAS/DECLG/LRC/D/Taoiseach)
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6.3 Investing in Economic Infrastructure

The Government recently set out its plans for maximising Ireland's potential economic growth in its Capital Plan entitled *Building on Recovery: Infrastructure and Capital Investment 2016—2021*. This Plan will underpin our recovery by directly investing €27 billion over six years to boost competitiveness, improve public services, and lay the foundations for future growth. When investment from the wider semi-state sector, and off-balance sheet mechanisms such as Public Private Partnerships, are included, the total State investment over the period is €42 billion, and will support more than 45,000 construction-related jobs.

The scale and profile of the Exchequer component of the Capital Plan has been informed by the Government's present medium term economic growth forecasts, and while the considerable improvement in the public finances has allowed the Government to gradually increase investment in capital infrastructure out to 2021, the level of expenditure is prudent and remains fully consistent with Ireland's fiscal targets over the coming years. It ensures that the envisaged investment will maximise the delivered return by prioritising spending on those areas of greatest need.

High-quality infrastructure is an important element of a modern society and economy. It strengthens economic growth through enhancing efficiency, productivity and competitiveness. It also fosters social cohesion and improves the quality of life for citizens by providing schools, public transport, health care, housing, and other vital facilities. The significant investments outlined in the Capital Plan reflect the Government's commitment to supporting strong and sustainable economic growth, and raising welfare and living standards for all.

The Capital Plan will address priority needs in transport, education, housing and health care. This investment will provide for a number of transport projects, such as the metro in Dublin, and in the education area, new and upgraded schools, primary and continuing care health facilities, new social housing, and investments to mitigate risks from flooding. There will be continued large investment in job creation and export rich enterprises such as manufacturing, services, agriculture and tourism.

State companies, such as ESB, Irish Water, and Ervia will deliver the €14.5 billion non-Exchequer component of the Capital Plan. These investments will primarily be targeted at energy infrastructure development, including renewable energy and smart metering, and on the enhancement of water and wastewater infrastructure.

We will undertake a mid-term review, which will take stock of the progress achieved and provide the Government with an opportunity to reaffirm priority projects. It will also provide an opportunity to consider, if Ireland's economic growth and fiscal progress exceed the present forecasts, whether there is scope for increased levels of investment to further develop the base upon which the future prosperity of the country rests, including consideration of future proofing in terms of transitioning to a low carbon, climate resilient economy.

In addition, we have set aside the proceeds from the sale of the State's shareholding in Aer Lingus (€335 million) to establish a new Connectivity Fund, structured as a new sub-portfolio of the Ireland Strategic Investment Fund. This fund will be used to support commercial investment projects with a connectivity theme, such as the development of ports and airports, but will also include a wider understanding of connectivity including, for example, data connectivity and energy connectivity, which are becoming increasingly important requirements in terms of our core infrastructure.

Gross Capital Investment in 2016

Investment Area	€ million
Agriculture, Food and the Marine	217
Arts, Heritage and the Gaeltacht	79
Children and Youth Affairs	25
Communications, Energy and Natural Resources	106
Defence	68
Education and Skills Group	595
Environment, Community and Local Government	545
Finance Group	25
Foreign Affairs and Trade	6
Health Group	414
Jobs, Enterprise and Innovation *	513
Justice Group	158
Public Expenditure and Reform	13
OPW	127
Social Protection	11
Transport, Tourism and Sport	1,075
Total Gross Capital Investment in 2016	€3,977 million

* Includes €10 million carryover

An efficient and integrated national transport system with adequate capacity, and levels of service comparable to other countries with which we compete for investment and trade is vital. We will invest €3.6 billion in public transport over the seven years of the Capital Plan to maintain and improve the existing network, to address urban congestion and progress the sustainable transport agenda. This will include €2.6 billion investment in essential ‘steady state’ maintenance and asset renewal and a further €1 billion to address congestion resulting from economic recovery and population growth. During 2016, we will provide funding via the National Transport Authority to facilitate a rolling programme of bus replacement and refurbishment and for the maintenance and renewal of the rail network.

As an island nation, our international connectivity is critically important in an increasingly globalised economy. Our air and sea ports play a crucial role in facilitating Irish economic growth and prosperity. The National Ports Policy recognises the ports’ critical role. The Tier 1 Ports of National Significance (Dublin, Cork and Shannon Foynes) collectively handle just over 80 per cent of all tonnage at Irish ports and have ambitious development masterplans for the next 30 to 40 years which recognise the need to provide sufficient capacity to support trade and economic growth and accommodate the changing operational preferences of the providers of shipping services. The developments will be financed by the companies themselves without recourse to the Exchequer. It is estimated they will result in over 1,300 direct jobs during the construction period.

The implementation of the actions in the National Aviation Policy, *A National Aviation Policy for Ireland*, which we published in August 2015, will facilitate the expansion of the industry, help make it more competitive, tackle barriers to growth, facilitate the development of new air transport links and maintain Ireland’s leading global position in the aircraft leasing and aviation finance sectors. By 2020, we expect Irish airports will handle in the region of 33 million passengers.

We are committed to delivering high speed broadband access to every home and business in the country by 2020 under the State-led intervention on broadband (see section 11.1).

2016 Actions

Investing in national and international connectivity	
131	Progress project priorities in the Greater Dublin Area to address congestion in 2016. (NTA)
132	Establish and implement a framework for the provision by port companies of port services that are efficient, effective and adequate for the needs of our trading economy, positioning the sector so that it is capable of providing the type of port facilities the market requires. (Dublin Port Company, Port of Cork Company, Shannon Foynes Port Company)
133	Continue to enhance Ireland’s connectivity and grow our aviation sector, by supporting the development of the necessary infrastructure to facilitate new services and passenger growth at the three State airports, and to expand and develop international aviation services at Shannon. Connectivity to the regions will also be supported through Exchequer assistance for the Regional airports at Knock, Donegal, Kerry and Waterford. (daa, Shannon Group, DTTAS)

6.4 Easier to do Business

Improving the ease of doing business offers the greatest potential to enhance our competitiveness, as improving administrative processes and practices is generally within the control of public bodies and does not necessarily require investment. Easing the administrative burden that regulations create can improve the business environment by reducing costs, minimising the time businesses spend fulfilling regulatory requirements and increasing productivity. Ensuring that the State does not place undue administrative burdens and costs on entrepreneurs and business owners is critical and has been a key area of focus and action in previous Plans. This includes ensuring that we have the systems in place across Government Departments and agencies to support a fast-growing economy.

We are seeing the results of recent initiatives reflected in the most recent World Bank Survey, that relative to many EU countries Ireland has comparatively simple administrative procedures, a low burden of regulation, a straightforward licencing system, and an enterprise environment conducive to start-ups. The only area where Ireland lags the EU-average is on the cost of enforcing contracts.

Ireland's ranking in the World Bank's Doing Business Report has slipped slightly from 11th to 13th in the OECD-32. We continue to rank first for ease of paying taxes, perform well on protection for investors, getting credit, and starting a business, and have improved our performance on construction permits and getting electricity. Our rankings for trading across borders and enforcing contracts, however, have fallen significantly. In 2016, we will continue our focus on making it easier to do business in Ireland, including through the new Disruptive Reform to have all Government services on line by the end of 2017 and the rollout of Licences.ie, the Government's new one-stop-shop for licence applications (www.licences.ie). The new laws to further reduce the term of bankruptcy from three years to one year will also take effect during 2016.

The Disruptive Reform to ensure all Government transactions with business are available online by 2017 is a core element of our 2016 activity to deliver on our ambition of being the best small country in which to do business, easing the administrative burden, and making it easier to establish and operate a business in Ireland (section 2.3).

2016 Actions

Reducing red tape and making business easier

134	Develop a Client Relationship Management system in the Irish National Accreditation Board which will make it easier for business to apply for accreditation.	(HSA/INAB)
135	Develop and introduce a smartphone GeoSMART Inspection application to assist the interaction between inspectors and employers and allow for real time data sharing.	(HSA)
136	Further promote and expand the small business, construction and agribusiness sections of BeSMART.	(HSA)
137	Develop a strategy for the replacement of the outdated Dangerous Substances legislation with a streamlined, lower cost and enterprise friendly system for the licensing of petroleum storage and dispensing facilities.	(DJEI, DECLG, LGMA, LAs, HSA)

<p>138</p>	<p>Undertake an assessment of the impact of the EU Chemicals Policy (REACH) on the Irish economy and the experience of companies of the registration /authorisation processes and, following consultation with industry stakeholders and the relevant national authorities, identify the steps to be taken to enhance Ireland’s capacity to engage and influence the REACH process at EU level.</p> <p style="text-align: right;">(DJEI, HSA, IDA, EI, DAFM, DECLG, EPA)</p>
<p>139</p>	<p>Increase the level of online applications and computerised applications and payment systems to reduce compliance burden for farmers from 70 per cent to 75 per cent for 2015 Basic Payment Scheme applications.</p> <p style="text-align: right;">(DAFM)</p>
<p style="text-align: center;">Supporting corporate social responsibility</p>	
<p>140</p>	<p>Through the Corporate Social Responsibility Stakeholder Forum, progress the objectives of the National Plan on Corporate Social Responsibility.</p> <p style="text-align: right;">(DJEI, CSR Stakeholder Forum)</p>

6.5 Planning for Medium Term Growth

The 2002 National Spatial Strategy was Ireland’s first national strategic spatial planning framework and outlined policies and objectives to secure a better balance of social, economic and physical development and population growth between regions through complementary urban and rural planning and development policies. The National Spatial Strategy remains in place but given the significantly changed economic circumstances the Government will advance the preparation of a new National Planning Framework, covering the period 2016 to 2036, as a successor to the National Spatial Strategy during 2016.

Concurrently with the preparation of the National Planning Framework, new Regional Spatial and Economic Strategies will be prepared by the three new Regional Assemblies to replace the current set of Regional Planning Guidelines which expire in 2016. These new strategies will have a 12 year lifespan from 2016 to 2028.

The purpose of both the National Planning Framework and Regional Spatial and Economic Strategies is to set long-term national and regional development frameworks within which Government departments and agencies, the regional assemblies and local authorities, as well as wider private sector and community interests will work together to ensure proper planning and sustainable development and the optimal development of the country as a whole, nationally and regionally.

Subject to finalisation of delivery and oversight arrangements, it is intended that the framework will be brought to draft stage in Q3 2016 and be finalised after that, under a legislative process to be put in place under the proposed Planning and Development (Amendment) Bill 2015.

While central Government is addressing what can be done nationally to transition to a low carbon, climate resilient economy (see section 2.4), local government is well placed to assess, exploit and support opportunities at a local level. The local authorities have a significant role to play in developing their respective adaptation strategies which will need to be incorporated into the development planning process. Of particular importance will be how a long term local/regional response is developed for where Ireland is clearly vulnerable to the impacts of climate change.

See also the Disruptive Reform on stimulating regional growth in section 2.2.

2016 Actions

Preparing long-term national and regional development frameworks	
141	Prepare a National Planning Framework to set a long-term national framework to ensure proper planning and sustainable development and the optimal economic and social development of the country as a whole. (DECLG)
142	Prepare the Regional Spatial and Economic Strategies to set a long-term regional framework to ensure the optimal economic and social development of our regions. (Regional Assemblies)
143	Facilitate local authorities in the deployment of low-carbon and climate change adaptation strategies as a means of availing of the employment opportunities presented by the transition to a low carbon, climate resilient and environmentally sustainable economy. (DECLG)

Green Start Energy Project

TEG is a precision manufacturing company based in Mullingar, Co. Westmeath serving the pharmaceutical and aviation industries. It has a manufacturing facility of 25,000 square feet fully equipped with modern plant and technology to assist in this regard.



John Hunt, Managing Director, TEG

In April 2014, TEG decided to undertake a complete review of its energy use and associated costs. The main source of energy supply for TEG is electricity with natural gas being used to heat the offices. The annual energy cost was circa 85,000 Euro and TEG wished to both reduce this cost and play its part in helping the environment.

“When we decided to review our energy costs we approached Enterprise Ireland for advice in this area”, says John Hunt, Managing Director. “They immediately advised us of the ‘Green Energy Programme’ and given the scope of the business told us we were eligible for the support they had to offer. They put us in touch with Green Global Consultancy based in Carrick-on-Shannon, Co. Leitrim who are experts in this field and following a

couple of meetings we engaged them as our consultants”.

TEG requested a structured energy management system to be implemented to enable it to make immediate and continuous improvements through cyclical alterations of the process with four stages of implementation involving planning, implementation, checking and action. The main areas identified following the audit were Lighting and Controls and Plant.

“The findings were very interesting and we began to implement a major refurbishment of our factory lighting system”, says John. “The payback period was given as 1.4 years but we easily achieved that target inside this timeline. In addition the cost savings going forward are vital for manufacturing companies such as TEG. Without the assistance and support we received from Enterprise Ireland, we would not have been in a position to undertake this project and hence gain the environmental and financial benefits which have accrued”.

About Green Start

Enterprise Ireland’s GreenStart programme provides an introduction to environmental best practice and helps in the preparation of a formalised environmental management structure. This helps companies achieve competitive advantage through greater resource efficiency (energy/water/waste costs) and greater market share through enhanced credentials in a short, focused engagement.

To find out more about initiatives to promote Competiveness see chapter 6 and for more details about Enterprise Ireland’s plans for Growing Irish Enterprise in 2016 see chapter 6.

7 Finance for Growth

Finance is the lifeblood of every business. It is needed at every stage of the business development lifecycle from the start-up phase through to growth and expansion. Since 2011, the Government has placed a significant emphasis on addressing the financial needs of SMEs. Finance for growth continues to remain high on the agenda of Irish SMEs, who are overly reliant on bank finance. It is important that we continue, in the context of national competitiveness, to ensure that Irish companies are positioned to avail of the different types of credit and equity finance that are available to their international counterparts. Substantial work has been undertaken over recent years to enhance the availability of funding for growth for Irish companies. Our key initiatives include:

- The establishment of the Strategic Banking Corporation of Ireland (SBCI), which operates as a wholesale lending institution. €675 million of the SBCI's initial €800 million fund has already been made available through AIB, Bank of Ireland, Finance Ireland and Merrion Fleet. The SBCI is in discussions with a number of other bank and non-bank lenders, and it is anticipated that further announcements of new on-lending agreements will be made during 2016;
- The creation of the Ireland Strategic Investment Fund (ISIF) which will operate as a sovereign development fund with the capacity to invest over €7.6 billion (see also section 8.1);
- The formation of the network of Local Enterprise Offices, a key conduit in providing information, support and advice to micro and small businesses on access to finance issues (see chapter 8);
- The establishment of the Seed and Venture Capital Scheme (2013-2018) to leverage private capital and to act as a catalyst to create new Seed and Venture Capital Funds to support innovative start-up and growth companies to scale and create jobs;
- The continued funding and reshaping by Enterprise Ireland and InterTrade Ireland of the HALO Business Angels Network which actively works to increase the number of individual angel investors and investment syndicates interested in investing in early stage Irish companies;
- The establishment by Enterprise Ireland of the €20 million European Investment Fund's European Angels Fund to increase the availability of capital for investment in early stage companies and the Development Capital Scheme focused on investing in medium sized ones;
- The creation and further enhancement of Microfinance Ireland, supporting early stage lending up to €25,000;
- The implementation of the Credit Guarantee Scheme (currently being enhanced), supporting an increase in lending by the domestic banks and ensuring it will be able to facilitate guarantees through non-bank finance entities for the benefit of SMEs;
- The 'Supporting SMEs' online tool provides access to information on over 80 Government business supports across over 30 Departments and agencies - www.supportingsmes.ie; and
- The development of the 'actionplanforjobs.ie' portal to enhance awareness of the actions being delivered through the Action Plan for Jobs process and the drive users towards the available supports.

The last two years have provided opportunities to develop and consolidate the policy agenda by addressing the cyclical and structural constraints in the financing of SMEs and the ongoing need for prompt payments as we move into a new phase of growth for the economy. Cross cutting policy interventions to enhance access to finance remain necessary to provide a coherent framework for Government within the broader ecosystem of support for SMEs. Access to both debt and equity finance and improvements in financial knowledge remain critical to business development in Ireland

and continued Government engagement in this area remains important. In continuing to support the finance for growth agenda for SMEs, our focus in 2016 will be to implement a series of actions to support Irish companies to compete on an equal footing with their international counterparts.

The objectives for 2016 are to:

- Ensure that viable SMEs continue to access appropriate finance at a reasonable cost from both bank and non-bank sources;
- Continue to roll out, monitor and evaluate State supports for SMEs, while facilitating the development of alternative sources of finance;
- Enhance awareness amongst SMEs and entrepreneurs of State business supports, both financial and soft, in order to raise their financial capacity in either starting a business, or in growing and expanding an established business;
- Engage with International Funding Institutions to optimise returns for Ireland; and
- Continue to research and learn in the area of Finance for Growth.

7.1 Ensure viable SMEs can access appropriate finance

Enterprises need access to finance for working capital and to fund capital investment, expansion and growth. In 2016, one of our key areas of focus is to ensure that viable SMEs continue to access appropriate finance at a reasonable cost from both bank and non-bank sources.

Bank lending

Having completed a process of deleveraging, both AIB and Bank of Ireland are now concentrating on growing their balance sheets. Coupled with the continued presence of Ulster Bank and the rollout of SME lending by PTSB, the choice of providers for bank finance for SMEs is improving. In 2016 the Department of Finance will continue to meet with each of the banks on a quarterly basis to ensure that no sector or region is being disadvantaged as a result of bank lending policy. In addition, the Department of Finance, in tandem with the Credit Review Office, will continue to monitor the banks' progress against agreed annual SME lending plans. The banks will continue to provide detailed granular lending data on a monthly basis to the Department of Finance which will be collated, examined and reported upon to the relevant Cabinet Committees, thereby ensuring a more informed understanding of the SME bank lending environment.

SME credit demand surveys

One of the key areas in informing policy around access to finance for small businesses in recent years has been the biannual Department of Finance SME credit demand survey. These surveys provide the SME State Bodies Group with statistically robust data including bank and non-bank approval rates, awareness of Government supports, employment trends and profit trends. They also highlight potential gaps in the funding landscape. These demand surveys will continue in 2016.

Strategic Banking Corporation of Ireland

Building on the progress made in 2015, a number of planned activities of the Strategic Banking Corporation of Ireland (SBCI) in 2016 are expected to have a positive impact on employment. The €110 million of approved lending by the SBCI to the end of September 2015 has already supported approximately 3,200 SMEs and 11,000 jobs. The SBCI will deliver, subject to demand, on the full deployment of the initial €800 million of funding by the end of 2016 through lending to SMEs for investment while also supporting long term working capital and refinancing SMEs originally financed by banks that have left the market. This funding will be deployed by facilitating the provision of:

- Additional credit aimed at SMEs, in particular flexible products with longer maturity and capital repayment flexibility, subject to credit approval;
- Facilitating market access for new entrants to the SME lending market, creating real competition;
- Funding to enable the growth of smaller participants in the SME lending market;
- New forms of credit in the Irish market; and
- Funding at lower cost which partner lenders must pass on to SMEs.

The SBCI expects to raise further funding in 2016 in support of its SME lending activities to grow the number of on-lenders through which it is providing funding and to offer continued support to the SME financing market. In addition to its two original on-lending partners Bank of Ireland and AIB, the SBCI signed on-lending agreements with two non-bank lenders, Finance Ireland and Merrion Fleet Management in November 2015. These will enable SMEs to access a greater range of products including leasing and fleet management. The SBCI will pursue delivery of new risk sharing products in conjunction with the Credit Guarantee Scheme, the European Investment Fund and other multilateral investors in order to support viable SMEs who are experiencing difficulties accessing finance at early stages of the business cycle or those who are looking to invest in the expansion of their business.

Export Finance

In Budget 2015, the Minister for Finance announced that the Department of Finance would work with the Department of Jobs, Enterprise and Innovation, the Strategic Banking Corporation of Ireland, Ireland Strategic Investment Fund and Enterprise Ireland to develop and rollout an Integrated Export Finance Strategy in 2015. A High Level Steering Group mandated to develop a strategy established a Project Group, which has been working since the beginning of 2015 on the steps agreed and developing proposals for the strategy. These have been discussed at the State Bodies Group. Proposals include using the Strategic Banking Corporation of Ireland (or a subsidiary/Special Purpose Vehicle), in close cooperation with Enterprise Ireland to roll out initial products on a pilot basis. While it had been hoped that this might be possible by end 2015, further work is required on the proposed platform and proposed products before being considered by Government. This work will continue into 2016. The group's extensive research on the requirements of Irish exporters has allowed it to better focus the design of products to meet their needs. The group has concluded that the main effort should be on the delivery of risk sharing products for working capital facilities.

Ireland Strategic Investment Fund

The Ireland Strategic Investment Fund was established in December 2014 with a statutory mandate to invest on a commercial basis in a manner designed to support economic activity and employment in the State. In 2016, the Ireland Strategic Investment Fund will continue to implement its investment strategy of investing €7.6 billion (as at 30th June 2015) on a commercial basis to support economic activity and employment in Ireland. It will continue to operate as an enabling institution, working with public and private actors to both augment the impact of existing initiatives and where appropriate developing new measures. ISIF has the ability to participate in all levels of a project or company's capital structure including senior debt, mezzanine debt, traditional private equity (either direct or via an investee fund), venture capital, preferred equity and 'special situations' e.g. turnaround or buyout. ISIF will continue its commitment to transparency in its operations by producing regular reports on its activities - two reports are scheduled for publication in 2016.

Enterprise Ireland

In 2016, Enterprise Ireland will continue to invest directly in early stage Irish companies, by way of equity investment, to support their growth and job creation. The agency will continue to implement

its Seed and Venture and development capital strategy, leveraging private capital, to ensure the availability of sufficient capital for early stage, scaling and established Irish enterprises. Establishing a number of Seed Funds following the second call for expressions of interest under the Seed and Venture Capital Scheme 2013-2018 will be a priority. Through investment and providing soft supports Enterprise Ireland will also continue to invest and support the enhancement of the business angel ecosystem in Ireland. Enterprise Ireland will continue to work with its clients directly, with the banks and non-banking funding providers and other relevant stakeholders to ensure Irish exports have the necessary and appropriate funding to compete successfully internationally.

2016 Actions

Ensuring viable SMEs can access appropriate finance	
144	Detailed data from AIB, Bank of Ireland and ptsb will be collated and examined, on a monthly basis, ensuring a more informed understanding of the SME bank lending environment. (DoF, CRO)
145	Survey the demand for SME credit. (DoF)
146	Collate and monitor data on lending to SMEs from both bank and non-bank sources and report on this issue to the relevant Cabinet Committee. (DoF, SME State Bodies Group)
147	In line with the Strategic Banking Corporation of Ireland Business Plan, deliver the balance of the original €800 million of funding in the SBCI to the SME market by end of 2016, subject to demand. (SBCI)
148	Source additional funding to support the lending activities of the Strategic Banking Corporation of Ireland into the future. (DoF, SBCI)
149	Continue work on the development of an export finance strategy with the objective of delivering a product to market. (DoF, DJEI, EI, SBCI, ISIF)
150	As part of the ongoing implementation and deployment of capital in line with the Ireland Strategic Investment Fund Investment Strategy, the fund will continue to examine ways to support non-bank alternative providers of finance to SMEs in the Irish market both directly as part of its SME strategy, and also indirectly via other strategies including food and agri, real estate and venture capital. (ISIF)
151	Implement Enterprise Ireland's Venture Capital and Development Capital Strategy. (EI)
152	Fully establish the European Investment Fund's European Angels Fund in the Irish market. (EI)

7.2 Roll out, monitor and evaluate State supports for SMEs

The Department of Jobs, Enterprise and Innovation introduced two major initiatives in 2012 to support the provision of additional lending to micro, small and medium size enterprises – the credit guarantee scheme and the microfinance loan scheme. Since inception these initiatives have seen over €40 million in lending while supporting approximately 900 businesses and 3,300 jobs. The operation of both schemes has been reviewed and changes introduced to facilitate greater use by business. In addition, work is being finalised between the Department of Jobs, Enterprise and Innovation, the Department of Finance and the Strategic Banking Corporation of Ireland on the utilisation of the scheme to optimise Irish drawdown of EU financial instruments funding under COSME, Horizon 2020 and European Fund for Strategic Investments. In 2016 we will promote the revised offering under both schemes to ensure optimisation of facilitated lending. Banks representative bodies, SBCI and relevant Departments will play their part in rolling out the revised offering.

We will aim to increase the number of SMEs which have access to and use of mainstream financial services and products. The introduction of technological platforms which enable the delivery of a variety of products and services that drive down costs and reach new markets has been a feature of Government activity over the last four years. Information asymmetries in financial markets pose major problems for the effective operation of those markets. Work on a centralised credit register is well advanced and will greatly assist credit risk assessment, improve transparency in SME finance markets and add to the Irish infrastructure in this space.

While take up of a special initiative introduced in Budget 2014 designed to improve the financial skills and strategic vision of 1,000 SMEs proved to be less than anticipated, we remain convinced that this is an area which SMEs need to address to enable them to grow and develop. In 2016, Irish SMEs will be encouraged to acquire skills for accounting and financial and risk planning and to respond to disclosure requirements designed to facilitate access to finance. The Local Enterprise Offices will play a role here. During 2016 consideration will be given to how programmes can be tailored to the needs and capability levels of different constituencies and target groups including women, youth and minorities at different stages in the business cycle.

Trade credit and prompt payment

Trade credit is a particularly important source of non-bank credit used by many firms as a source of funding. By trade credit, we refer mainly to the purchase of goods on credit from suppliers but it can also refer to the purchase of goods on advances from customers. Late payment is a common by-product of one of the most important financial markets in the world – the growing market for trade credit, which supports almost half of all business-to-business transactions globally. Late payment and non-payment damage individual businesses and the wider economy through increased costs, reduced hiring and capital spending and the failure of suppliers. Its impact on the weakest businesses is particularly acute: smaller enterprises are typically twice as likely as large corporates to report problems with late payment.

The Department of Jobs, Enterprise and Innovation is responsible for monitoring legislation enacted to ensure prompt payment and for promoting improved payment practices in Ireland. Late payments in commercial transactions have an adverse effect on businesses by straining cash flow, adding financial costs and fuelling uncertainty for business. Companies providing goods and services are entitled to expect that their payments will be made in a timely manner. In 2009, in an effort to assist cash flow for business, the Government introduced the 15 day Prompt Payment Decision. Government Departments and other public bodies have been improving their respective payment times. The launch of the Prompt Payment Code of Conduct portal is an important step in addressing the prevalence of late payments in business-to-business commercial transactions in Ireland. The Prompt Payment Code of Conduct is about encouraging and promoting best practice between businesses and their suppliers. Government is leading by example and has committed to ensuring

that all Government Departments, their agencies and public sectors bodies are signatories to this code.

The Prompt Payment Code of Conduct augments the range of initiatives we have developed to support the flow of credit to enterprises in Ireland and is a welcome mechanism to help improve cash flow for businesses, and is particularly valuable for small businesses. We will continue to develop and promote initiatives that ensure the provision of sustainable trade credit and responsible payment practices in Ireland.

Alternative sources of finance

The Action Plan for Jobs 2015 recognised that alternative financing activities such as peer to peer business lending, invoice finance, and crowdfunding can be a valuable source of funding for SMEs either as a complement to traditional bank finance or as an alternative to traditional bank intermediation in instances where bank credit has either been refused or not sought in the first place. In 2016 the SME State Bodies Group will continue to examine these areas to ensure that Irish companies are not at a competitive disadvantage vis á vis their competitors in international markets, thereby ensuring that Ireland possesses a sophisticated and facilitative financial system which is inclusive and supportive of needs.

2016 Actions

Rolling out, monitoring and evaluating State supports for SMEs	
153	Develop an awareness campaign to promote and advocate membership of the Prompt Payments Code across business in Ireland. (DJEI, IICM, Business Representative Bodies)
154	Develop and introduce improved reporting requirements for public authorities in relation to payment performance. (DJEI)
155	The Prompt Payments Forum will examine further initiatives to drive a change in the payment culture in Ireland – for example promoting the relationship between responsible payment practices and the corporate social responsibility agenda. (DJEI)
156	Having regard to emerging international best practice, and in the context of the EU Commission <i>Action Plan on Building a Capital Markets Union</i> , examine the impact of crowdfunding in an international context with a particular focus on State supports and regulatory regimes. (SME State Bodies Group)
157	Ensure that financial management capability training is available in all Local Enterprise areas. (EI/LEOs, other providers)

7.3 Enhance awareness of State business supports

Much progress has been achieved to date in raising awareness of Government business supports, through the “Supporting SMEs” Online Tool and outreach at business events through the Supporting SMEs campaign, as well as the actionplanforjobs.ie portal. However, there remains a relatively low level of awareness of funding options in general. The Local Enterprise Offices have a large part to play in ensuring that SMEs are aware of the potential benefits of such schemes by providing links to other finance providers and advice on the wide range of Government services.

2015 saw the introduction of “jobs ambassadors” as part of the Civil Service Renewal Programme. 140 civil servants from Departments and agencies completed a two-day training programme, which provided them with the information and skills necessary to work at events aimed at SMEs nationwide and inform members of the public about the variety of State supports for which they may be eligible. This forms an important element of the Government’s integrated communications strategy around State funded supports and its rollout will continue in 2016, with an increased focus on providing information around the rebooted microfinance loan fund and credit guarantee scheme.

2016 Actions

Enhance awareness of State business supports

158

Continue to implement the integrated communications strategy to increase awareness.

(SME State Bodies Group)

7.4 Engage with International Funding Institutions

This Government has placed an emphasis on increasing our engagement with the European Investment Bank, the European Investment Fund and the Council of Europe Development Bank in developing and implementing mechanisms designed to maximise the provision of financing to SMEs. The Strategic Banking Corporation of Ireland’s participation in the European Investment Bank Taskforce of National Promotional Banks is indicative of the type of engagement that is now possible with the establishment of a national SME-focused promotional lending institution. Closer cooperation with the international financial institutions provides opportunities to develop initiatives to support the Strategic Banking Corporation of Ireland’s broader developmental mandate. In 2016 the SBCI will continue to explore the potential for cooperation with other national promotional banks through its membership of international networks and learn from their experience in addressing market failures for SMEs and so look to enhance the funding environment in Ireland. Enterprise Ireland and the Ireland Strategic Investment Fund will also continue to work with the European Investment Fund co-investing in seed and venture capital funds, within their respective strategic mandates, to increase the availability of equity for Irish start-up, scaling and established companies. We will continue to ensure a whole of Government approach in this area.

EU Financing

Increased possibilities to access financial instruments under the current Financial Regulation of the EU Budget will be examined in 2016. With the Strategic Banking Corporation of Ireland established as a national SME-focused lending institution, operating with a public policy mandate and potentially able to serve as a platform to deliver financial instruments, there is an opportunity to maximise our engagement with relevant elements of the Multiannual Financial Framework, so as to ensure that there are no untapped or underutilised sources of funding for SMEs. The emphasis will be on targeting those financial instruments which are potentially of most benefit to SMEs in Ireland. i.e. COSME, EFSI and Horizon 2020.

2016 Actions

Engaging with International Funding Institutions

159	Ensure closer cooperation with other National Promotional Banks in developing initiatives to promote the financing of growth in Ireland. (SBCI, DoF)
160	Continue work on the potential for use of the European Fund for Strategic Investments through the Strategic Banking Corporation of Ireland. (DJEI, DoF, SBCI)
161	Continue our engagement with the European Investment Bank, European Investment Fund and Council of Europe Development Bank in developing and implementing mechanisms designed to maximise the provision of enhanced financing to SMEs. (DoF, DJEI, SBCI, ISIF, EI)
162	Maximise our engagement with the relevant elements of the Multiannual Financial Framework. (DJEI, DoF, SBCI, EI)

7.5 Continue to research/learn in the area of Finance for Growth

It is vital that the policy deliberations of the SME State Bodies Group continue to be informed by engaging with relevant policy analysts and close collaboration with external bodies such as the ESRI and the National Economic and Social Council. Similarly, engagement with international bodies such as the OECD will ensure that international best practice is drawn on in the development and implementation of initiatives to support finance for growth in the SME sector. In recognition of the Regional Action Plan for Jobs, it is anticipated that the SME State Bodies Group will hold a number of meetings and policy days in the regions in 2016.

2016 Actions

Continuing to research/learn in the area of finance for growth

163	Engage with the OECD to leverage their expertise around monitoring and evaluating policy initiatives. (DoF, SME State Bodies Group)
164	Host policy conferences on Finance for Growth, at least one of which is to be held outside Dublin. (DoF, SME State Bodies Group)

The SME State Bodies Group will continue to develop and implement the actions contained in the Finance for Growth chapter of Action Plan for Jobs 2016, and report progress through the relevant Cabinet Committee structures. In addition, the Group will continue to develop initiatives over and above those in the Plan in response to new challenges or policy opportunities that may emerge throughout the year.

8 Entrepreneurship

Promoting a national spirit and culture of entrepreneurship is essential if we are to facilitate a strong pipeline of future business start-ups. That is why our *National Policy Statement on Entrepreneurship* commits to increasing the number, survival and scaling of start-ups in Ireland. Creating a fertile environment for entrepreneurship and start-ups spans many areas including skills and talent, driving export led growth and finance for growth – key areas of focus for the Action Plan for Jobs.

Enterprise 2025, our 10-year jobs and enterprise strategy, commits to strengthening our entrepreneurship ecosystem in an international context and establishing Ireland as a leading start-up location for internationally mobile entrepreneurs through developing and promoting the Ireland value proposition. We must position our start-up supports and environment to be internationally competitive so we do not lose out to competing countries/regions.

Supporting entrepreneurship requires a whole of system approach that encourages and supports business development and ownership as a career. Being entrepreneurial is not just about starting and running a business. It is about the willingness and ability of individuals to turn ideas into action. Entrepreneurial skills can be used by employees to provide innovative inputs within organisations (so called intrapreneurs). These skills can also be used to address wider societal issues, not just commercial applications (i.e. social entrepreneurship).

Our target under the *National Entrepreneurship Policy Statement*, which was published in October 2014, is to double the jobs impact from start-ups in Ireland over five years (from 93,000). To deliver on this we must:

- Increase the number of start-ups by 25 per cent;
- Increase the survival rate in the first 5 years by 25 per cent; and
- Improve the capacity of start-ups to scale by 25 per cent.

Irish performance in the area of entrepreneurship has improved substantially in the past year. According to the 2015 Global Entrepreneurship Index, Ireland's ranking improved from 17th to 12th among 132 countries, putting us ahead of Israel, the Netherlands and Finland and just one place behind Singapore. The biggest opportunities for improvement for Ireland identified in that report are in the areas of entrepreneurship opportunity recognition and reducing risk aversion.

Ireland has one of the most SME friendly environments in the EU and was ranked first in two of the ten indicators used in a recent EC study – “second chance” (i.e. ensuring that honest entrepreneurs who have gone bankrupt get a second chance quickly) and “internationalisation” (i.e. SMEs who are exporting to and importing from overseas markets). This environment will be further improved in 2016 when new bankruptcy laws take effect. These new laws will further reduce the term of bankruptcy from three years to one year.

The Local Enterprise Offices will continue to be the first stop shop for supporting both potential and new entrepreneurs. We will continue to develop the Local Enterprise Offices and through their Communications Strategy ensure entrepreneurs are aware of the full range of supports and services provided.

Enterprise Ireland continues its crucial role in this sphere. Initiatives such as New Frontiers, High Potential Start-Up programmes and Competitive Start Funds will continue to provide support for entrepreneurs. Two of our initiatives in particular help with opportunity recognition and reducing risk aversion – Ireland's Best Young Entrepreneur Competition (supported by the Local Enterprise Offices) and the Ernst and Young Entrepreneur of the Year Competition (supported by Enterprise Ireland). These two competitions showcase the opportunities that are available to people with great ideas and ambition.

Raising awareness of the wide range of Government supports is also important. We will continue to publicise the “Supporting SMEs Online Tool”. This is a cross-governmental initiative to help Irish start-ups and small businesses navigate the range of Government business supports. It is available at: www.supportingsmes.ie.

An Interdepartmental/Agency Implementation Group was established in 2014 to drive delivery, oversee implementation and monitor progress on the actions committed to in the National Entrepreneurship Policy Statement. This Group is tasked with producing an annual report for the Minister for Jobs, Enterprise and Innovation. In 2016 the Implementation Group will continue its work and progress on each action will be reported on as part of the Action Plan for Jobs process.

While substantial work has been undertaken in recent years to address the financial needs of SMEs, the State continues to assist where appropriate (see Chapter 7). Our taxation policies are important to support business, entrepreneurship and innovation and to attract talent and retain talent. Budget 2016 took further positive steps in this space, including the introduction of the Knowledge Development Box and adjustments to Capital Gains Tax. We will continue to progress reform of the business tax environment to support entrepreneurs and existing micro and small businesses as resources allow. Measures to promote innovation are presented in Chapter 5.

Key objectives for 2016 include:

- Improving our performance in the two areas highlighted for improvement by the Global Entrepreneurship Index, namely entrepreneurship opportunity recognition and reducing risk aversion;
- Ensuring that our education and training system can deliver the skills, training, attitudes and culture required to deliver on our entrepreneurship objectives and targets;
- Establishing and monitoring a range of nationally and internationally available indicators to assess national performance across the entrepreneurship ecosystem to inform entrepreneurship policy; and
- Rolling out of Enterprise Ireland’s new client engagement model.

2016 Actions

Business environments and supports	
165	Implement all the actions and report on progress under the <i>National Policy Statement on Entrepreneurship</i> so as to deliver on its objectives. (DJEI)
166	Establish and monitor a range of nationally and internationally available indicators to assess national performance across the entrepreneurship ecosystem in order to inform entrepreneurship policy. (DJEI, DES, NCC)
167	Carry out a mapping exercise to identify the range of supports available to entrepreneurs. (DJEI)

168	Review the competitiveness of Ireland's mix of direct and indirect supports for entrepreneurs, as an input to the Department of Jobs, Enterprise and Innovation and enterprise agencies' pre-Budget submission.	(DJEI)
169	Support 130 new entrepreneurs via Enterprise Ireland's New Frontiers Development Programme.	(EI)
170	Provide business development and financial supports to 185 high potential and early stage start-ups.	(EI)
171	Provide support directly to High Potential Start-Ups with early access to development programmes through the rollout of the pre-investment Sprint programme and the post-investment Accelerate programme.	(EI)
172	Host the High Potential Start-Up Class of 2015 Event and Annual Showcase.	(EI)
173	Ensure vacancies that occur at Head of Local Enterprise Office are filled in a timely fashion in accordance with the agreed recruitment protocol.	(DECLG/LAs/EI/PAS)
174	Initiate a detailed assessment of Local Enterprise Office performance potential and available resources in association with the Local Authorities.	(EI/LEOs)
175	Implement the Local Enterprise Office Communications Strategy to ensure the services provided by the Local Enterprise Offices are communicated to all entrepreneurs and micro businesses.	(EI/LEOs)
176	Strengthen the levels of customer service through the Local Enterprise Offices.	(EI/LEOs)
177	Carry out a review of the feasibility element of the Local Enterprise Office Financial Instruments.	(EI/LEOs)
178	Begin rollout of funding for the delivery of successful projects under the Local Enterprise Office Competitive Fund.	(EI/LEOs)
179	As resources allow, continue the process of narrowing the gap between the tax position of the self-employed vis-à-vis that of employees to encourage entrepreneurship and micro and small businesses.	(DoF)

180	Organise an Innovation Area at the National Ploughing Championships, targeting 50 companies, dedicated to new and innovative products, technologies and services aimed at the agri business sector.	(EI)
181	Promote Ireland internationally as a start-up location and attract 15 new overseas start-ups to establish their business here.	(EI)
182	Launch 10 Competitive Start Funds to support 100 entrepreneurs, including two targeted at attracting overseas start-ups to establish business in Ireland.	(EI)
183	Consider, with a view to progressing, actions emerging from the recent review of the Enterprise Ireland campus incubator programme.	(EI)
184	Build on the success achieved to date with the Competitive Feasibility Funds by launching four targeted funds in 2016.	(EI)
Networks and mentoring		
185	Carry out a review of the Women in Business Network.	(EI/LEOs)
186	Continue to implement the Accelerator Development Strategy to increase the number of accelerators operating in the Irish market.	(EI)
Culture, human capital and education		
187	Identify best practice in the creation of spin-out companies from Higher Education Institutions.	(EI, HEIs)
188	Building on the successful third Level Student Enterprise Award Programme, target a greater number and more diverse group of student participants (Target 500) and enhance the quality of the applications contributing to a greater Entrepreneurial spirit in this student cohort.	(EI)
189	Carry out a detailed evaluation of the Ireland's Best Young Entrepreneur Competition 2015.	(EI)
190	Support the International Women in Business Conference held as part of the Rose of Tralee Festival.	(EI)

191	Assess the feasibility of moving to a nationally coordinated Local Enterprise Week. (EI/LEOs)
192	Take forward the learnings from the Forum on Entrepreneurship in Schools. (DES)
193	Implement the enterprise engagement strategy for higher education to include entrepreneurial education as an important part of the national framework for enterprise engagement. (DES, HEA, HEIs)
Access to markets	
194	Undertake 16 workshops and one to one mentoring support under the Enterprise START programmes aimed at encouraging entrepreneurs with the potential to develop innovative export orientated projects. (EI)



ENTERPRISE, INVESTMENT AND ENTREPRENEURSHIP TAX MEASURES SUMMARY

SKILLS & TALENT

INVESTMENT & INNOVATION

ENTREPRENEURSHIP

SPECIAL ASSIGNEE RELIEF PROGRAMME (SARP)

30% ON INCOME >€75K

MARGINAL TAX RATES

Post Budget 2016
€33,800-€70,044: 49.5% (-1.5%)
USC entry threshold increased from €12,012 to €13,000 and lowest USC rates reduced from 1.5%, 3.5% and 7% to 1%, 3% and 5.5% respectively.
Rates: 20% & 40%

START YOUR OWN BUSINESS RELIEF

Relief from income tax for long term unemployed who start a new business up to a maximum income of €40,000 per annum for 2 years

CAPITAL ALLOWANCES FOR INTANGIBLE ASSETS

Corporation tax relief for investment in certain intangible assets

COMMERCIAL MOTOR TAX

Capped at €900

R&D TAX CREDIT

25% CORPORATION TAX CREDIT
Qualifying R&D expenditure including buildings & key employee provision

AGRI-TAX RELIEFS

Some recently extended & new reliefs targeted at succession transfer partnerships introduced

FILM RELIEF

Limit on investment increased to €70m (subject to EU State Aid Approval)

AVIATION SERVICE FACILITIES

Tax incentives for construction of facilities for maintenance, repair and overhaul of aircraft

FOREIGN EARNINGS DEDUCTION 40 DAYS ABROAD

Incl. travel time. Up to €35k of income deductible. BRICs and African countries.

ACCELERATED CAPITAL ALLOWANCES

For Energy Efficient Equipment

SELF-EMPLOYED

EARNED INCOME TAX CREDIT €550

REDUCED VAT RATE

9% TOURISM SERVICES

START-UP REFUND FOR ENTREPRENEURS (SURE)

Tax back on investment made in a new company on investments up to €700k

START-UPS CORPORATION TAX RELIEF

3 YEARS
€40k corporation tax relief p.a.

EIIS

COMPANY THRESHOLD
€15m (€5m p.a.)
Individual €150,000 investment p.a. and relief of 40%

CAPITAL GAINS TAX ENTREPRENEUR RELIEF

20% RATE
Limit €1m chargeable gains

HOME RENOVATION INCENTIVE

LIVING CITY INITIATIVE (off-set entire costs for pre-1915 building)

CORPORATION TAX RATE

12.5% STANDARD RATE
Corporation tax on trading activities

KNOWLEDGE DEVELOPMENT BOX

6.25% RATE OF CORPORATION TAX incl. non-patent regime for SMEs
<€50m turnover and <€7.5m IP income

9. Driving Export Led Growth

Our ability to trade successfully in global markets and increase our export activity is critical to deliver sustainable growth and employment. Since 2012, the Action Plan for Jobs has pursued an export led approach and the measures we have taken under previous Plans have resulted in strong growth in our export performance. The recently published *Enterprise 2025* sets out the long term strategy to deliver sustainable growth and employment, led by a strong export performance. An export led policy approach is about much more than facilitating growth among trading firms. In addition to generating greater wealth than would be possible through only domestically traded activities, there is a substantial ripple effect in terms of job creation across the entire economy and an increase in technology adoption, innovation, standards and best practice overall.

In 2014 (latest data available), exports of Irish goods and services increased to €215 billion from €184 billion in 2013. Our strong growth in goods and services exports are being driven by sectors which we have specifically targeted as part of the Action Plan for Jobs, including the food and manufacturing sectors. All of this is a consequence of the ingenuity, talent, perseverance and drive of firms and their employees across the country, supported directly and indirectly by the State, through some of the toughest international trading conditions ever faced.

Exporting firms, supported by State agencies, are important job creators and their successes are the base upon which continued economic growth and sustainable employment creation across the country will be built. Our ambition as set out in *Enterprise 2025* is to:

- achieve the potential for growth in Irish owned manufacturing and services exports by between six and eight per cent annually to 2020;
- realise increased export intensity of Irish owned firms to between 55 and 60 per cent;
- support geographic market diversification (including to high growth emerging markets) so that Irish owned exports to non-UK markets increase by 50 per cent by 2020; and
- attract and grow export oriented foreign direct investment.

The enterprise development agencies, through their work in supporting exporting firms, will play a significant role in ensuring these targets are achieved. Despite a challenging internationally trading environment, our enterprise development agencies' significant success record over recent years is indicative of the outcomes that can be achieved through a shared commitment to creating a more prosperous future for Ireland that is underpinned by sustainable growth.

In 2016, the State will continue to support export growth directly and indirectly through a sophisticated suite of actions. Through coordinated efforts to enhance and promote our world-class export base, grow Irish companies and further develop and embed foreign direct investment here, the measures set out in the following sections will ensure every existing and potential exporting business in Ireland receives the support they need to establish and prosper.

The objectives for 2016 include:

- supporting an increase in Enterprise Ireland client exports in 2016 to €22 billion in 2016 with a greater focus on the package of supports available to grow Irish companies in APJ 2016;
- targeting 29,000 gross new jobs in IDA and Enterprise Ireland client companies;
- working to win another 175 new FDI projects; and
- Strengthening the connections between Irish-owned firms and the foreign-owned base of companies in Ireland and increasing global sourcing sales by Enterprise Ireland client companies by €100 million over three years.

9.1 Growing Irish Companies

The State offers a package of supports through Enterprise Ireland to Irish-owned companies to help them achieve export sales growth. Enterprise Ireland supported companies created 21,118 gross new jobs in 2015, resulting in a net increase of 10,169 which contributes significantly to the *Enterprise 2025* target of a net increase in employment of 32,000. Exports are forecast to have reached €20 billion in 2015 and stand at the highest point in the history of the State. Irish-owned firms are becoming more export focused with the share of sales that arise from exports reaching 51 per cent in 2014. Irish-owned firms continue to successfully diversify their export markets, with non-UK markets accounting for 68 per cent of exports in 2014, compared to 56 per cent in 2010. Enterprise Ireland's target for 2016 is to grow its client company exports to €22 billion.

Enterprise Ireland offers a number of targeted interventions to meet the specific needs of scaling companies and help them to achieve global success. The supports for entrepreneurship and start-ups are discussed in Chapter 7.

Management Capability

A key challenge facing many of the companies who have ambition to scale is the availability of skills. To assist in addressing these issues, Enterprise Ireland works with relevant stakeholders to develop an appropriate response to address any gaps. Enterprise Ireland, through partners, provides tailored management development programmes targeted at the level of the CEO and the senior management team. Among the flagship programmes offered by Enterprise Ireland are Leadership 4 Growth, the International Selling Programme, Access Silicon Valley and Innovation 4 Growth. In addition, it offers customised short management development programmes to help equip companies with the tools and techniques to operate more effectively, and to achieve real business results in international markets, such as First Flight and Excel at Export Selling.

Lean

To succeed in international markets, Irish client companies must be competitive. Enterprise Ireland works closely with client companies to assist in adopting lean practices and world class manufacturing standards which is essential to their ability to compete internationally. A range of supports are available, including a Company Competitiveness Health Check, which involves Enterprise Ireland staff working with companies to benchmark them against a database of European companies and to the Lean Transform offer which provides financial support towards a large scale, extensive and holistic company transformation programme.

Internationalisation

Enterprise Ireland provides both financial and non-financial supports for the internationalisation of SMEs. For example, Enterprise Ireland's overseas structure through its own overseas office network and its extended Pathfinder (trade consultant) network provides clients with the appropriate support in markets where there are identified opportunities matched by client capability and client interest / demand. In addition, Enterprise Ireland provides financial supports such as the Internationalisation Grant, Going Global Grant, New Geographic Market Research Grant and Graduates for International Growth.

The National Standards Authority of Ireland helps provide Ireland with the components necessary for an effective trading infrastructure for products and services to be developed, traded, and relied on nationally and around the world. Standards play an important role in Irish industry and can bring a competitive advantage to businesses in terms of gaining access to new markets. In 2016, the National Standards Authority of Ireland will publish its strategy which will set out the strategic direction for the organisation in prioritising and managing the efficient and effective delivery of national and international technical standards, measurement traceability and conformity assessment services enabling businesses to compete successfully, achieve legal compliance and grow their markets.

2016 Actions

Driving a step change in enterprise performance	
195	Implement the Enterprise Ireland Strategy to target the creation of over 13,000 new full-time permanent jobs and to support clients to achieve €22 billion in exports in 2016. (EI)
196	Establish a national approach to Lean involving micro businesses, SMEs and MNCs. (EI, IDA, LEOs)
197	Implement tailored mentoring programmes for the benefit of more than 300 Enterprise Ireland clients. (EI)
198	Support 800 participants on short course Management Development Programmes and 200 on long course Management Development Programmes. (EI)
199	Develop a process for a new strategy 2017-2019 for Enterprise Ireland and the Local Enterprise Offices that will lead to a new medium term strategy aligned with <i>Enterprise 2025</i> . (EI/LEOs)
200	Roll out Enterprise Ireland's new Platform for Growth blended learning management development programme. (EI)
201	As part of Enterprise Ireland's drive to address the needs of family owned business, run two workshops under short Management Development Programmes specific to family owned businesses to share learning and best practice. (EI)
202	Hold eight Potential Exporter Awareness Events and eight Workshops. (EI)
203	Host a national showcase of research and spin-out investor opportunities. (EI)
204	Embed graduates in international markets for 30 Enterprise Ireland client companies to help them to internationalise and grow their business in new or existing markets through the Graduates 4 International Growth Programme (G4IG). (EI)
205	Publish and roll out the National Standards Authority of Ireland Strategy 2016 to 2020 to address the technical quality infrastructure needs of industry and societal stakeholders and to support the regulatory function of Government Departments, bodies and agencies. (NSAI)
206	Promote new business management standards (ISO) to maximise their uptake. (NSAI)

207	Analyse the scope and scale of a Technical Knowledge Service to industry.	(NSAI)
208	Support 25 new large scale food investments.	(EI)
209	Provide advice and support to Enterprise Ireland supported companies and research institutions in the defence and security sector in the area of research and innovation.	(D/Defence)
210	Apply the lessons and recommendations emerging from the evaluations of the enterprise development agency programmes across all programmes.	(DJEI, development agencies)

9.2 Supporting Foreign Direct Investment

Foreign direct investment contributes to employment, enhanced productivity growth, our RDI capabilities and domestic value added. *Enterprise 2025* sets a target for net new job creation of 42,000 by IDA over the period 2015 to 2020 and a good start was made towards this target in 2015. IDA supported clients delivered nearly 19,000 gross jobs in 2015 with the net increase amounting to 11,833. IDA secured 213 investments in 2015 and there was also a notable increase in new name investment, which increased from 88 in 2014 to 94 in 2015.

IDA launched its new strategy *Winning: Foreign Direct Investment 2015-2019* in February 2015. This strategy includes ambitious targets to boost foreign direct investment in Ireland by over 40 per cent, securing 900 new investments and creating 80,000 new jobs in the economy over the next five years. The targets when achieved will bring direct employment by overseas companies in Ireland to 209,000 people by 2019. This will be the highest level of employment from overseas firms in the history of the State and will deliver wide-ranging economic benefits for the people of Ireland.

As mentioned in the context of the Disruptive Reform on Delivering Regional Potential (section 2.2), the Government announced a €150 million property investment plan over five years to attract foreign direct investment into the regional locations. For details of measures to support increased RDI activity, see Chapter 5.

2016 Actions

Supporting foreign direct investment	
211	Target 16,000 new gross jobs yielding 7,000 net new jobs in 2016. (IDA)
212	Work to win another 175 new FDI projects in 2016. (IDA)
213	Continue to win investment from high growth and emerging markets together with new forms of FDI. (IDA)
214	Attract 28 FDI projects from emerging overseas businesses to Ireland. (IDA)
215	Target five new FDI food investments. (EI)

9.3 Manufacturing

Ireland's manufacturing base is a key pillar of Ireland's economy supporting direct employment of 218,500 people in 2014. Manufacturing is changing dramatically driven by changing consumer demands, the rapid pace of advances in technologies, environmental concerns, intensified globalisation and competition. New materials (e.g. ceramics, polymers, graphene) and associated new processing methods have the potential to revolutionise existing industries and create new ones. Additive manufacture is enabling the development of complex products without the normal stresses and defects found in traditional manufactured objects. It also offers the scope to customise at no incremental cost and produce fewer items at lower cost. Bioprocessing is becoming increasingly relevant to a range of products, including the development of environmentally sustainable substitutes for fossil fuels or in the manufacture of more complex pharmaceutical molecules.

Ireland's manufacturing sector continues to deliver strong growth and job creation, and is a key driver of innovation. Key sectors include pharma and biopharma, medical devices, food, ICT and industrial products. The enterprise development agencies, working together with industry, will continue to influence and drive Ireland's investment in its skills and capabilities to sustain and grow the existing and significant manufacturing base and better position Ireland to win new investments in manufacturing into the future.

In 2016, we will progress the identified enterprise need for Research Technology Organisation support in the area of advanced manufacturing and support world leading research in manufacturing together with related training, skills development and service provision for the benefit of indigenous and multinational companies. We will also establish a national approach to Lean involving micro businesses, SMEs and MNCs (see section 9.1).

2016 Actions

Manufacturing	
216	<p>Progress the identified enterprise need for Research Technology Organisation support in the area of advanced manufacturing to include the delivery of manufacturing RDI in addition to the provision of training and services for the benefit of both indigenous and multinational companies.</p> <p style="text-align: right;">(IDA, EI, SFI, DJEI)</p>
217	<p>Continue to invest in infrastructural and research projects supports (innovation partnerships, spokes etc.) to encourage commercially relevant research, development and training in pilot scale (Technology Readiness Level 5-9) manufacturing and quality testing of next generation therapeutics (e.g. antibody drug conjugates).</p> <p style="text-align: right;">(IDA, SFI, EI)</p>
218	<p>Explore the potential for research support in the area of drug device combinations by establishing a representative group which will agree priorities for action and present proposals to Government.</p> <p style="text-align: right;">(IDA, EI, SFI, IMDA, PCI)</p>
219	<p>Explore the potential for IDA to work with the Ireland Strategic Investment Fund to support the establishment of a biotech Contract Manufacturing Organisation manufacturing facility in Ireland.</p> <p style="text-align: right;">(IDA, ISIF)</p>

9.4 Supporting Trade

Enterprise 2025 provides a strategic framework for a whole of Government approach to enhancing export growth over the medium to longer term. It is underpinned by a number of detailed sectoral strategies including the Government's Tourism Policy Statement, *People Place and Policy- Growing Tourism to 2025*, *Food Wise 2025*, *Construction 2020*, the International Financial Services Strategy, *IFS 2020*, and *A National Aviation policy for Ireland*. Among the specific objectives from a trade perspective are:

- A 50 per cent increase in indigenous exports;
- An 85 per cent increase in agri-food exports; and
- Overseas tourists to reach 10 million.

Through its close cooperation with other Government Departments and State agencies, the Department of Foreign Affairs and Trade and its Embassy network will support the delivery of our export objectives. The activities of the Export Trade Council further strengthen cooperation and coordination across all Government Department and State agencies involved in the promotion and development of trade, tourism and education.

In 2016, we will develop a successor to the Government's *Trade, Tourism and Investment Strategy 2010-2015* and it is critically important that it continues to focus on delivering the Government's targets and ambitions set out in *Enterprise 2025*. We will ensure that our in-market resources are aligned to achieving these objectives.

2016 Actions

Supporting trade

220	<p>Recognising the importance of cross-border economic links on the island of Ireland and the supporting work of InterTradeIreland in this area, maintain focus on economic growth and job delivery through the North South Ministerial Council and continue outreach activities, including at a Ministerial level, to the Northern Ireland business community.</p> <p style="text-align: right;">(DFAT, DJEI, ITI with relevant Departments and agencies)</p>
221	<p>Continue to develop the coordinated approach to international messaging across Government, including through the regular updating of key messages and their communication by Ireland's Embassy network.</p> <p style="text-align: right;">(DFAT with relevant Departments and agencies)</p>
222	<p>Develop and implement a programme of trade missions and other trade, tourism, investment and education events focused on key target markets, including exploratory and high potential markets as defined under the <i>Review of the Government Trade, Tourism and Investment Strategy</i>. A substantial number of these trade missions and related events will be led at Ministerial level.</p> <p style="text-align: right;">(DJEI/EI/DFAT with relevant Departments and agencies)</p>

223	<p>Advance the Africa Strategy which provides a comprehensive framework for the development and management of Ireland's official engagement with Africa, through a clearly targeted engagement on trade and economic relations, including: a renewed Africa Ireland Economic Forum; the strengthening of our embassies' trade promotion tools and capacities, in co-operation with the State agencies; and ongoing support to Irish business representative bodies and companies focused on doing business in Africa.</p> <p style="text-align: right;">(DFAT with relevant Departments and agencies and the private sector)</p>
224	<p>In light of the expiry of the <i>Government Trade, Tourism and Investment Strategy 2010-2015</i>, carry out a scoping exercise, in cooperation with all relevant Departments and State agencies, to examine the possible format, structure and opportunities relating to a new strategy. The implementation of same will be a priority in 2016 and subsequent years.</p> <p style="text-align: right;">(DFAT, DJEI, DAFM, DTTAS, DES, State agencies)</p>
225	<p>In line with previous Global Irish Economic Fora, Government Departments and State agencies will have a key role to ensure implementation of relevant recommendations and outcomes from the 2015 Global Irish Economic Forum.</p> <p style="text-align: right;">(DFAT, DJEI with relevant Departments and agencies and the private sector)</p>

9.5 Enhancing Collaboration between Irish and Foreign Owned Enterprises

Strengthening the connections between Irish-owned firms and the foreign-owned base of companies in Ireland plays an important role in growing our enterprise base. We will continue to provide opportunities for Irish-owned firms to connect into global supply networks, which help to strengthen their capabilities, reputation and visibility on international markets. Enterprise Ireland and IDA Ireland are continuing to drive collaboration on key priorities including maximising of procurement opportunities for Irish business through the Global Sourcing initiative.

Enhancing collaboration between Irish and foreign owned enterprises	
226	<p>Progress implementation of the agreed Global Sourcing Strategy across Enterprise Ireland and IDA Ireland to increase global sourcing sales by Enterprise Ireland client companies by €100 million over three years.</p> <p style="text-align: right;">(EI, IDA)</p>
227	<p>Continue to identify opportunities to support investment and job creation in the green economy.</p> <p style="text-align: right;">(EI, IDA)</p>

9.6 Procurement Opportunities

The public sector has an immense purchasing power, spending in the region of €8.5 billion per annum on goods and services in addition to expenditure on public works. One of the key priorities set out in the Public Service Reform Plan is to reduce costs and achieve better value for money through reform of public procurement. Lower cost or innovative solutions developed through public procurement also represent a significant opportunity for growth. The Office of Government Procurement, which operates as an office of the Department of Public Expenditure and Reform, is together with four key sectors (health, defence, education and local government), taking responsibility for sourcing all goods and services on behalf of the public service. The OGP also has responsibility for procurement policy, centralised procurement support systems and procedures.

We will continue to improve public procurement practices by removing obstacles and encouraging the involvement of SMEs and ensuring that public procurement is business friendly. At EU level there is a growing recognition of the need to promote and facilitate SME participation in public procurement. The new EU Directives on Procurement are designed to simplify the rules and provide more flexibility for public purchasers. The Directives contain measures specifically designed to improve access for SMEs and start-ups.

2016 Actions

Procurement opportunities	
228	Transpose new EU Procurement Directives. (DPER/OGP)
229	Raise awareness of the new Procurement Directives to bring about a more consistent approach to procurement throughout the State making it easier for SMEs to deal with procurers. (DPER/OGP)
230	Issue updated General Guidelines on Public Procurement, which will be an active guidance document that will constantly be updated to reflect current procedures and policy. (DPER/OGP)
231	Participate at Meet the Buyer events in conjunction with InterTradeIreland. (DPER/OGP)
232	Engage with SME representative bodies, the Department of Jobs, Enterprise and Innovation, Enterprise Ireland and InterTradeIreland through the SME working group to identify further measures to assist public sector procurement. (DPER/OGP)
233	Issue social clauses guidance material to procuring authorities. (DPER/OGP)
234	Revise standard template documents so that all contracting authorities can issue tenders in a similar fashion which will facilitate SME participation through the reduction of administrative burden. (DPER/OGP)

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235	Publish the Public Service Spend and Tendering Analysis for 2014, which will act as a benchmark for the Office of Government Procurement to measure its performance in assisting business. (DPER/OGP)
236	Increase registration by SMEs on e-tenders. (DPER/OGP)
237	Publish pipelines of procurement activities on http://www.procurement.ie to inform SMEs of opportunities that will arise during the year. (DPER/OGP)
238	Review the operation of the Tender Advisory Service pilot. (DPER/OGP)

10 Stimulating the Domestic Economy

We will retain a strong focus on stimulating the domestic economy through the implementation of ambitious strategies for the tourism, construction, agri-food and marine sectors and also through the Regional Action Plans for Jobs stepping up the range of activities by local authorities and others to improve the attractiveness of our cities, towns and villages as vibrant places to shop.

The key objectives for 2016 include:

- Implementing *Food Wise 2025*, our ambitious new ten year plan for the agri-food sector;
- Implementing the 2016 relevant actions arising from the new Tourism Action Plan;
- Delivering the range of initiatives we have put in place to comprehensively address constraints in the construction and housing sector;
- Continue to implement Ireland's Integrated Marine Plan, *Harnessing Our Ocean Wealth*; and
- Progressing the implementation of recommendations from the Joint Oireachtas Committee report to support the retail sector.

10.1 Agri-food

The agri-food sector is enjoying a period of strong performance. Food and drink companies currently account for a 25 per cent share of the ISEQ 20 index. Bord Bia estimates total food and drink exports of €10.8 billion in 2015, representing an increase of 51 per cent (€3.6 billion) in value since 2009. Dairy (30 per cent) and meat (34 per cent) accounted for the majority of exports, but prepared foods (17 per cent), beverages (12 per cent) and seafood (five per cent) were also important. The UK remains our main export market, accounting for €4.4 billion (41 per cent) of exports, followed by continental Europe at €3.4 billion (31 per cent) and non-EU markets at around €3 billion (28 per cent).

We launched *Food Wise 2025*, our ten year plan for the agri-food sector. It builds on the smart green growth journey started under *Food Harvest 2020*, supporting continued investment in the development of new innovative technologies and processes which will drive productivity and sustainable production into the future allowing the sector to reach out and realise the significant opportunities which exist particularly on global markets. It underlines the sector's unique and special position within the Irish economy and illustrates the potential for the sector to grow even further.

Food Wise 2025 identifies ambitious and challenging growth projections for the industry over the next ten years including:

- 85 per cent increase in exports to €19 billion;
- 65 per cent increase in primary production value to €10 billion;
- 70 per cent increase in the sectors value addition to the economy to over €13 billion; and
- The creation of 23,000 additional jobs all along the supply chain from producer level to high end value added product development.

During 2016, we will deliver a range of actions that contribute to preserving and growing output value and employment in the agri-food and related sectors throughout Ireland but particularly in rural areas.

2016 Actions

Agri-food	
239	Secure access to new third country markets for Irish meat and dairy products while maintaining access to existing markets. (DAFM)
240	Roll out a schedule of outward and inward trade visits at Ministerial level to promote agri-food exports in key markets. (DAFM, EI, Bord Bia)
241	Support the expansion of the alcohol beverages and prepared consumer foods industry. (DAFM, EI, Bord Bia)
242	Establish a Centre for Consumer Insights to support market prioritisation strategies and market decision making through provision of consumer insights in specific regional and country markets. (Bord Bia)
243	Support a further cohort of new food entrepreneurs under Food Works and promote market outlets for food start-up companies. (Bord Bia/Teagasc/EI)
244	Attract graduate talent into the sector through the Bord Bia Marketing Fellowship and Food Marketing Graduates to improve export sales. (Bord Bia)
245	Continue the successful Food Academy initiative (which is run in conjunction with retail outlets) to nurture start-up food businesses through workshop style training and assistance with routes to market. (Bord Bia, EI/LEOs)
246	Placement of Origin Green Ambassadors with key international food companies and international organisations. (Bord Bia)
247	Implement the undergraduate Language Bursary Programme to improve the language proficiency of agri-food sector graduates from key degree programmes. (Bord Bia)
248	Continue to improve analytical and innovation capacity in the sector through the recruitment and development under the Walsh Fellowship Programme. (Teagasc)
249	Develop additional commercial project proposals, with the relevant Government agencies, to deliver knowledge transfer on Ireland's sustainable food production systems to international customers. (SFSI)

250	<p>Further develop proposals for a Food Innovation Hub at Teagasc Moorepark campus to promote greater collaboration between industry and public research and deliver a step change in innovation activity in the food industry.</p> <p style="text-align: right;">(Teagasc)</p>
251	<p>Lead research, in collaboration with other research institutions and industry, to derive applications from the significant State investment in foods for health.</p> <p style="text-align: right;">(Teagasc)</p>
252	<p>Launch the Meat Technology Centre following the 2015 evaluation on the business case for its establishment.</p> <p style="text-align: right;">(EI)</p>
253	<p>Drive the implementation with client food and drink companies of: approved projects and new investments; the innovation and research development agenda; and the management capability and competitiveness agenda.</p> <p style="text-align: right;">(EI)</p>

10.2 Marine

Ireland's ocean is a national asset, supporting a diverse economy, with vast potential to tap into the global marine market for seafood, tourism, energy, and new applications for health, medicine and technology. *Harnessing Our Ocean Wealth*, which was published in 2012, sets out a roadmap for the Government's vision, high-level goals and integrated actions across policy, governance and business to enable Ireland's marine potential to be realised. In December 2013, a Development Task Force was set up by the Marine Coordination Group with participants across a range of organisations from the public and private sectors and non-governmental organisations to address four specific actions in the marine sector - integrated enterprise strategy; business development, marketing and promotion; research, knowledge, technology and innovation and international education and training.

The Task Force's report was published at *SeaFest* in July 2015 and sets out a package of eight integrated recommendations to realise the ambition of *Harnessing Our Ocean Wealth*. Specifically it calls for the establishment of an integrated marine development team as critical to implementing its recommendations and sees this as the most important initiative to be taken in the short-term as it will be the engine for accelerating developments in the marine sector.

We will continue to implement *Harnessing Our Ocean Wealth* in 2016. In addition, *SeaFest 2016*, Ireland's maritime festival, will be held in Galway. *SeaFest* brings together a mix of business, policy, and public events under one umbrella at a coastal location. It will incorporate the third '*Harnessing Our Ocean Wealth*' conference.

2016 Actions

Marine	
254	Launch an array of new supports for the fishing, aquaculture and seafood processing sectors under the €241 million European Maritime and Fisheries Fund Seafood Development Programme. (DAFM)
255	Implement the 24 actions identified in the National Strategic Plan for Sustainable Aquaculture Development. (DAFM)
256	Strengthen support for the enterprise dimension of the Irish Marine and Energy Resource Cluster, to add to the training, research, industry and naval capabilities currently in place. (DAFM)
257	Progress the implementation of <i>Harnessing our Ocean Wealth- an Integrated Marine Plan for Ireland</i> . (DAFM)

10.3 Tourism

Tourism is one of Ireland's largest industries and makes a very significant contribution to our economy. The tourism sector is performing strongly with the number of overseas visitors forecast by Tourism Ireland to reach 7.9 million in 2015, an 11 per cent increase on 2014 and a 16 per cent increase in revenue from overseas tourists to almost €4.2 billion. Critically, many of these jobs are regionally dispersed in places where other opportunities are limited, are available to people across a range of skill levels, and also support people who simultaneously are enhancing their skills or knowledge in education.

This Government recognises the value of tourism as a services export, and to maximise this, the primary focus of our new Tourism Policy Statement, *People, Place and Policy – Growing Tourism to 2025*, is on growing overseas tourism.

The Tourism Policy Statement sets out a series of policy objectives to deliver the headline targets of €5 billion in overseas visitor revenue, total employment of 250,000 in the tourism sector, and ten million overseas visitors by 2025.

To achieve the objectives in the Tourism Policy Statement, we will develop a series of three-year Tourism Action Plans, overseen by a new Tourism Leadership Group. The Tourism Leadership Group was established by the Minister for Transport, Tourism and Sport in July 2015 and is drafting a series of tourism actions consistent with the objectives in the policy statement and which will be implemented in the period to 2018.

2016 Actions

Tourism	
258	Implement 2016 relevant actions arising from the new Tourism Action Plan. (DTTAS, State Tourism Agencies, other relevant Departments)
259	Dublin, as the capital city, is the key driver of Ireland's tourism industry. Fáilte Ireland will work with industry and agency partners to grow the city's international appeal. (Fáilte Ireland, Tourism Ireland with others)
260	Help Ireland's South, East and Midlands achieve international "stand-out" via the Ireland's Ancient East brand and build on the region's comparative advantage in built and cultural heritage. (Fáilte Ireland, Tourism Ireland, OPW)
261	Through the Wild Atlantic Way, deliver balanced and sustainable revenue and jobs growth with greater geographical and season spread and benefits to local communities in the West of Ireland. (Fáilte Ireland with others)
262	Deliver a new suite of business supports in 2016 to enable our industry to maximise their potential in growing their revenue from overseas visitors. The key objective of these supports will be to continue to see growth in export earnings and employment from the tourism industry. (Fáilte Ireland, Tourism Ireland)

<p>263</p>	<p>Events Ireland, which is part of Fáilte Ireland and is tasked with growing overseas arrivals through sports, business and other events tourism, will increase sports tourism overseas arrivals by rolling-out an Event Ambassador programme and, in partnership with key stakeholders, identifying, bidding and ultimately hosting suitable internationally mobile events.</p> <p style="text-align: right;">(Fáilte Ireland)</p>
<p>264</p>	<p>Promote Irish art and artists worldwide. Develop the impact of Culture Ireland investment in the Irish arts sector globally, identify new markets for Irish work, and build awareness of the range and quality of work produced by Irish artists and companies in strategic international territories, working with Tourism Ireland and other State bodies.</p> <p style="text-align: right;">(DAHG, Culture Ireland)</p>
<p>265</p>	<p>Support up to 300 individuals and over 500 organisations across a wide range of arts venues, festivals, arts organisations and touring initiatives around Ireland in 2016.</p> <p style="text-align: right;">(DAHG, Arts Council)</p>
<p>266</p>	<p>Continue to develop cultural digitisation initiatives in order to enhance Ireland's roots tourism offering.</p> <p style="text-align: right;">(DAHG, GRO, National Library and National Archives)</p>
<p>267</p>	<p>Develop further heritage tourism initiatives, including a programme of trailway development in National Parks and Nature Reserves, in partnership with key stakeholders. Collaborate with the relevant Departments and Agencies to ensure that National Parks, Nature Reserves, National Monuments and historic buildings contribute as signature experiences along the Wild Atlantic Way, in particular through the development of a national park trails network, so as to add to the attractiveness of these areas for tourists.</p> <p style="text-align: right;">(DAHG, Fáilte Ireland and National Trails Office)</p>
<p>268</p>	<p>Support a range of projects that apply good heritage practice to the management of places, collections or objects (including buildings) through the Heritage Management Grant Scheme 2016.</p> <p style="text-align: right;">(DAHG, Heritage Council)</p>
<p>269</p>	<p>Roll out a further built heritage jobs leverage scheme with €2 million funding which encourages the investment of private capital through the provision of matching public funds in a large number of small-scale, labour-intensive projects across Ireland.</p> <p style="text-align: right;">(DAHG, LAs)</p>
<p>270</p>	<p>Support the major refurbishment programme for the National Gallery of Ireland and the development of a permanent exhibition space and interpretative centre at the GPO, the development of visitor facilities at Teach an Phiarsaigh, Ros Muc, the restoration of the Moore Street national monument as a 1916 Commemorative Centre and other investments as part of the Ireland 2016 Programme.</p> <p style="text-align: right;">(DAHG , OPW, ÚnaG and NGI)</p>
<p>271</p>	<p>Invest in construction/refurbishment works at the National Library, the National Archives, Cork Event Centre and in regional arts and cultural centres nationwide.</p> <p style="text-align: right;">(DAHG, National Cultural Institutions, LAs, OPW)</p>

10.4 Retail

The wholesale and retail sector is a critical part of the Irish economy, being the largest private sector employer in the state, with approximately 270,000 people in employment. The sector has a reach into every locality in the country and is part of every community. While the employment figures for the retail sector are lagging behind other sectors in the economy, a recovery in sales figures began to take hold over the course of 2015 as the increase in consumer confidence had a knock on effect on sales. There has also been a notable shift in consumer spending habits as the increase in volume sales figures are consistently higher than value sales figures.

The income tax measures introduced in Budget 2015 have played a significant role in the recovery in retail sales figures. This is likely to continue in 2016 as Budget 2016 will put more money back into people's pockets. Furthermore, the retention of the nine per cent VAT rate, the extension of the Home Renovation Incentive, the reduction in Capital Gains Tax, the introduction of a credit for the self-employed and the reduction in debit card transaction fees should all have a positive impact on the retail sector. In spite of its resurgence, the retail sector does face significant challenges, in particular with regard to increasing sustainable employment in the sector, tackling the difficulties faced by town and village centres across the country and the threat from external online retailers.

The Retail Consultation Forum provides a platform for engagement between the retail sector and relevant Government Departments and bodies to discuss and identify actions that can be taken to address the challenges that the sector faces. Much of its focus in 2015 centred on the report published in March by the Joint Oireachtas Committee on Jobs, Enterprise and Innovation, *Policy Options to Support Business Growth and Job Creation and Retention in Town and Village Centres*.

In 2016, the Forum will focus on the report's recommendations, including examining practical measures to turn the digital economy and online trading from a threat into an opportunity, collaborating across industry and the public sector to support revitalisation of town and village centres (see section 2.2) and examining cost issues for smaller retailers in particular. The Forum will also examine how training programmes can respond to the changing skills needs in the retail sector.

2016 Actions

272	<p>Progress the implementation of recommendations from the Joint Oireachtas Committee report on <i>Policy Options to Support Business Growth and Job Creation and Retention in Town and Village Centres</i> identified by the Retail Consultation Forum, in particular through the setting up of the following working groups:</p> <ul style="list-style-type: none">■ a working group on reducing energy costs to examine and propose solutions aimed at assisting retailers to reduce their energy costs;■ a working group on retail and the digital economy to examine how the retail sector can maximise the opportunities presented by the digital economy;■ a working group on the revival of the town centre to examine and identify practical ways to give effect to some of the recommendations of the JOC report. <p style="text-align: right;">(Retail Consultation Forum, relevant Departments and public bodies)</p>
273	<p>Establish a Working Group within the Retail Consultation Forum to identify how training programmes which are particularly relevant to the retail sector can be expanded or newly introduced to enhance the skills profile of the sector.</p> <p style="text-align: right;">(Retail Consultation Forum)</p>

10.5 Construction and Housing

Housing is a priority issue for the Government and one that is closely linked with the Government's ongoing efforts to continue to grow the economy and return it to full employment. It is also an important factor in our competitiveness. In recognition of this, we have taken a number of important actions to ensure that our workforce and our population can be adequately housed and that we can continue to attract and retain foreign direct investment. These include a range of measures that have been delivered or are in the process of being progressed under *Construction 2020 – a Strategy for a Renewed Construction Sector*. This strategy, which was published in 2014, aims to ensure Ireland has a strong and sustainable sector that can build the homes and infrastructure we need.

During 2015, we have also progressed the Urban Regeneration and Housing Act 2015, which amongst other matters provided for a new vacant site levy to address development land supply issues and reform of social and affordable housing obligations on housing developers to reduce costs and enhance social housing delivery. Specifically on housing supply, measures are being progressed to enhance the economic viability of new housing construction in key demand areas given the impact of macro-prudential lending policies on the spending power of the housing market.

As part of our new package of housing measures announced in November 2015, *Stabilising Rents, Boosting Supply*, we have delivered a series of reforms to provide rent stability for both tenants and landlords, including increasing the rent review period from one to two years, increased notice periods for rent reviews and much greater protections for tenants introduced through the Residential Tenancies Amendment Act 2015. This Act also provides for the creation of a deposit protection scheme and creates a number of other obligations for landlords to increase rental security for tenants.

Other measures underway include a time de-limited development contribution rebate targeted at Dublin and Cork and new planning guidelines on design standards for apartments together with necessary legislative enabling and other streamlining measures, which together with previously implemented reductions in development contributions (26 per cent in the Dublin area) and reforms of the Part V social housing requirements, have the potential to reduce housing delivery costs by up to €40,000 per new home in the case of apartments and €20,000 per house. Together with NAMA funding of the delivery of 20,000 new homes on a commercial basis by the end of 2020 and new funding initiatives for urban infrastructure, this Government has moved to comprehensively address delivery and viability constraints and has positioned the construction sector to respond.

During 2016, we will continue to implement the *Social Housing Strategy 2020* to support the delivery of social housing. The strategy, initiated under *Construction 2020*, will deliver 35,000 new social housing units over a six year period and provide housing support for up to 75,000 households in the private rental sector, mainly through the new housing assistance payment. Budget 2016 builds on previous investment prioritising social housing with an Exchequer provision of almost €811 million, while the Capital Plan commits €2.9 billion in capital funding towards social housing to 2021.

2016 Actions

Construction and housing

274 Implement the Government's Housing Package, including rollout of the targeted Development Contribution Rebate scheme announced in November 2015.

(DECLG)

275	Implement the relevant measures set out in the <i>Social Housing Strategy 2020</i> to support the delivery of social housing. (DECLG and relevant Departments)
276	Fund the delivery of 20,000 residential units on a commercial basis by end 2020. (NAMA)
277	Enact the Planning and Development (No. 2) Bill 2015 to implement the planning provisions of the Mahon Tribunal, including the establishment of an independent Planning Regulator and e-planning related measures identified in <i>Construction 2020</i> . (DECLG)
278	Support the delivery of housing-related enabling infrastructure in large scale priority development areas, and roll out the Activate fund. (ISIF)
279	Place Construction Industry Register Ireland on a statutory footing. (DECLG)
280	Implement the Construction Contracts Act. (DJEI)
281	Publish the 2016 National Statement of Projected Supply and Demand. (Housing Agency, DECLG)
282	Maintain the Home Renovation Incentive Scheme to support homeowners and legitimate businesses. (DoF)
283	Implement and monitor the Living City Initiative. (DoF)
284	Complete a review and report to Government on the steps necessary to deliver a system of e-Conveyancing in Ireland, including the resource implications, the timescales for delivery and the potential benefits to consumers and practitioners. (DJE)
285	Facilitate emerging and developing construction sector businesses to adopt best practice and build in quality and safety aspects of their products and services to comply with building regulations and gain market share. (NSAI)

Department of Social Protection and the Enterprise Agencies' Protocol

In the spring of 2014, Pharmaceutical Product Development (PPD) in Athlone needed to source additional persons for jobs in the role of Bio analyst.



Pictured at the Launch of the Bio analytics training and placement programme in IDA Ireland, Athlone on 30th Oct 2014, Stephen Quinn NIBRT and the Bio analytics trainees

PPD is an IDA Ireland client company and a leading global contract research organisation that provides drug discovery, development, lifecycle management and laboratory services. PDD clients and partners include pharmaceutical, biotechnology, medical device, academic and government organizations worldwide.

To help address this skill need IDA Ireland, Skillnets, the Department of Social Protection (DSP), the Irish Medical Devices Association Skillnet, (with support from ICT Ireland Skillnet), IBEC and the National Institute for Bioprocessing Research and Training (NIBRT) came together to design and implement an innovative pilot training and internship programme in PPD for 20 trainees, then on the live register.

The programme was designed to meet the specific skill needs of PDD Athlone. However, it was also a pilot for a new multi-agency skills development model, centred on providing targeted training and placements in IDA Ireland client companies, for persons on the live register with the relevant educational background and/or work experience to be trained to meet the skill needs of specific roles. The programme comprised of 6 weeks of training in the theory Bio analytics and practical Bio analytical Techniques. This was then followed by a paid 3-month practical placement with PPD in either its Athlone or Brussels operations. The qualification awarded was a level 9 *Certificate in Science in Bio analytics*.

PDD Athlone had strong input into the design of the training programme, candidate selection and the format for the subsequent placements. The training and placement programme commenced in October 2014 and was completed by August 2015.

As of November 2015, out of the twenty trainees on the live register who commenced the programme, seventeen are now in employment, (fifteen are in full-time permanent posts and two on specified-term contracts). This is a conversion rate of 85 per cent. Of the seventeen, six now work for PPD in Athlone, and eight for other leading multinational corporations in the sector. The average starting salary of the seventeen persons is €32,900 per annum.

With 85 per cent of the trainees now in employment the programme was very successful and shows the power of a multi-agency approach to skill development. Several new programmes using the same multi-agency model have been launched in follow up to the PPD Athlone programme.

About the Protocol

As part of the Action Plan for Jobs and *Pathways to Work*, the Department of Social Protection, the Department of Jobs, Enterprise and Innovation, IDA Ireland, Enterprise Ireland and the Local Enterprise Offices (LEO's) have agreed a protocol that seeks to maximise the recruitment of appropriately skilled persons from the Live Register by enterprise agency client companies. To find out more about labour activation measures that are planned for 2016 see chapter 3.

11 New Sources of Growth

Action Plan for Jobs 2015 introduced New Sources of Growth which reflected the Government's transition to developing medium term strategies and goals to ensure that our recovery is secured and growth is sustained. As a small open economy Ireland must be agile in responding to emerging global trends and the challenges and opportunities that they present. In 2016 we continue to address some of those emerging opportunities and set out specific activity for these new sources of economic growth where early, targeted Government-led initiatives which are coordinated and coherent can provide a framework for sustainable enterprise development over the short to medium term.

Key objectives in 2016 will include:

- Progressing the State-led intervention to deliver high speed broadband access to every home and business in the country by 2020;
- Implementing the international financial services strategy, *IFS2020*, to deliver on our target to target to grow the numbers in employment in the sector to 45,000 by the end of 2019;
- Maintaining and building on Ireland's attractiveness as a base for aircraft leasing, finance and maintenance, repair and overhaul in order to create the conditions to grow employment in these industries;
- Assessing the scale, strengths and contribution of the audio visual sector in terms of economic activity and employment levels and its potential to expand further; and
- Examining the scope, feasibility and conditions necessary for the development of a national bio-economy strategy.

11.1 Digital Economy

Enterprise 2025 sets out an ambition for Ireland to become a digital economy 'hot-spot' in Europe, leading in the adoption and application of advanced ICT across the enterprise economy and the public sector. The rollout of Ireland's Broadband Intervention Strategy by the end of 2018 will enable 85 per cent of premises to have access to broadband services of at least 30 megabytes per second by 2018 and all premises by 2020. This will mark a critical juncture in Ireland's development, offering the potential for an inclusive information society and a digital economy where enterprises and individuals can engage in a completely on-line environment. This offers potential for significant productivity growth, innovation and sales growth.

Under the National Digital Strategy, the Government will continue to roll out the Trading Online Voucher Scheme which aims to get 1,000 more small businesses trading online and offers a financial incentive of up to €2,500 to small and micro businesses to develop their online trading capability.

Within the digital economy big data has been identified as a significant opportunity area for Ireland, not just within the existing ICT sector, but also within vertical markets that are historically data intensive businesses, such as telecommunications, energy, retail and financial services and also other sectors such as Government, healthcare and manufacturing.

An important element of the ecosystem for data-intensive companies operating in Ireland is ensuring that the system of data protection and the arrangements in place provide for a robust approach to data protection, consistent with EU law and international treaties. To ensure that Ireland has a best-in-class system in place, the Department of the Taoiseach has established the Government Data Forum to allow dialogue with industry, civil society and academics on related issues, as well as an inter-departmental committee on data protection issues. A Dublin office for

Office of the Data Protection Commissioner has been sourced, and the budget sanctioned for 2016 provides for a cumulative 150 per cent increase in budget and a 100 per cent increase in personnel versus 2014.

2016 Actions

Digital economy	
286	Bring forward proposals as to how best to capture the digital economy opportunities for enterprise. (DJEI, relevant Departments)
287	Select the preferred bidder(s) to roll out the National Broadband Plan intervention. (DCENR)
288	In line with the eHealth Strategy and the Knowledge and Information Plan, assess how to increase the capability of and access to health care Open Data. (DoH/HSE)
289	To ensure that Ireland’s approach to data protection in the digital economy is best in class globally, and provide regular reports to the relevant Cabinet Committee on progress being made towards that goal. (D/Taoiseach)
Online trading vouchers	
290	Carry out a detailed evaluation of the operational aspects and enterprise impacts of the Trading Online Voucher Scheme. (DCENR, DJEI, EI/LEOs)
291	Roll out a further 1,000 Trading Online Vouchers through the Local Enterprise Office Network. (DCENR, EI/LEOs)

11.2 International Financial Services

With over 35,000 people employed across the International Financial Services (IFS) industry, including more than 12,000 in all regional locations outside the Greater Dublin region, this is an important sector. Employment is spread across a range of activities including funds, investment and asset management, international banking, insurance and reinsurance, aircraft leasing and financing, payments, securitisation, corporate treasury and pensions, fintech/ payments, and business services. In addition to those employed directly in the IFS sector, legal and professional services firms offering support services provide significant and valuable additional employment.

In March 2015, we agreed *IFS2020*, a new strategy for developing the international financial services sector. The aim of the strategy is to ensure that existing jobs are protected to ensure the sector can take advantage of new and emerging global opportunities for the remainder of the decade. The strategy sets a target to grow the numbers in employment in the sector from its current base of 35,000 to 45,000 by the end of 2019 – representing an ambitious 30 per cent net growth objective over the period.

The strategy is accompanied by a detailed action plan, which is being implemented by the public sector, in partnership with industry. Quarterly progress reports are provided to Government and the action plan is reviewed on an annual basis.

2016 Actions

International financial services	
292	<p>Publish a revised set of actions for 2016, to be implemented under the <i>IFS2020</i> implementation framework.</p> <p style="text-align: right;">(IFS2020 Public Sector High Level Implementation Committee)</p>
293	<p>Implement the 2016 actions under <i>IFS2020</i>, including:</p> <ul style="list-style-type: none"> ▪ Report quarterly to Government on progress with implementing <i>IFS 2020</i>, and subsequently publish quarterly progress report ▪ Launch and deploy a new banner brand for promoting Ireland’s IFS sector ▪ Host a major international conference on IFS <p style="text-align: right;">(IFS 2020 Public Sector High Level Implementation Committee, IDA, EI, DFAT, industry stakeholders)</p>
294	<p>Building on investment wins in the international Banking and Asset Management sectors, IDA will develop a new value proposition for “front office” financial services activities.</p> <p style="text-align: right;">(IDA, industry)</p>
295	<p>Islamic Finance continues to grow. IDA will review and further develop Ireland’s value proposition for this important sub-sector.</p> <p style="text-align: right;">(IDA, industry)</p>
296	<p>Support the implementation of <i>IFS2020</i>, by driving International Financial Services skills development through the delivery of actions contained within the Finuas Networks Programme Strategy.</p> <p style="text-align: right;">(Skillnets, DES, D/Taoiseach)</p>

11.3 Aviation

The aviation sector is a major contributor to Ireland's economy, currently supporting an estimated 26,000 jobs directly and a further 16,000 in the supply chain. In broader terms, a competitive and expanding aviation sector supports growth across our economy, including in terms of facilitating linkages that can lead to growth in the volume and value of tourism in Ireland, open up new markets and enhance opportunities for foreign direct investment through improved access. The new national aviation policy, *A National Aviation Policy for Ireland*, which we published in August 2015, aims to maximise the sector's contribution to overall economic growth as well as to enhance Ireland's connectivity and foster growth of aviation enterprise and support job creation.

The policy statement contains a comprehensive list of 73 actions which are designed to ensure that the right conditions exist for a flourishing aviation sector into the future. The implementation of the actions will facilitate the expansion of the industry, help make it more competitive, tackle barriers to growth, facilitate the development of new air transport links and maintain Ireland's leading global position in the aircraft leasing and aviation finance sectors. By 2020, the Department of Transport, Tourism and Sport expects that Irish airports will handle in the region of 33 million passengers – this will be a key benchmark for measuring the development of the sector generally. Such growth will lead not only to job creation within the sector but will also facilitate growth across the economy.

2016 Actions

Aviation	
297	Establish a framework for implementation of the relevant actions in the National Aviation Policy. (DTAS)
298	Maintain and build on Ireland's attractiveness as a base for aircraft leasing, finance and maintenance, repair and overhaul in order to create the conditions to grow employment in these industries. (DTAS)
299	Commence the process for increasing and expanding Ireland's bilateral air transport agreements. (DTAS)

11.4 Audio-Visual

The international entertainment industry continues to grow rapidly and is experiencing significant disruption in how content is being produced and consumed across multiple channels. Ireland with its history and culture of storytelling already has a successful and recognised audio visual industry with several notable achievements by recent Irish film makers in Europe and the US.

However it is estimated that while there are approximately 6,000 Full Time Equivalent jobs across the industry, there is a potential to increase this and position Ireland as an attractive location for international production companies, as well as further support the growing domestic independent productions companies and animation sectors.

In line with previous commitments in the 2015 Plan, and improvements in Section 481 in Budget 2015 and Budget 2016, a new set of targets to deliver job creation in live action and animations are being set for 2016. These include reviewing the current economic value of the industry, focussing on skills development and delivery, the development of indigenous talent, fiscal support and increased inter agency cooperation.

2016 Actions

Audio-visual	
300	<p>Work with the Irish Film Board and other agencies to explore the capacity to expand the industry. Increase full-time employment equivalents in the film and audio-visual sector up to 1,000 jobs by supporting the Irish Film Board to fund at least 15-20 Irish feature films and develop creative co-production feature film opportunities for 5-10 creative co-productions. Overall, up to 32 projects will be supported, including feature documentaries, animation, TV Drama and short films.</p> <p style="text-align: right;">(DAHG, IFB)</p>
301	<p>Commission an economic analysis of the current value of the audio visual industry in Ireland, to assess the scale, strengths and contribution of the sector in terms of economic activity and employment levels and its potential to expand further.</p> <p style="text-align: right;">(DAHG/DCENR and others)</p>
302	<p>Publish and implement the joint Irish Film Board/Broadcasting Authority of Ireland national strategy on skills shortages and talent development.</p> <p style="text-align: right;">(DAHG, IFB/BAI)</p>
303	<p>Deliver the 2016 Showcase- <i>Ireland's International Creative Expo</i>.</p> <p style="text-align: right;">(DCCOI)</p>

11.5 Bio-economy

The bio-economy comprises those parts of the economy that use renewable biological resources from land and sea – such as crops, forests, fish, animals and micro-organisms – to produce food, materials and energy. The Government wishes to assess the potential and conditions necessary for the strategic development of Ireland's bio-economy to contribute to longer term sustainable development and to build upon Ireland's already strong agricultural, industrial and technological sectors. Maximising the potential of Ireland's bio-economy also requires the identification and preparation for a range of advanced technological solutions as well as enhancing coordination across Ireland's research and development sector. This will also form a key part of the Government's examination of the feasibility and conditions necessary for the development of a national bio-economy strategy. It will initially be led by the Department of the Taoiseach, working in close conjunction with relevant Government Departments and State Agencies.

2016 Actions

Bio-economy

304	<p>Initiate an examination of the scope, feasibility and conditions necessary for the development of a national bio-economy strategy; and produce an interim report on the matter by end year.</p> <p style="text-align: right;">(D/Taoiseach with other relevant Departments and agencies)</p>
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Spearline Labs expands ICT jobs in Skibbereen



**Mathew Lawlor, CTO and Kevin Buckley, CEO
of Spearline Labs**

In early November 2015 as part of the National Digital Week in Skibbereen, Spearline Labs announced the recruitment of an additional 20 people to double its workforce over the next 18 months. The expansion is supported by the Department of Jobs, Enterprise and Innovation through Enterprise Ireland.

Spearline Labs, the world's largest toll and toll-free number testing provider, was founded in 2003 by Kevin Buckley (CEO) and Matthew Lawlor (CTO) and has a global presence in over fifty countries. Spearline is among the fastest growing technology companies in Ireland and was

included in the Deloitte Fast 50 Award 2015, for the second year in a row. Spearline Labs employees are from five different countries and the new roles will include Software Engineering, Support, International Sales and Finance and Account Management.

The company is investing over €1million in new products which will be ready for market from early next year and will represent 33% of the company's revenue by 2017. The expansion by Spearline Labs in Skibbereen is an example of how technology knows no boundaries in terms of serving international markets, as long as the product is innovative and fulfils a market need.

The National Digital Week held in Skibbereen is one of a number of initiatives being progressed by local enterprise leaders in the West Cork town to create a digitally-connected entrepreneurial ecosystem in a rural environment. National Digital Week gained significant coverage via social media, local and national news and an attendance of 1,600 throughout the week. The themed days included Digital Education and STEM, Farming 2030, Female Entrepreneurship, Empower a Billion Women 2020, Social Entrepreneurship, The Future of Retail and Services, Energise Enterprise and Communities, Google Workshops, Industry 4.0, the Story of Entrepreneurship and Internet of Things (IOT). The initiative was supported by Cork County Council and the Local Enterprise Office (LEO), by DJEI through Enterprise Ireland and IDA Ireland and by the DCENR.

Other digital initiatives being progressed in Skibbereen, as highlighted in the South West Action Plan for Jobs, include the development of the Ludgate Digital Hub as Ireland's first rural Digital Hub to house up to 75 people in a state of the art co-working facility, securing broadband connectivity for the Ludgate Hub and the town of Skibbereen, launching community enterprise projects to promote the digitisation of traditional retail and services, managing four community enhancement projects and attracting venture funding. The success of National Digital Week was recognised with awards from KBC Bright Ideas and Cork Conference Ambassador Award and funding through the Local Diaspora Engagement Fund and CEDRA Rural Economic Development Fund.

About Regional Action Plan for Jobs

The Regional Action Plans for Jobs Initiative was launched in February 2015, to identify actions to help each region achieve its economic potential and raise employment levels over the period 2015-2017. The goal is to have a further 10 to 15 per cent at work in each region by 2020 and to ensure the unemployment rate is within one per cent of the State average. To find out more about what is planned regarding regional development in 2016 see chapter 2.

Annex: Performance Assessment Framework

- Support 2.1 million in employment by 2018 based on the optimum development and attraction of talent
- Restore our competitiveness to rank in the top three most competitive small countries in the world
- Build an indigenous engine of growth that drives up the export market share of Irish companies, achieving a step change in enterprise performance
- Stimulate the domestic economy and generate employment in locally traded sectors in strong regions built on sustainable areas of competitive advantage
- Build world-class clusters in key sectors of opportunity where FDI is embedded with all the ingredients for growth

Objective	Baseline	Current Performance (2015)	2016 and Medium Term Targets	Relevant APJ Sections
Support 2.1 million in employment by 2018	<p>Numbers employed decreased by 308,300 from Q2 2008 to Q1 2012.</p> <ul style="list-style-type: none"> ▪ Retail: 271,800 ▪ Construction: 104,200 ▪ Agri-food: 82,300 ▪ Accommodation and food 119,800 <p>IDA firms decrease in employment of 10,568 from 2008-2011. Job churn 6%</p> <p>EI firms decrease in employment 23,496 from 2008-2011. Job churn of 8.7% in 2011.</p>	<p>135,800 extra at work between Q1 2012 when APJ was launched and Q3 2015, with employment at:</p> <ul style="list-style-type: none"> ▪ Retail: 272,300 ▪ Construction: 126,200 ▪ Agri-food: 111,800 ▪ Accommodation and Food 136,000 <p>IDA firms increase in employment of 34,098 from 2012-2015. Job churn of 4.3%.</p> <p>EI firms increase in employment of 26,589 from 2012-2015. Job churn of 4.5% in 2015.</p>	<ul style="list-style-type: none"> ▪ 2.1 million at work in 2018, increasing to 2.18 million by 2020. ▪ Creation of 74,000 net new jobs in agency supported firms by 2020 ▪ Target of an additional 50,000 jobs in 2016. ▪ Target of 29,000 gross new jobs in agency supported firms in 2016 	Chapter 2-11

1. Increasing sales and exports

Objective	Baseline	Current Performance	2016 and Medium Term Targets	Relevant APJ Sections
1.1 Increase in exports in EI supported firms	€15.2bn in 2011	€20bn forecast for 2015	<ul style="list-style-type: none"> ▪ Grow exports in Irish owned firms by 6-8% per annum to €24-€26bn by 2020 ▪ Increase the export intensity of Irish owned firms to 55% - 60% of sales by 2020 ▪ Win 900 new foreign direct investments between 2015-2019 ▪ Grow the portfolio of IDA clients to 1,350 in 2019 ▪ Increase exports in EI supported firms to €22bn for 2016 ▪ Win 175 new FDI investments in 2016 ▪ Attract 28 FDI projects from emerging overseas businesses in 2016 ▪ Implement tailored mentoring programmes for more than 300 EI clients 	2.2 Stimulating Regional Growth 2.4 National Clustering Initiative 2.5 Driving Intellectual Property in Enterprise 6.Competitiveness 7. Finance for Growth 8. Entrepreneurship 9. Driving Export Led Growth 10. Stimulating the Domestic Economy 11. New Sources of Growth
1.2 Increase in proportion of exports to high growth economies (EI supported firms)	2011 Exports to Latin America of €139m Exports to Asia Pacific of €978m.	2014 Exports to Latin America €224m Exports €1.4bn to the Asia Pacific regions.		
1.3 Increase in share of exports in EI supported firms to non-UK markets	56% of exports to non-UK markets in 2010	68% of exports to non- UK markets in 2014		
1.4. Exports as % of sales – EI clients	46% in 2010	51% in 2014		
1.5 Increase in the number of exporting firms	1,497 firms exporting in 2011	1,727 firms exporting in 2015		
1.6 Increase in the number of FDI project wins	144 in 2011	213 in 2015		

2. Stimulating the domestic economy (retail, construction, tourism, agri-food)				
Objective	Baseline	Current Performance	2016 and Medium Term Targets	Relevant APJ Sections
2.1 Increase local economy employment	Q1 2012 <ul style="list-style-type: none"> Retail: 271,800 Construction: 104,200 Agri-food: 82,300 Accommodation and Food: 119,800 	Q3 2015 <ul style="list-style-type: none"> Retail: 273,300 Construction: 126,200 Agri-food: 111,800 Accommodation and Food: 136,000 	<ul style="list-style-type: none"> Increase the direct economic expenditures of agency clients by 25% of 2013 figure by 2020 10 million overseas visitors and 250,000 employed in tourism sector by 2025 Target of 8.2 million overseas visitors in 2016 Complete rollout of further 1,000 trading online vouchers Support 30 significant food and drink industry investments, five of which will be FDI projects 	2.3-All Government Transactions with Business Online by 2017 – Reducing Red Tape 7- Finance for Growth 10 -Stimulating the Domestic Economy 11.1Digital Economy
2.2 Increase in the domestic expenditure by exporting firms on payroll, and domestically-sourced supplies and services	2011: <ul style="list-style-type: none"> EI enterprises: €19.2bn 	2013: <ul style="list-style-type: none"> EI enterprises: €21bn (+10% on 2011). 		
2.3 Increase in annual tourism visitor numbers and tourism employment.	6.2m overseas tourists in 2011 €2.9bn expenditure (excl. airfares) by overseas tourists	7.9 million overseas visitors in forecasted in 2015, up 11% on 2014 (Tourism Ireland) €4.2bn in expenditure by overseas tourists (excl. airfares) forecast for 2015, a 16% increase on 2014 (Tourism Ireland)		
2.4 Increase agri-food exports to €12bn by 2020.	€9.28bn in 2011	€10.8bn in 2015 (Bord Bia)	<ul style="list-style-type: none"> Export target of €19bn by 2025 Employment targets of an additional 23,000 jobs in the sector 	

			<ul style="list-style-type: none"> Allocate 25 graduates to 15 companies under the Food Marketing Graduate Programme 	
2.5 Stimulate recovery in construction sector	<p>Construction employment in Q1 2012 was 104,200.</p> <p>Six years of declining output in the sector</p>	<p>Construction employment in Q3 2015 was 126,200 s.a. (+21.1%)</p> <p>GDP from building and construction sector up 3.1% in the first three quarters of 2015 compared to the same period in 2014.</p> <p>27 consecutive months of increased output from the sector (Ulster Bank Index)</p> <p>198,950 sq. m of office space under construction in Dublin, Cork, Limerick and Galway in Q3 2015- more than triple the Q3 2014 figure (DTZ Sherry Fitz).</p>	<ul style="list-style-type: none"> Implement Government's Housing Package Fund the delivery of 20,000 residential units non a commercial basis by end of 2020 	

3. Improving Skills Provision				
Objective	Baseline	Current Performance	2016 and Medium Term Targets	Relevant APJ Sections
3.1 % of students taking STEM related disciplines	2011: 23%	2015: 26%	<ul style="list-style-type: none"> ▪ EU lifelong learning target of 15% by 2020 ▪ Double investment in training and upskilling in enterprise agency clients by 2020 ▪ Meet 74% of ICT skills demand with domestic supply by 2018Develop ▪ 4,500 Erasmus students per annum by 2020 ▪ 25 new apprenticeships in 2016 ▪ Establish eight Regional Skills Fora ▪ 13,800 annual science, technology, engineering and maths graduates by 2018 ▪ 30% of students to take higher level maths by 2020. ▪ Deliver the online application system for employment permits 	2.1 Step-Up in Enterprise Skills Supply 4. Delivering Skills for a Growing Economy
3.2 Domestic supply of ICT skills	2012: 42% of demand	2014: 59% of demand		
3.3 Students taking higher-level maths	2011: 8,235 (15.8% of total)	2015: 14,691 (27.4% of total)		
3.4 Students on Erasmus to boost language, tech and business skills	2010/11: 2,511	2014: 3,000		
3.5 Increase availability of international selling skills.		Shortages of business sales executives with foreign languages (250-750 pa) and in customer services/ support with foreign language occupations (200-500 pa).		
3.6 Promote upskilling and lifelong learning	2011:6.8% of adults engaged	2014: 6.7% of adults engaged		
3.7 In-company investment in training/education by agency clients	2011: €132 million	2013: €149 million		
3.8 Apprenticeship new registrations	2011: 1,307	2015: 2,984		

4. Increasing activation of the unemployed

Objective	Baseline (2011)	Current Performance	2016 and Medium Term Targets	Relevant APJ Sections
4.1 Reduce unemployment rate (seasonally adjusted)	15.1% December 2011	8.8% in December 2015	<ul style="list-style-type: none"> ▪ 2.1 million at work in 2018, increasing to 2.18 million by 2020. ▪ Reduce unemployment to six per cent by 2020 ▪ Unemployment in all regions to be within one per cent of the national average by 2020 ▪ Implement <i>Pathways to Work</i> and constituent metrics ▪ Target of an additional 50,000 jobs in 2016. 	<p>2.1 Step-Up in Enterprise Skills Supply</p> <p>3. Increasing Labour Market Participation</p> <p>4. Delivering Skills for a Growing Economy</p>
4.2 Decrease the numbers of the Live Register (seasonally adjusted)	Numbers on the Live Register December 2011: 443,300	Numbers on the Live Register: December 2015: 328,600 (a decrease of 25.9% on December 2011 and an annual decrease of 9.7%)		
4.2 Decrease youth and long-term unemployment rates (not seasonally adjusted)	<p>The long-term unemployment rate was 8.6% in Q4 2011 and accounted for 60.3% of total unemployment in Q4 2011.</p> <p>Youth unemployment was 39% in April 2011.</p>	<p>Long term unemployment rate in Q3 2015 was 5% and accounted for 54.1% of total unemployment.</p> <p>Youth unemployment was 20.8% in Q3 2015.</p>		

5. Increasing Levels of Entrepreneurship				
Objective	Baseline (2011)	Current Performance	2016 and Medium Term Targets	Relevant APJ Sections
5.1 EU ranking of adult population engaged in entrepreneurial activity	1 in 13.69 (7.3%) in 2011	1 in 11 in 2013 (latest data available)	<ul style="list-style-type: none"> ▪ Increase the number of start-ups by 25% ▪ Increase the survival rate in the first five years by 25% ▪ Improve the capacity of start-ups to grow to scale by 25% ▪ Provide New Frontiers Development programme to 130 new entrepreneurs ▪ Provide business development and financial supports to 185 high potential and early stage start-ups ▪ Launch 10 Competitive Start Funds to support 100 entrepreneurs 	8 Entrepreneurship 9.1 Growing Irish Companies 11 New Sources of Growth
5.2 EI HPSUs approved	93	105 in 2015		
5.3 Enterprise Starts - CSO	11,847 in 2010	12,551 in 2012 (latest data available)		
5.4 Numbers employed in enterprise starts - CSO	10,475 in 2010	11,207 in 2012 (latest data available)		
5.5 New company incorporations - CRO	14,616 in 2011	19,404 in 2015		
5.6. Increase EI entrepreneurship activity	<ul style="list-style-type: none"> ▪ Mentor Programme: €506k approved, 2,892 individual visits (2011) ▪ HPSU Feasibility Study 2012: 138 projects approved, €1.7m approved ▪ Competitive Start Fund 2011: 55 early stage companies supported, €2.85m approved 	<ul style="list-style-type: none"> ▪ Mentor Programme in 2015 €554k approved, 3,166 individual visits ▪ HPSU Feasibility Study in 2015: 144 projects approved, €1.67m approved ▪ Competitive Start Fund 2015: 112 early stage companies supported, €5.5m approved 		

5.7. New Frontiers support for budding entrepreneurs

Commenced in 2013 with 144 participants

Supported 150 start-ups in 2015

6. Enhancing Firm-Level Productivity				
Objective	Baseline (2011)	Current Performance	2016 and Medium Term Targets	Relevant APJ Sections
6.1 Increase the value added per employee EI firms	-3% decline in 2011	+4% increase in 2014	<ul style="list-style-type: none"> ▪ GVA per person engaged for indigenous sectors to be equivalent to UK and Germany by 2020 ▪ Sustain an EU top 5 position in annual percentage change in output per hour worked by 2020 ▪ Support 1,000 participants on Management Development courses ▪ Provide Innovation for Growth Programme to 30 companies 	<p>6. Competitiveness</p> <p>9.1. Growing Irish Companies</p>
6.2 Sustain output per hour worked, total economy percentage change at annual rate		2.5%		
6.2 Increase participation on management development courses	1,084 in 2011	959 managers in 2015		
6.3 Increase the number of firms participating in Lean Manufacturing programmes	150 companies participated in lean programmes in 2011	In 2015: 97 lean projects in companies 17 significant Lean Transform companies		
6.4. Increase IDA Company participation in Transformation Programmes	109 companies participated in 2014	119 companies participated in 2015		

7. Increasing Levels of RDI

Objective	Baseline (2011)	Current Performance	2016 and Medium Term Targets	Relevant APJ Sections
7.1 Increase Business Expenditure on RDI (BERD)	Foreign firms €1.22bn Indigenous firms €0.536bn	(Latest figures – 2013) Foreign firms €1.318bn (+7.4%) Indigenous firms €0.703bn (+31.2%)	<ul style="list-style-type: none"> Achieve R&D intensity target of 2.5% of GNP by 2020 EI R&D active firms >€100k to reach 1,200 by 2020 EI R&D active firms >€1m to reach 200 by 2020 Secure €1.25bn in Horizon2020 research funding for Irish companies and academics Win cumulative €3.6bn in RDI foreign direct investment by 2020, Achieve €600 million in RDI foreign direct investment by 2016 Secure €150m in research funding for Irish firms and academics under Horizon2020 in 2016 Secure €12m in contracts from the European Space Agency 	<p>2.5 Driving Intellectual Property in Enterprise</p> <p>5. Innovation</p> <p>11. New Sources of Growth</p>
7.2 Increase researchers employed in industry (BERD)	Foreign firms 10,460. Indigenous firms 8,174	(Latest figures – 2014) Foreign firms 11,980 (+15%) Indigenous firms 9,650 (+18%)		
7.3 EI supported firms undertaking significant R&D	743 firms > €100K 2011 129 firms > €1m 2011	(Latest figures – 2013) 860 firms > €100,000 (+16%) 140 firms > €1m (+9%) Patent applications per billion GDP, 53 (Irl) v 98 (EU) Community trademarks per billion GDP, 5.46 (Irl) v 5.9 (EU) – Annual growth of 5% and 6.9% respectively Community designs, 1.28(Irl) v 4.75(EU)		
7.4 Increase success in securing EU/Horizon 2020 funding	€93m FP7 funding won	€127.3m in Horizon funding approved for 2014 (target €100m)		

7.5 SFI researcher papers co-authored with industry		8% in 2014		
7.6 EI supported collaborative interactions industry and HE	139 in 2011	878 in 2014		
7.7 SFI supported collaborations with industry	583 in 2011 (246 with MNCs and 337 with SMEs)	1,211 in 2014 (650 with MNCs, 561 with SMEs)		

8. Increasing Ease of Doing Business

Objective	Baseline	Current Performance	2016 and Medium Term Targets	Relevant APJ Sections
8.1 Increase our international ease of doing business ranking	World Bank Doing Business 2015: <ul style="list-style-type: none"> 19th (ranking of 189 countries) 14th (ranking of OECD-32) (Due to a revision of methodology pre - 2015 data is no longer comparable)	World Bank Doing Business 2016: <ul style="list-style-type: none"> 17th (ranking of 189 countries) 13th (ranking of OECD-32) 	<ul style="list-style-type: none"> Make all Government Transactions with Business Online by 2017 	2.3 All Government Transactions with Business Online by 2017- Reducing Red Tape 6 - Competitiveness
8.2 Reduce barriers for starting a business	World Bank Doing Business 2015: <ul style="list-style-type: none"> 19th (ranking of 183 countries) 8th (ranking of OECD-32) (Due to a revision of methodology pre- 2015 data is no longer comparable)	World Bank Doing Business 2016: <ul style="list-style-type: none"> 25th (ranking of 189 countries) 12th (ranking of OECD-32) 		
8.3 Employment Appeals Tribunal waiting time	76 weeks (Dublin) and 77 weeks (outside Dublin) in 2011	61 weeks (Dublin) and 57 weeks (outside Dublin) in Q3 2015		
8.4 Labour Court hearing waiting time	13 weeks in 2011	10 weeks(Dublin) and 16 weeks (outside Dublin) in Q3 2015		
8.5 Employment Permits average processing time	32 days in 2011	23 days in 2015		

9. Decreasing the cost of doing business				
Objective	Baseline (2011)	Current Performance	2016 and Medium Term Targets	Relevant APJ Sections
Achieve a top 5 Competitiveness position	24 th (IMD competitiveness scoreboard, ranking of 59 countries)	16 th (IMD Competitiveness scoreboard 2015, ranking of 61 countries)	<ul style="list-style-type: none"> ■ Restore our competitiveness to rank in the top three most competitive small countries in the world ■ Implement the National Waste Prevention Programme ■ Provide €55 million in Exchequer supports to further stimulate energy saving activity in the residential and community sectors ■ Conclude a new Public Sector Energy Efficiency Action Plan 	6. Competitiveness
HICP	2011=100	Q1-Q3 2015 = 102.8		
Electricity	First six months of 2011=100	First six months of 2015 <ul style="list-style-type: none"> ■ Small Energy Business Users =122 ■ Large Energy Business Users =133 		
Fuels purchased by Manufacturing Industry (excl electricity)	December 2011 = 100	November 2015 = 81.5		
Building materials	December 2011 = 100	November 2015 = 106.3		
Freight Transport	<ul style="list-style-type: none"> ■ Q4 2011 = 100 	<ul style="list-style-type: none"> ■ Q2 2015 = 103.6 		
Sea Transport	<ul style="list-style-type: none"> ■ Q4 2011 = 100 	<ul style="list-style-type: none"> ■ Q2 2015 = 104 		
Air Transport	<ul style="list-style-type: none"> ■ Q4 2011 = 100 	<ul style="list-style-type: none"> ■ Q3 = 136.3 		
Warehousing	<ul style="list-style-type: none"> ■ Q4 2011 = 100 	<ul style="list-style-type: none"> ■ Q3 2015 = 90.4 		
Computer Services	<ul style="list-style-type: none"> ■ Q4 2011 = 100 	<ul style="list-style-type: none"> ■ Q3 2015 = 106.1 		
Legal and Accounting	<ul style="list-style-type: none"> ■ Q4 2011 = 100 	<ul style="list-style-type: none"> ■ Q3 2015 = 103.5 		
Architecture and Engineering	<ul style="list-style-type: none"> ■ Q4 2011 = 100Q4 2011 = 100 	<ul style="list-style-type: none"> ■ Q3 2015 = 95.5 ■ Q3 2015 = 109 		

Advertising Services				
Waste	Landfill Gate Fees 2010 = €93 per tonne	Landfill Gate Fess 2014 = €113 per tonne (+22%)		
Hourly Labour Cost	Q4 2011 = 100	<p>Q2 2015:</p> <ul style="list-style-type: none"> ▪ Ireland = 104.2 ▪ Euro Area = 105.7 ▪ UK = 106.2 ▪ Germany = 108.5 		
Average Hourly Total Labour Costs		<p>For Ireland by sector total Q3 2011 - Q3 2015 increase:</p> <ul style="list-style-type: none"> ▪ Industry +3.7% ▪ Private Sector +2.5% ▪ Information/ communication +7.1% ▪ Transportation and storage +5.1% ▪ Administrative services +3.4% ▪ Professional, scientific +2.8% ▪ Retail +2.2% 		

		<ul style="list-style-type: none"> ▪ Arts, recreation +2.0% ▪ Financial services +1.1% ▪ Construction 0.1% - ▪ Public Admin and Defence 2.0% - ▪ Accommodation and food 5.1% - ▪ Education 5.4% - ▪ Health and social 5.5% - 		
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10. Enhances the availability of funding mechanisms for SMEs

Objective	Baseline (2011)	Current Performance	2016 and Medium Term Targets	Relevant APJ Sections
10.1 Increase in investment by enterprises	Q1-Q3 2011 Manufacturing Capital Investment €1.06bn	Q1-Q3 2015 Manufacturing Capital Investment €3.6bn (+241%)	<ul style="list-style-type: none"> ▪ Deliver the balance of original €800m of funding in SBCI to SME market ▪ Source additional funding to support lending activities of SBCI into the future ▪ Deliver an export finance product to market ▪ Establish the European Investment Fund' European Angels Fund in the Irish Market 	7. Finance for Growth
10.2 Increase usage of the SME Online tool	30,288 unique user during 2014	30,654 unique users during 2015		
10.3 Increase take-up of the new Credit Guarantee Scheme	Scheme launched Q4 2012 Q3 2013: <ul style="list-style-type: none"> ▪ Facilities sanctioned: 33 ▪ €m: 5.3 	Q3 2015: <ul style="list-style-type: none"> ▪ Facilities sanctioned: 32 ▪ €m: 5.7 		
10.4 Increase take-up of the Micro Finance Ireland	Scheme launched Q4 2012 Q3 2013: <ul style="list-style-type: none"> ▪ Applications received: 71 ▪ €m (Applications Received): 129 ▪ Approval Rate: 45% ▪ € Approved: €356,000 	Q3 2015: <ul style="list-style-type: none"> ▪ Applications received: 189 ▪ €m (Applications Received): 331 ▪ Approval rate: 52% ▪ € Approved: €1,310,000 		
10.5 Goods vehicles licensed	2011: 11,118	Year to Oct 2015: 21,077 (+41% on Oct 2014)		

Glossary of Terms

AIB	Allied Irish Bank
APJ	Action Plan for Jobs
BAI	Broadcasting Authority of Ireland
BPFI	Banking and Payments Federation Ireland
CBI	Central Bank of Ireland
COSME	EU programme for the Competitiveness of Enterprises and SMEs
CRCI	Clinical Research Coordination Ireland
CRO	Credit Review Office
CSO	Central Statistics Office
CSR	Corporate Social Responsibility
daa	Dublin Airport Authority
DAFM	Department of Agriculture, Food and the Marine
DAHG	Department of Arts, Heritage and the Gaeltacht
DCCoI	Design and Craft Council of Ireland
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
DG GROW	Directorate General for Internal Market, Industry, Entrepreneurship and SMEs
DoF	Department of Finance
DoH	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
ECB	European Central Bank
EGFSN	Expert Group on Future Skills Needs
EI	Enterprise Ireland
EIB	European Investment Bank

EIF	European Investment Fund
EFSI	European Fund for Strategic Investments
EPA	Environmental Protection Agency
ESB	Electricity Supply Board
ESRI	Economic and Social Research Institute
ETB	Education and Training Board
FDI	Foreign Direct Investment
FET	Further Education and Training
GEDI	Global Entrepreneurship Development Index
GDP	Gross Domestic Product
GNP	Gross National Product
GPO	General Post Office
GRO	General Register Office
HEA	Higher Education Authority
HEI	Higher Education Institutions
HIHI	Health Innovation Hub Ireland
HPSU	High Potential Start-ups
HRB	Health Research Board
HSA	Health and Safety Authority
HSE	Health Service Executive
IBEC	Irish Business and Employers' Confederation
ICT	Information and Communications Technology
IDA	Industrial Development Agency
IDC	Inter-Departmental Committee
IFB	Irish Film Board
IFS	International Financial Services
IICM	Irish Institute of Credit Management
IMDA	Irish Medical Devices Association
INAB	Irish National Accreditation Board
IoT	Institute of Technology
IP	Intellectual Property
IRC	Irish Research Council
ISIF	Ireland Strategic Investment Fund
ISO	International Organisation for Standardisation
ITI	InterTradeIreland
JOC	Joint Oireachtas Committee

KTI	Knowledge Transfer Ireland
LA	Local Authorities
LCDC	Local Community Development Committee
LEADER	Liaisons entre actions de developpement de l'économie rurale
LEO/s	Local Enterprise Office/s
LGMA	Local Government Management Agency
LPC	Low Pay Commission
LRC	Law Reform Commission
MNCs	Multinational Corporations
NAMA	National Asset Management Agency
NCC	National Competitiveness Council
NCCA	National Council for Curriculum and Assessment
NGI	National Gallery of Ireland
NSAI	National Standards Authority of Ireland
NTA	National Transport Authority
OECD	Organisation for Economic Co-operation and Development
OGP	Office of Government Procurement
OPW	Office of Public Works
PAS	Public Appointments Service
PCI	Pharmaceutical Ireland
PIAB	Personal Injuries Assessment Board
PSO	Public Service Obligation
ptsb	Permanent TSB
QQI	Quality and Qualifications Ireland
RDI	Research, development and innovation
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
RP	Research Prioritisation
RPO	Research Performing Organisations
SBCI	Strategic Banking Corporation of Ireland
SEAI	Sustainable Energy Authority of Ireland
SFI	SFI
SFSI	Sustainable Food Systems Ireland
SME	Small and Medium Enterprise
SOLAS	An tSeirbhís Oideachais Leanúnaigh agus Scileanna
SPV	Special Purpose Vehicle

STEM	Science, Technology, Engineering, Mathematics
SVCS	Seed and Venture Capital Scheme
UCD	University College Dublin
ÚnaG	Údarás na Gaeltachta
VAT	Value Added Tax
WDC	Western Development Commission
WEEE	Waste Electrical and Electronic Equipment
WEF	World Economic Forum

