Rialtas na hÉireann
Government of Ireland

Project Ireland 2040

Phase 1 Report
Review of the National Development Plan

Prepared by the Department of Public Expenditure and Reform

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Foreword

The publication of this report comes at a time when our world is rapidly changing, particularly in light of the COVID-19 pandemic. In the face of this adversity, the Government decided to bring the review of the National Development Plan (NDP) forward. This report gives an overview of the evidence base which has been developed by my Department as part of that review and which will help inform Government on the policy decisions to be made over the coming months.

The revised NDP will set out ten year capital ceilings out to 2030 and support economic, social, environmental and cultural development all across the country, in parallel with the National Planning Framework (NPF) which sets the overarching spatial strategy for the next twenty years.

Following a detailed process of engagement and reflection, I welcome the publication of this report which outlines the various strands of the review process, and provides the evidence base to allow us, as a Government, to make informed decisions about the new NDP that will be published later this year.

As we begin to plan for a post-pandemic recovery, we recognise the need to seize the opportunity to shape and build a renewed economy for the future, while simultaneously improving environmental and climate outcomes for future generations, boosting economic activity and enhancing well-being for all. We know that by 2040, Ireland's population is expected to increase by an additional one million people. Therefore, it is crucial that we plan for our future if we are to successfully navigate the many challenges, including population growth, demographic change, and securing Ireland's economic, social and environmental sustainability, over the next two decades.

International economic institutions such as the International Monetary Fund (IMF) and the organisation for Economic Cooperation and Development (OECD) have signalled the key role played by public investment in recovering from the impacts of Covid-19. Accordingly, for Project Ireland 2040 to succeed, it is imperative that we commit to maintaining, enhancing and prioritising public capital investment. Ensuring integration of climate change adaptation and mitigation imperatives will also be central to the development of the plan. By doing so, we will ensure that decisions and investments made now, even during the crisis, are consistent with longer-term goals for the economy and society. Adopting this pro-investment approach means we will hand over a fully functioning, competitive and climate-friendly economy to the next generation.

The revised NDP will consider the most important challenges facing us as a nation, and so has massive potential to shape how people in Ireland live our lives. In building for the future, investment in our economy has to be smart, well-planned, well-targeted and well-managed so that it delivers balanced regional growth. In particular the NPF sets ambitious targets for 75 percent of growth to take place outside of Dublin. Delivering this target through compact growth, particularly in our regional cities, will allow us to deliver viable cities of scale that can act as credible alternatives to Dublin, in turn providing sustainable growth for our wider regions and rural areas.

Therefore, in planning, resourcing and building for the future, the scaling up of quality public investment is a key enabler of transformative change. Importantly, the recent update to the Public Spending Code strengthens the project delivery process and means that we now have a stronger emphasis than ever before on achieving value for money, managing risks, and taking advantage of technology and innovation. We also know that investing in public capital projects has a 'multiplier effect' that creates jobs and increases economic activity.

The revised NDP will play an essential role in shaping our responses to the challenges of the present, and also prepare us for the challenges of the future. We are now in a strong position to bring forward the revised NDP for publication later this year.

Michael McGrath, TD
Minister for Public Expenditure and Reform

Summary

1. Introduction

- The review of the NDP provides an opportunity to reassess investment plans, update project costings and highlight any new issues which may need to be taken into consideration, particularly in light of the new Programme for Government and the ongoing impacts and recovery from Covid-19.
- Phase 1: started in October 2020 and culminates in this report which draws upon a number of pieces of research, policy papers and consultations addressing the various strands of the NDP Review process, to form part of the evidence base for finalising the drafting of the revised NDP.
- Phase 2: DPER will lead a strategic dialogue with Departments with the primary aim of agreeing at Government level, the new five year rolling Departmental capital allocations and overall ten year capital ceilings out to 2030.

2. Delivering Project Ireland 2040

- Since the launch of Project Ireland 2040, there has been significant progress in delivering a range of investments including both large and small infrastructure projects throughout the country.
- For example, net job creation of 52,574 in Enterprise Ireland and IDA supported client companies in the period; delivering better transport links (e.g. completion of the M11 Gorey to Enniscorthy and the N25 New Ross Bypass), delivering better health facilities (e.g. new ward blocks in Drogheda, Limerick, Tipperary and Waterford, new National Rehabilitation Hospital in Dún Laoghaire, new National Forensic Mental Hospital in Portrane, Community Nursing Units across the country), and environmental outcomes (e.g. upgraded Waste Water Treatment Plants at Mohill, Athenry, Castleblaney, Enniscorthy, Manorhamilton, Ardee).

3. Macro-economic Context

- The economic and social benefits of public investment are well established, with the positive multiplier impacts likely to be even more beneficial in 2021 given the impacts of Covid-19.
- Supply side capacity constraints have been evident in recent years with elevated levels of construction tender inflation and Government Departments needing greater use of the capital carryover facility. A range of measures are being taken by industry and Government to increase supply capacity over the medium term.
- The demand for public investment in Ireland is significant and relatively well established. Factors driving demand include maintenance, demographics, economic growth and climate action.
- Public investment (GFCF) in Ireland in 2019 stood at 3.8 percent as a share of GNI*, above The Netherlands (3.4), Denmark (3.2) and the EU27 Average (3.0).
- The share of funding available for public capital expenditure over the term of the revised NDP will be set out by Government over the course of Q2 2021, in the context of presenting the medium-term fiscal and economic policy, and including the upcoming Stability Programme Update to be published by end-April 2021.
- Any increase in public investment to meet demand needs to be planned and sustainable over the lifetime of the ten year plan in order to reduce risks of over-heating and poor value for money. This would also allow for delivery capacity to continue to be expanded.

4. Capital Expenditure Analysis

- When combined with a record 2021 carryover of almost €710 million, Departments and Agencies have potential to spend €10.8 billion in 2021, the highest level in the history of the state.
- In 2021 over 75 percent of the allocation of almost €10.1 billion is concentrated in four sectors; Housing Vote - €2,766 million (27.4%); Transport - €2,528 million (25.1%); Education - €1,241 million (12.3%); Health - €1,048 million (10.4%).

5. Infrastructure Demand Analysis

- This section summarizes an analysis, updated from 2017, which examines sectoral trends in demand for the largest infrastructure sectors.
- The analysis finds demand pressures across all sectors examined.
- The analysis suggests that housing is the area where demand for investment is most acute given the pressures a malfunctioning market is putting on affordable and social housing.
- In contrast, in the primary education sector demographics are favourable over the medium to long-term with enrolments in primary schools set to decrease from 2020 onwards. There are, however, other drivers of demand in the sector and enrolments are expected to fall at a slower rate than previously forecast.

6. Consultation

- The Review to Renew consultation period ran from 3 Nov 2020 to 19 Feb 2021.
- A total of over 570 submissions were received.
- There was broad support for increased investment and consistent themes in terms of prioritisation, including Climate Action and Utilities, Balanced Regional Development (including tourism), Sustainable Housing and Transport among others.

7. Departmental Submissions

- All Government Departments were invited to make submissions to the Department of Public Expenditure and Reform setting out their investment requirements for the period 2021-2030.
- These are summarised in the section with a focus on the relevant sectoral strategy informing investment plans, the drivers of the demand for such investment and the expected returns/outcomes.

8. Climate Considerations

- A number of steps will be followed in the incorporation of climate and wider environmental considerations into the new NDP.
- In recognition of the need for systemic change, there will be an overarching focus on climate action throughout the new NDP and the various sectors it covers.
- Departments will be required to assess their spending proposals/allocations against a range of environmental outcomes to ensure their investment priorities are aligned Ireland's climate and environmental objectives.
- To complement the assessment of the NDP mentioned above, it is also proposed that the NDP as a whole is assessed against a suitable climate/environmental methodology, based on international good practices such as those proposed by the OECD or World Bank.
- DPER has an ongoing body of work to strengthen the climate and environmental characteristics of the Public Spending Code, being developed in liaison with the DECC, and this work will be detailed in the NDP Review.
- The NDP is another opportunity to highlight, in line with the Programme for Government commitments, the use of the revenue arising from the increases to the carbon tax that are now committed to in legislation.

9. Delivering Housing in line with the NPF

- Delivering the right kind of housing in the right locations is critical to the successful delivery of Project Ireland 2040 and thereby underpins the entire plan.
- Given their significant policy experience in this area, the secretariat of the National Economic and Social Council was invited as part of the NDP Review to examine and put forward policy options to address the housing and urban development challenge.
- A number of recommended options include: develop the role of the Land Development Agency; establish a national cost rental scheme; urgently enable the State to acquire land in designated development areas at existing use value plus some premium as per the Kenny Report; and introduce a Site Value Tax replacing Local Property Tax/rates (as done in Denmark, Australia, New Zealand and some US States).

10. Alignment of the NDP and NPF

- Among the most important aspects underpinning Project Ireland 2040 is the alignment of the National Planning Framework (NPF) and the National Development Plan (NDP).
- A number of Departments are due to update or develop sectoral investment strategies over the coming period and this provides an opportunity to strengthen alignment with the NPF.
- The data examined gives a point-in-time assessment showing a clear spread in the number of investment projects across the three regions, largely in line with the NPF growth targets.
- The regional cities in particular appear to have a lower share of investment projects over €20 million and €100 million compared to their planned growth, suggesting investment may be taking place in the wider regions rather than within the regional cities at present.
- A number of proposals are put forward including the establishment of Project Ireland 2040 City Delivery Boards to drive investment in these locations in line with the NPF targets.

11. Public Private Partnerships Review

- Broadly, the Review finds the PPP policy framework to be robust, and the current guidance (last updated on foot of a substantial review that concluded in 2018) to be fit for purpose with a track record of successful delivery. Hence, it remains an option for public procurement where this provides the best Value for Money.
- The feasibility of a specific initiative around Energy Performance Contracts will be further developed, as a method of financing improved energy efficiency of the public building stock where this can be funded by savings in energy budgets and in line with fiscal limits.
- Departments will continue to evaluate projects for suitability for PPP in line with the 2018 review, driven by the VFM of any specific project bundle.

12. Reforming Oversight and Implementation

- EY was commissioned in 2019 under the EU Commission's Structural Reform Support Programme (now the Technical Support Instrument) to undertake, on behalf of DPER, a review of capital project and programme delivery capability in the public service.
- A key recommendation in the report is that the NIO convene an Action Team comprising relevant experts (including OPW, NDFA, OGP and the NIO) to set out a roadmap for implementation and also to configure the central infrastructure "backbone" of services that can more coherently support public sector construction and capacity development.
- An independent external review of projects over €100m is being introduced at two major decision gates in the project lifecycle (when the preferred delivery option to achieve the objective is chosen and before a decision is taken as to whether or not to approve a project to go to tender).
- As a matter of good governance for the Project Ireland 2040 Delivery Board the Government decided on 2nd March 2021 to introduce up to four additional external members.

13. A Shared Island

- Since the launch of the NDP, over the last three years, there has been significant progress with the priority actions and objectives.
- The Programme for Government makes a range of commitments on a Shared Island which are related to public investment and will need to be reflected and developed in the reviewed and extended NDP.

14. Conclusions and Next Steps

- Broadly, the evidence highlights areas where there are emerging and urgent infrastructure gaps which will need to be addressed as part of the 10-year strategy. However, in making decisions as part of Phase 2 and in building for the future, it is important that investment in our economy is well-planned, well-targeted and well-delivered. This focus on the delivery of efficient and cost-effective public infrastructure will need to be kept front and centre, to ensure Ireland achieves the desired objectives of the National Development Plan and the National Planning Framework.

Section 1:
Introduction

1.1. Policy Context

The National Development Plan (NDP) was published alongside the National Planning Framework (NPF) in February 2018 as part of Project Ireland 2040. Significant progress has been made in implementing the long-term investment strategy over the previous three years. Following the formation of a new government it was deemed appropriate to bring forward the review of the NDP in order to ensure that the plan is fully aligned with the new Programme for Government. Having commenced the review in October 2020, this report draws on a range of workstreams which have been undertaken in phase 1 of the review in order to develop the evidence base for the subsequent decisions Government will make on funding allocations in phase 2 of the review.

1.2. Background

The Project Ireland 2040 includes the National Planning Framework (NPF), which sets the overarching spatial strategy for the next twenty years, along with the National Development Plan (NDP), which sets out the ten year investment strategy.

Ensuring close alignment between the two is necessary in order to accommodate a projected 1 million additional people by 2040. Project Ireland 2040 provides an opportunity to successfully accommodate that growth by refocusing investment in our rural towns and villages through the support of the €1 billion Rural Regeneration and Development Fund, and by ensuring the cities of Cork, Galway, Limerick and Waterford grow at twice the pace of Dublin through the support of the €2 billion Urban Regeneration and Development Fund. By delivering compact growth within our rural villages, our towns and our cities, it will become possible to deliver more public infrastructure to more people, e.g. public transport, broadband, housing, health and a broad range of social, cultural, sporting and community services. In addition to infrastructure investment, a significant element of the investment set out in the NDP will support enterprise development, research, innovation and science. This investment will be crucial to support the additional 660,000 jobs projected by the ESRI for 2040.

The NDP itself sets out the investment priorities that will underpin the successful implementation of the new NPF. The overall funding of €116 billion for the lifetime of the NDP out to 2027 was originally allocated on an indicative basis to each of the ten National Strategic Outcomes set out in the NPF. In addition, the NDP also set out 5-year expenditure allocations by Department for the period 2018 – 2022. The multi-annual NDP ceilings were devised to give Departments a degree of certainty for future planning, with the expectation that DPER would not make substantial changes to published allocations.

In direct response to Covid-19, significant increases were made to capital allocations for 2020 primarily in Health and Business, Enterprise and Innovation. Subsequently, as part of the July Stimulus, a further €500 million was provided to accelerate capital works across a wide range of areas. This initiative has been effective in generating jobs and boosting economic activity across all regions of the country.

1.3. Implementation

Since the launch of Project Ireland 2040 there has been significant progress in delivering a range of both large and small infrastructure projects throughout the country. For example, delivering better transport links (e.g. completion of the M11 Gorey to Enniscorthy and the N25 New Ross Bypass), facilitating better health facilities (e.g. two new acute ward blocks in Our Lady of Lourdes Hospital, Drogheda and Waterford University Hospital), and environmental outcomes (e.g. upgraded Waste Water Treatment Plants at Mohill, Athenry, Castleblaney, Enniscorthy, Manorhamilton, Ardee, Grange, Tubbercurry and Ballinafad). The vast majority of projects have come in on time and on budget. There has also been significant progress made in planning for major projects such as Bus Connects, DART Expansion, Metrolink and the M20 Cork to Limerick.

In undertaking a review, it should also be acknowledged that Project Ireland 2040 has also delivered a strengthened system for public investment planning and delivery in Ireland. This includes:

- A National Planning Framework to ensure a sustainable and coordinated approach to the country's spatial development over the next 20 years.
- A range of new institutions to facilitate the delivery of that strategy including the Office of the Planning Regulator and the Land Development Agency.
- The Project Ireland 2040 Delivery Board made up of Secretaries General from the main capital spending Departments which meets regularly to monitor implementation and ensure effective coordination and cross-government consideration of challenges.
- An expanded National Investment Office in DPER to provide coordination and monitoring of implementation in relation to public investment.
- A revised Public Spending Code to ensure best practice in terms of appraisal and evaluation.
- An investment tracker and online interactive map to facilitate communication, monitoring and planning of investments.
- A communication strategy that includes national and local media initiatives, Annual and Regional Reports, an Annual Policy Conference, regular infrastructure professionals networking events, signage on all projects, presence at the National Ploughing Championships etc.
- The Construction Sector Group which acts as a forum for dialogue with the industry and a group which can drive the productivity and innovation agenda in the sector.

1.4. Programme for Government

The Programme for Government specified that the process of review of the NDP [and updating of the NPF] will not frustrate or delay existing projects. As well as committing to bringing forward the review of the NDP, the Programme for Government makes a range of commitments directly related to public investment which will need to be reflected in an updated NDP, including:

1. Bring forward funding for Climate Action & Disruptive Technologies Funds and issue new awards.
2. Town Centre First – expanded Town & Village Renewal Scheme and seed capital to LAs to provide serviced sites at cost.
3. Reorientation of transport investment between roads and sustainable mobility - €360m annually for cycling & pedestrian projects.
4. National Aggregated Model of Retrofitting.
5. Rapid roll out of the National Broadband Plan.
6. Commitment to Irish Water capital funding.
7. Continue to invest in healthcare infrastructure and Sláintecare.
8. Work to enhance productivity in the construction sector.
9. Endorsement of Project Ireland 2040 and balanced regional development
10. Annualised capital and current investment programme to action direct provision measures.
11. Audit and inventory of all school buildings, infrastructure and facilities in the State.
12. Comprehensive review of school forward planning policy.
13. Ensure local authorities have regard to the NPF and the 17 UN Sustainable Development Goals when drafting development plans.
14. Accessible and affordable childcare
15. Investment in higher education and research

The review of the NDP is being considered in conjunction with the Government's upcoming National Economic Recovery Plan (NERP). The shape of the NEP is still being developed. Broadly, it will set out the priority areas for Government policy in terms of how we secure our public finances, resource our public services and facilitate a sustainable jobs led recovery in a world where we must potentially live with Covid-19 for an extended period. The NEP will also frame efforts to decarbonise our economy, prepare for the next phase of technological transformation, capitalise on the opportunities presented by the current crisis, and ensure a regionally balanced recovery.

1.5. National Recovery and Resilience Plan

In July 2020, the European Union agreed on the establishment of a European Recovery and Resilience Facility. This Facility will provide support to all EU countries to assist in their recovery from the COVID-19 crisis, while also supporting the investments and reforms that are necessary to prepare economies for green and digital transition.

In order to access funds from the Recovery and Resilience Fund, Ireland must prepare a National Recovery and Resilience Plan (NRRP) setting out our reform and investment agenda for the years 2021 to 2023. This plan is currently being developed and with the deadline for submission to the European Commission set at end-April 2021, as per the regulation issued.

Ireland will be granted an initial allocation from the Recovery and Resilience Facility grants for the period 2021 and 2022. Further grants will be allocated in 2023 which will take in account economic developments between now and then. It is expected that total grants available will be in the region of €1 billion over this period.

Central to Ireland's approach will be alignment with the high level priorities and objectives for Phase 2 of the NDP, with a specific focus on a green and digital recovery

In line with the requirements of the Recovery and Resilience Fund, investment or reforms supported under the Plan should:

- address challenges identified in the context of the European Semester and CSRs;
- facilitate the green and digital transitions - 57% of total RRF spending must address climate (37%) and digital (20%) reform needs, representing a substantial investment in both of these areas; and
- strengthen the growth potential, job creation and economic and social resilience of Member States.

The projects that will be included as part of an NRRP will supplement the commitments that will be made in the second phase of the NDP and will enhance the detailed work to recover from the impacts of the COVID-19 pandemic.

Similarly, the European Regional Development Fund requires that 85% of the allocation must be spent on a 'Smarter Europe' and a 'Greener Europe' with at least 30% on green initiatives. The ERDF operational programmes also have clear EU reporting requirements and deliverables. The ERDF must be taken into account in Department's allocations under the revised NDP to ensure these receipts are drawn down over the period of the programmes.

1.6. Purpose of Review

Taking into account the significant consultation, planning and analysis that went into the formulation of Project Ireland 2040, the review has not been starting from scratch, but rather building upon the foundations and evidence base which is already in place.

The review provides an opportunity to reassess investment plans, update project costings and highlight any new issues which may need to be taken into consideration, particularly in light of the new Programme for Government and the ongoing impacts and recovery from Covid-19.

With this in mind, the NDP Review seeks to inform the following five broad questions and any potential Government decisions to adjust and update the Plan.

1. **Level -** Does the total level of public investment through capital expenditure need to be adjusted? If so, what is the appropriate level of public investment taking into consideration factors such as the overall fiscal position; demand for investment; public and construction sector capacity constraints; international comparisons etc.? Having now attained a high overall level of public investment, and with this Government committed to protecting capital investment levels, there is a prima facie economic and social case for preserving and sustaining this level of commitment into the future. This will provide the confidence required for multi-annual planning and associated benefits including the attraction of international delivery capacity.
2. **Share -** Does the share of capital expenditure across Departments or sectors need to be adjusted? If so, what is the appropriate share of allocation across Departments or sectors in order to ensure alignment with Government priorities? What is the appropriate allocation by sub-sector and agency?
3. **Priorities -** How should Project Ireland 2040 be changed to deliver on the policy priorities in the Programme for Government, notably housing, health, climate action, transport and job creation and enterprise development? It would run counter to the programme for Government, and to good economic and social planning, to simply maintain pre-existing splits of the overall capital budget, but the process of assigning the final allocations must be firmly rooted in evidence and in the Government-wide agenda of delivering on our public commitments.
4. **Spatial Alignment -** Do investment plans align sufficiently with the spatial strategy set out in the NPF of compact growth as well as city and regional growth targets? If not, how can this be addressed? It is important that the ambition of the National Planning Framework in promoting prosperity across the regions should be visibly and demonstrably achieved.
5. **Governance -** Do the structures and rules for the management and governance of public investment need to be improved? If so, how can these be improved? Appropriate governance, oversight and accountability processes within Government should underpin confidence that progress is being made and the momentum is being accelerated in delivering on the ambitions of the revised NDP.

It should be noted that DPER, in carrying out its role in coordinating the review, does not consider the merit of individual projects or sectoral policy strategies as this is primarily a matter for individual Departments and Agencies.

Individual projects are selected based on a detailed process which begins with Departments or Agencies setting their own sectoral strategy and goals, and then subsequently identifying specific needs or challenges to be addressed, whether that be through education, regulation, taxation or potentially expenditure on an infrastructure project. However, the revised NDP will inter-link with and reference those sector-specific strategies, several of which will also be developed further under the National Economic Recovery Plan, to ensure a fully coordinated and joined-up approach across the various spheres of policy action.

1.7. Structure of Review

The review of the NDP has been structured in two phases with associated outputs.

Phase 1: started in October 2020 and culminates in this report which draws upon a number of pieces of research and policy papers, addressing the various strands of the NDP Review process, to form part of the evidence base for finalising the drafting of the revised NDP.

This Review is founded upon a strongly evidence-based approach, building upon the extensive data and analyses that have been produced by DPER's National Investment Office and by the work of IGEES and other policy units across other Government Departments and agencies; to include other newly-commissioned and targeted research.

The main outputs from this phase of work are a number of pieces of research and technical papers produced and published between Q3 2020 and Q1 2021. This research, alongside the ongoing policy functions of the various Departments and agencies, will set the foundation for the next phase.

Phase 2: DPER will instigate a strategic dialogue with Departments with the primary aim of agreeing the new five year rolling Departmental capital allocations and overall ten year capital ceilings out to 2030.

Throughout this overall process, the Project Ireland 2040 Delivery Board, composed of Secretaries General of the key Departments responsible for infrastructure coordination and delivery, will play an important role in guiding and overseeing delivery of the NDP. The Delivery Board meets every two to three months and previously reported to cabinet through the Cabinet Committee on Infrastructure. The Delivery Board is supported at Assistant Secretary and Principal Officer level through the Project Ireland 2040 Coordination Group.

The engagement in this phase will inform the drafting of the updated NDP, including details on the investment priorities and allocations in line with the new Programme for Government. Following approval by Government, the updated NDP will be completed and launched in summer 2021.

Section 2:

Delivering Project Ireland 2040

2.1. Overview

This section sets out the progress made in the first three years of Project Ireland 2040 under the existing NDP. Section 2.2 outlines the main achievements delivered under each of the Project Ireland 2040 National Strategic Outcomes in the period 2018-2020.

Project Ireland 2040

Key achievements for 2018-2020

526 completed school building projects that delivered in excess of 48,000 school places

26,256 new social housing homes

Net job creation of 52,574 in Enterprise Ireland and IDA supported client companies

Higher and Further Education: Grangegorman - East and Central Quads completed, providing for 10,000 TU Dublin students to move to the campus

The four funds : Disruptive Technologies Innovation Fund: 43 successful project collaborations. Rural Regeneration and Development Fund: provided €166 million for 139 projects. Urban Regeneration and Development Fund: 45 projects under Call 2 were announced in March 2021. Climate Action Fund: €77 million allocated to 7 projects under round one, leveraging a total investment of €300 million

Delivering better health outcomes e.g. new acute ward blocks in Drogheda, Limerick, Tipperary and Waterford, new National Rehabilitation Hospital in Dún Laoghaire, new National Forensic Mental Hospital in Portrane, new Community Nursing Units across the country

Delivering better regional transport links such as completion of the M11 Gorey to Enniscorthy and the N25 New Ross Bypass

Phase 2 of the National Indoor Arena at the Sport Ireland Campus completed

6 new Water Treatment Plants were completed including Kildarragh and Goldrum, County Donegal and Lough Guitane, County Kerry

Significant progress made in planning for major projects such as Bus Connects, DART+, Metrolink and the M20 Cork to Limerick

2.2. Compact Growth

Key achievements 2018-2020

A key objective of Project Ireland 2040 is to ensure that we develop sustainably, by pursuing a compact growth agenda whereby we target a greater proportion of development within our cities and towns through consolidation, urban infill and the re-use of brownfield and underdeveloped lands. This approach maximises the use of existing public infrastructure and provides new homes and businesses in established areas with strong employment, community, economic and environmental benefits. Achieving effective density and consolidation within our urban areas, rather than a more sprawling format of urban development, is the essential goal of compact growth.

Key progress on this outcome in the period 2018-2020 includes the following:

- New statutory planning guidelines on both new apartment development and on urban building heights were issued in 2018 strongly supporting compact growth.
- The Office of the Planning Regulator (OPR) was established in 2019 with a specific legislative remit to assess statutory regional, city/county and local spatial plans and policy for compliance with compact growth objectives of the NPF
- By the end of 2020 the Strategic Housing Development (SHD) application process, involving direct planning applications to Bord Pleanála had approved a total of 46,425 new residential units in key urban areas. In 2019, the SHD arrangements were extended for a further two years to 31 December 2021.
- The Land Development Agency (LDA), established by secondary legislation in September 2018, has progressed the development of its initial nine urban housing sites, including for example securing planning permission for 597 housing units on an affordable and social housing site at Shanganagh, Shankill. (The LDA will be established on a statutory basis under the Land Development Agency (LDA) Bill 2021).
- The statutory Regional Spatial and Economic Strategies (RSESs) were adopted by the three Regional Assemblies by January 2020 and the individual reviews of City and County Development Plans have subsequently commenced in many local authorities. Specific new statutory planning guidance on housing supply was developed and issued to planning authorities in December 2020, to ensure that a consistent and integrated national approach to housing projections is being implemented at local authority level in the preparation of their county development plans. This approach will ensure that local housing policy in these statutory plans will now incorporate the compact growth strategy as set out in the NPF to regional and local levels of plan making.

Social Housing

Key achievements 2018-2020

Build, acquisition and lease expenditure in the three-year period 2018-2020 was €4.3 billion (includes current and capital), although it is important to note that expenditure and unit delivery do not always occur in the same year.

Progress on housing outcomes in the period 2018-2020 includes the following:

- 26,256 new social housing homes across Build, Acquisition and Lease (Build 15,958; Acquisition 6,696; Lease 3,602).

Notwithstanding the impact of COVID-19 related closures to construction in 2020, the output of social housing delivery has grown steadily since 2016. Just under 3,000 new Build social homes were delivered in 2016 and this number had more than doubled to 6,074 by 2019. Similarly, the number of homes delivered through Leasing in 2016 (792) had almost doubled to 1,440 by 2020.

The Programme for Government has committed to increase the social housing stock by over 50,000 over the next five-years, the majority of which is to be built by local authorities, Approved Housing Bodies and State agencies. The target for 2021, which is subject to COVID-19 restrictions, is for the delivery of 12,750 new home including 9,500 new build homes and Minister O'Brien issued targets to local authorities in December 2020.

Urban Regeneration and Development Fund

Key achievements 2018-2020

The development and roll out of the €2bn Urban Regeneration and Development Fund (URDF), the largest of four PI2040 enabling funds commenced in 2018. Funding provided through the URDF is primarily to support the NPF's growth enablers for the five cities and other large urban centres and in this way support more compact growth and sustainable development. Over the current duration of the fund the URDF is providing part-funding for projects that will enable a greater proportion of residential and mixed-use development to be delivered within the existing built-up footprints of our cities and large towns, while also ensuring that more parts of our urban areas can become attractive and vibrant places in which people choose to live and work, as well as to invest and to visit. Through the URDF, the NPF is now being underpinned by significant targeted capital investment that will act as a catalyst for wider regeneration and development and growth.

There have been two calls for proposals to date through a competitive bids process.

- Call 1 was launched in 2018. Approval in principle and provisional funding allocations issued for 87 major URDF projects in 2019. The sum total of provisional allocations to date in respect of these 87 projects is just under €300m.
- Call 2 was announced in 2020. 76 proposals were received seeking in excess of €2bn in URDF support, many of which will contribute to the achieving sustainable compact growth. Provisional allocations in respect of 45 additional URDF projects (in the order of €1.3bn) under Call 2 were announced in March 2021.

2.3. Enhanced Regional Accessibility

Key achievements 2018-2020

At the core of Project Ireland 2040 is the policy objective of supporting balanced regional growth. To underpin this, the Government is committed to enabling better regional accessibility. In the period 2018-20, there was significant progress in developing new transport links through the appraisal, planning and procurement stages

Rail Maintenance and renewal

The Infrastructure Manager Multi-Annual Contract (IMMAC) provides the funding framework for the maintenance and renewal of the railway infrastructure.

The current contract with IÉ was signed in February 2020 and provides €1billion in Exchequer funding for the maintenance, renewal and improvement of the rail network over the 5 year period of 2020 to 2024. This means the network is funded on a steady state level as measured on an annual basis.

Northern and Western Region

- In February 2019 the sod was turned on the new Castlebaldwin to Collooney dual carriageway, a critical investment for safety and local access. Construction is ongoing.
- N5 Westport to Turlough – project approved by Government and the construction contract was awarded in Oct 2019. Construction is ongoing.
- N56 Dungloe to Glenties: Project being progressed in five phases; three phases are complete. Construction ongoing on Phase 4 Dungloe to Cloghbolie; the first part of Phase 5 Letterilly to Kilraine has been awarded.
- N56 Mountcharles to Inver: Construction completed on Mountcharles to Drumbeigh section and approx. 90% complete on Drumbeigh to Inver section. Substantial completion expected in Q1 2021.
- N5 Ballaghaderreen Bypass to Scramoge: Tenders for main construction contract received at end of 2020. The Final Business Case was submitted to Dept. of Transport in December 2020.
- N59 Moycullen Bypass: Tenderers have been shortlisted and the Business Case has been approved by Department of Transport.
- N6 Galway City Transport Project: Oral Hearing concluded on 4 November, 2020 and an outcome is awaited.

Active Travel

- Galway to Dublin Greenway – RPS consultants were appointed in 2020 to identify a project study area and to progress the constraints study, route selection and planning and design of this project. This work is being informed by public consultation, before the project team undertakes environmental studies and detailed design.
- Pre-construction funding allocated in July 2020 to Greenway projects in Donegal, Sligo, Leitrim, Mayo, Cavan, Monaghan, Galway and Roscommon;
- Work progressing on Clifden – Recess Greenway & Clew Bay Greenway.

Slaney Bridge

Southern Region

- N22 Ballyvourney to Macroom road - Government approval was received and the main construction contract awarded in Oct 2019. These construction works are ongoing.
- Dunkettle Interchange in Cork: Construction contract awarded in October 2020. Advance works are close to substantial completion. A section of cycleway that was constructed as part of the advance works was opened to the public in November 2020.
- N21/N69 Foynes to Limerick (including Adare Bypass): Scheme is with An Bord Pleanála for planning approval; Oral Hearing commenced 8 February, 2021 and concluded week ending 28 February. Work is progressing on the Phase 5 documents to facilitate early construction of the Adare Bypass in advance of the Ryder Cup, subject to planning approval for the scheme.
- N28 Cork to Ringaskiddy – A submission had been made seeking approval to appeal the scheme planning approval to the Supreme Court. The Supreme Court panel refused leave to appeal on the M28 on 4th March 2021. As a result, there are no further impediments to progressing the Cork to Ringaskiddy project.
- N69 Listowel Bypass: Tender documents are under preparation.

Completions include:

- New Ross Bypass: Opened to traffic in January 2020. Some close out works are ongoing.
- M11 Gorey-Enniscorthy Motorway: Scheme complete; Permit To Use achieved 31 July, 2019.

Eastern and Midland Region

National Road Network:

- M50 Variable Speed Limits (VSL): This scheme to enhance Motorway Operations Services is expected to be implemented in Q2 2021, provided underpinning legislation is enacted.
- M7 Naas Road Widening: All three lanes opened to traffic in October 2019. Contract construction is substantially complete.

2.4. Strengthened Rural Economies and Communities

Key achievements 2018-2020

One of the key objectives for the Governments Project Ireland 2040 strategy is to achieve the goal of strengthened rural economies and communities. Key progress on this outcome in the period 2018-2020 includes the following:

National Broadband Plan

The National Broadband Plan (NBP) is the initiative to rollout high-speed broadband to the 1.1 million people living and working where commercial operators will not commit to deliver the service. The NBP contract was signed with National Broadband Ireland (NBI) in November 2019. NBI will roll out a high speed and future-proofed broadband network within the State Intervention Area and will operate and manage this network over the next 25 years. For 2020, which was the first year of the contract, the principal focus was on mobilisation activities, together with survey, design and make ready work, to prepare the way for the fibre deployment, which commenced in late 2020, with the first homes connected in January 2021.

Rural Regeneration and Development Programme

The Rural Regeneration and Development Programme, funded under the NDP, consists of 3 specific schemes (i) the Rural Regeneration and Development Fund (RRDF), (ii) the Town and Village Renewal Scheme (TVR), and (iii) the Outdoor Recreation Infrastructure Scheme (ORIS). These offer a comprehensive suite of investment opportunities for the economic and social development of rural towns and villages and rural areas.

Rural Regeneration and Development Fund (RRDF)

The RRDF provides investment to support suitable projects in towns and villages with a population of less than 10,000, and outlying areas. Initial funding of €320 million has been allocated to the fund on a phased basis over the period 2019 to 2022, with an allocation of €1 billion to 2027.

Calls for applications to the Fund are sought under two categories. Category 1 relates to capital projects with all necessary planning and other consents in place and which are ready to proceed, while Category 2 establishes a pipeline of ready to deliver projects, providing development funding for projects to become ready for Category 1 status.

To date, the Fund has provided €166 million for 139 projects across Ireland (63 Category 1 and 76 Category 2 projects), worth a total of €237 million. This projects are benefitting every county in Ireland and are supporting a wide range of sectors, including town centre regeneration, enterprise development, remote working, tourism and recreation, community facilities, libraries etc. These projects are also delivering an immediate stimulus in rural areas, with many in construction already or about to commence.

The third call for Category 1 applications was launched on June 2020 and closed in December 2020. 66 applications were received from all across the country and successful projects will be announced in April 2021. Further calls for applications are planned in 2021, with a Category 2 call expected to open in Q1 2021 and a further Category 1 call due to open in summer 2021.

Town and Village Renewal Scheme (TVR)

The Town and Village Renewal Scheme is designed to rejuvenate small rural towns and villages throughout Ireland. It aims to make them more attractive places to work, to do business and to socialise and live in. It is targeted at settlements of under 10,000 people.

Since 2018, under the Scheme, over €62 million has been invested in 890 projects across Ireland. The Scheme is successful. It has improved public spaces where people congregate, enhanced recreational facilities (such as Town Parks and walking trails) and improved shop fronts and streetscapes.

In general, the maximum grant available is €200,000. More ambitious and capital intensive projects may be accommodated under RRDF (minimum grant set at €500,000).

Last year saw total funding of €25m, including an additional €10m under Government's Stimulus measures. The Scheme was also tailored to address the emerging challenges associated with COVID-19. As such it made a valuable contribution to meeting short-term challenges of increasing footfall in rural villages and towns, and assisting local businesses/ communities to adapt to public health requirements, particularly social distancing.

This year, €20 million has been allocated to support the Scheme. €5 million is earmarked to support the development of remote working facilities.

Outdoor Recreation Infrastructure Scheme (ORIS)

The Outdoor Recreation Infrastructure Scheme (ORIS) provides investment for new outdoor recreational infrastructure (walking routes, greenways, blueways etc.), for the maintenance of existing infrastructure and for the requirements emerging from the National Outdoor Recreation Strategy. Demand for such amenity has grown rapidly in our communities in recent times and during the pandemic, as has its

contribution to the tourism sector across Ireland. It is also particularly important for counties which are not seen as international tourism destinations.

Since 2018, investment of almost €41 million in the Outdoor Recreation Infrastructure Scheme has taken place, supporting delivery of 178 medium-large scale ORIS projects and assisting 411 smaller scale targeted investment projects aimed at the maintenance and enhancement of our outdoor recreational facilities.

Significant projects supported under ORIS include the Shannon-Erne Blueway, the Beara Breiffne long distance walking trail which is a central plank of the Ireland's Hidden Heartlands brand, the mid-Shannon Wilderness park which is reimagining peatland areas, and mountain access repair works in areas such as Mount Errigal and Croagh Patrick.

Tourism Development

Prior to the pandemic, tourism employed 260,000 people across Ireland. In 2019, the sector generated over €9 billion for the economy from international tourism and related carrier receipts together with domestic tourism.

Northern and Western Region

Projects completed and open include:

- Kylemore Abbey, Galway, 2019;
- Sliabh Liag, Donegal, 2019;
- Sligo Pontoon, Sligo, 2018;
- New visitor reception centre and car park at Fanad Lighthouse, Donegal, 2018;
- Mulroy Drive, Donegal, 2020.

Southern Region

Projects completed and open include:

- Ormond Castle, Tipperary, 2019;
- Clonmel Flights of Discovery, Tipperary, 2019;
- Bishop's Palace, Waterford, 2019;
- Medieval Mile Museum, Kilkenny, 2017;
- Shannon Estuary Way, 2018;
- Johnstown Castle Estate, Museum and Gardens, Wexford, 2019.

Eastern and Midland Region

Projects completed and open include:

- Brú na Bóinne, Meath, 2019;
- The Museum of Literature Ireland, Dublin, 2019;
- St. Audoen's, Dublin, 2019.

Greenways

A call for funding under the Government's Strategy for the Development of National and Regional Greenways yielded 22 applications in 2019. 10 successful applicants were announced in June 2019 and €40m of funding was allocated to these shovel-ready projects as summarised in the table on the next page. 2019 also saw the completion of the Maynooth to Athlone Section of the Galway to Dublin Greenway including the Athlone Railway Underpass. A contract was awarded late 2020 for the construction of a section in Athlone from Whitelands to the Marina and a tender competition will commence in Q1 2021 for the contract to construct a pedestrian/cycleway bridge in Athlone over the Shannon.

Gaeltacht and Irish Language

Údarás na Gaeltachta continues to roll out a network of 30 "gteic" innovation and digital hubs with high speed broadband connectivity in locations throughout the Gaeltacht, in Donegal, Mayo, Galway, Kerry, Cork, Waterford and Meath. Hubs on islands also form part of this growing digital ecosystem to support the sustainability of these communities. The gteic hubs include hot desk and shared space facilities for remote workers and eworkers in addition to fully equipped office spaces and incubation units with high speed internet access to facilitate innovation and concept development.

Regional and Local Road Grant Programme

Substantial grant support is being provided for the maintenance and renewal of regional and local roads with €1.46 billion invested in the period 2018-2020. Most of this funding is allocated to road maintenance and rehabilitation, including road pavement strengthening, bridge rehabilitation projects (80% of bridges are masonry arch structures), road safety schemes to address hazards and community improvement schemes aimed at lower trafficked rural roads. Support has also been provided for the development by the local authority sector of a central web based Road Asset Management System across Ireland (MapRoad).

Some investment is also being made in road improvement schemes. 12 strategic regional and local road improvement schemes are listed in the NDP for implementation and four of these schemes have been completed to date. These are:

- Sligo Western Distributor road;
- Portlaoise Southern Distributor Road;
- Adamstown and Nangor Road Improvements;
- Dingle Relief Road.

In addition, the Sallins Bypass is due to be completed in the first half of 2021.

2.5. Sustainable Mobility

Key achievements 2018-2020

Project Ireland 2040 contains a commitment to a more environmentally sustainable public transport system to enable economic growth and meet growing passenger demand. While completion of many of the major projects under this strategic priority is toward the latter end of this investment programme, the period 2018-20 nonetheless saw clear progress against this goal. Key progress on this outcome in the period 2018-2020 includes the following:

Bus Fleet

- In order to deliver a low emission public transport fleet, the NTA are carrying out a procurement process on additional bus fleet for operation on PSO services across the country.
- The inspection and commissioning process is ongoing for new hybrid diesel-electric buses and for a number of single deck coaches. The tenders for single deck electric buses are expected in Q1 2021 and a pre-qualification process is ongoing in respect of double-deck electric buses.

Southern Region

- Cork: New active travel bridge, the Mary Elmes Bridge. Project Complete
- Cork: Skehard Road Phase 2. Project Complete
- Limerick: Parnell Street / Wickham Street scheme. Project Complete
- Waterford: Hennessey's Road / Brown's Lane improvement scheme. Project Complete
- Work progressing on Midleton – Youghal Greenway, Waterford – New Ross Greenway, Tralee – Fenit, Listowel to Limerick and Great Southern Greenway.
- BusConnects Cork: The NTA appointed a design team to undertake a review of the current public transport infrastructure and design of the bus network in January 2021.

Eastern and Midland Region

- BusConnects Dublin: The largest part of the programme is the development of bus priority measures inclusive of bus lanes throughout the city. Key elements of that programme are under development.
- Network Redesign: The National Transport Authority (NTA) published the new Dublin Area Bus Network in September 2020. The implementation of the New Network will take place on a phased basis starting in 2021, subject to Government Approval.
- Core Bus Corridors: The NTA carried out three separate public consultations in relation to the 16 proposed Core Bus Corridors from end 2018 and May 2019. Two further rounds of public consultation on the corridors were held in 2020.
- An important part of the BusConnects programme is the move toward low emission vehicles and, as committed to under Project Ireland 2040, the NTA announced in 2019 it would no longer purchase diesel-only buses for the urban PSO bus fleets.
- In 2021, the Preliminary Business Case for the BusConnects Programme will be submitted for Government Approval as required under the Public Spending Code. Following this, a planning application in respect of the 16 corridors will be submitted to An Bord Pleanàla.

DART Expansion (now DART+ Programme)

- Planning and design continued in relation to the overall programme, while the NTA and Iarnród Éireann commenced pre-qualifying in relation to a 10-year procurement framework for bi-mode (electric and battery-electric) units which will massively expand the fleet (minimum purchase of 300 units envisaged).
- DART+ (formerly DART Expansion) was launched in August 2020 along with the public consultation document for DART+ West (Maynooth Line). A second round of public consultation for DART+ West is expected in Q1 2021.
- In 2021 the Preliminary Business Case will be submitted for Government approval as required under the Public Spending Code, and, subject to that approval, it is expected to award the contract in relation to the fleet expansion and lodge a Railway Order application with An Bord Pleanála in relation to DART+ West.

Luas Green Line Capacity Enhancement

- Expansion of Sandyford Luas maintenance depot completed.
- In 2020, 22 of the 26 tram extensions and 5 of the 8 new trams had been accepted into service.
- In 2021 all tram extensions and new trams are expected to be in service by Q2.

National Train Control Centre

In 2020 construction commenced on a new National Train Control Centre (NTCC) which will modernise and optimise the management of rail services across the network. The new NTCC will be located at Heuston Station in Dublin and will allow for the co-location of other traffic management centres, such as that operated by An Garda Síochána.

Rail Carriages

In October 2019, Government approved the purchase of 41 additional carriages for the GDA commuter rail fleet. This project will increase capacity by approximately 34% across the Kildare, Maynooth and Northern Lines.

Carriages are under construction with the first carriages expected to be ready for delivery during 2022.

Metrolink

- Preferred Route finalised.
- EIAR is well underway with geotechnical surveying works.
- In 2021 the Preliminary Business Case will be submitted for Government approval as required under the Public Spending Code, and, subject to that approval, it is expected to lodge a Railway Order application with An Bord Pleanála in relation to the actual construction of the project.

Active Travel

Maynooth to Athlone Section of the Galway to Dublin Greenway:

- The Maynooth to Athlone Greenway is complete to Whiteland in Athlone. A contract was awarded late 2020 for the construction of a section in Athlone from Whitelands to the Marina and a tender competition will commence in Q1 2021 for the contract to construct a pedestrian/ cycleway bridge in Athlone over the Shannon.
- Wicklow Gaol (Wicklow);
- Dublin: South Campshires cycle track. Project Complete
- Dublin: New active travel bridge beside the National Convention Centre. Project Complete
- Dublin: Royal Canal Phase 2 active travel route. Project Complete
- Dublin: Baldoyle to Portmarnock active travel route. Project Complete
- Works progressing on Grand Canal Greenway in Offaly and Kildare, Blessington Greenway in Wicklow and extension of Carlingford Greenway in Louth;
- Pre-construction funding allocated in July 2020 for Greenway projects in Fingal, Kildare, Offaly, Longford, Louth and Meath.

Northern and Western Region

- BusConnects Galway: BusConnects Galway comprises a major enhancement to the bus system in Galway, comprising changes to the network, the fleet, ticketing, bus shelters/poles and the development of bus lanes and bus priority.
- Public consultation on these elements was carried out last year. A planning application in respect of the Cross City Link should be submitted in Q1 2021 and for the Dublin Road Scheme in Q1 2022. An application in respect of the Salmon Weir Bridge project was submitted to An Bord Pleanála in November 2020. It is hoped to begin construction on the 3 projects in 2022/2023.

2.6. A Strong Economy Supported by Enterprise, Innovation and Skills

Key achievements 2018-2020

Project Ireland 2040 is designed to catalyse a strong economy, supported by enterprise, innovation and skills. This is a critical goal both as an end itself but also as a means of providing the resources to invest in each of the strategic objectives. Key progress on this outcome in the period 2018-2020 includes the following:

- Total of 257,394 jobs in IDA supported client companies
- Total of 220,613 jobs in EI supported client companies
- Net job creation of 52,574 in Enterprise Ireland and IDA supported client companies in the period
- 43 successful project collaborations involving 159 partners under Calls 1 and 2 of the Disruptive Technologies Innovation Fund
- 68 projects approved, and funding of almost €100m, across all regions under the Regional Enterprise Development Fund
- Upgrading and Expansion of Tyndall National Institute
- March 2019 saw the launch of Future Jobs Ireland 2019: Preparing Now for Tomorrow's Economy, a new, whole-of-Government framework for the next phase of Ireland's economic development
- The TU Dublin City Campus development at Grangegorman has seen major progress since 2018 with the East Quad completed in 2020 and Central Quad completed on 10th March 2021.

- The higher education PPP programme, which comprises eleven projects in Technological Universities and Institutes of Technology, is advancing through the procurement process. This has a strong focus on supporting the skills pipeline required for regional development.
- Five major projects supported by the Higher Education Strategic Infrastructure Fund are progressing with planned Exchequer investment of over €96m, as well as significant non-Exchequer investment, with one project currently on site
- The higher education sector 'Energy Efficiency and Decarbonisation Pathfinder Programme' was launched. This programme is co-funded with SEAI, and the 8 successful projects will test different retrofit approaches across the sector, with a view to informing a larger scale investment programme in the future.
- On foot of the current NDP, for the first time, a dedicated capital envelope was established for the FET sector. Available funding has increased from €5.5m in 2018 to €32.5m in 2021 and work is progressing on the development of a medium term capital programme.

Investment in Research, Development and Innovation

Investment through Science Foundation Ireland has seen renewed investment in the network of 16 world leading SFI Research Centres, a new dedicated programme for training of PhD students (SFI Centres for Research Training), new programmes for individual researcher awards (Frontiers for the Future) and continued investment in strategic partnerships with industry and other industry-facing programmes.

Investment in RD&I through Enterprise Ireland has seen renewed funding for a network of Technology Gateways connecting SMEs with Institutes of Technology / Technological Universities across Ireland, additional investment in Technology Centres including in the area of advanced manufacturing and over 3,000 collaborative projects supported between industry and third level institutions.

Government investment through Science Foundation Ireland and Enterprise Ireland alone has amounted to just under €900m between 2018 and 2020.

Additional investment has taken place through the European Space Agency, the European Southern Observatory and a range of other international research organisations, Tyndall National Institute and the Irish Centre for High End Computing (ICHEC).

Enhancing Regional Enterprise

The Regional Enterprise Development Fund is aimed at accelerating economic recovery in all regions of the country by delivering on the potential of local and regional enterprise strengths. To date, through an allocation of €100 million over three competitive calls, the Fund has co-financed significant collaborative and innovative local and regional initiatives to build on specific industry sectoral strengths, improve enterprise capability, and drive job creation.

The Regional Technology Cluster Funds (RTCF) is focused on enhancing the capacity of the Institutes of Technology (IOTs) as drivers of regional enterprise-academic collaboration and clustering. The RTCF comprises a number of regionally focused initiatives linking SMEs and IOTs to build regional sectoral clusters to scale and internationalise enterprise in all regions.

The Local Enterprise Offices' grant programme has played an integral role in the ambitions of regional initiatives such as the Action Plan for Rural Development and the Regional Enterprise Plans to 2020, which fostered a collaborative approach within each region, bringing together the Local Authorities, Enterprise agencies, Local Enterprise Offices, the business community and institutes of further and higher education, to work together toward a better future for their region.

The impact of FDI success is tangible with €25.2bn expended by IDA Ireland client companies on payroll, Irish sourced materials and services in 2019; €7.4bn expended on capital expenditure and €2.6bn on in-house research and development.

The IDA Ireland Regional Property Programme has directly completed the construction of nine new Advance Building Solutions and has successfully secured new investments for six of the buildings at Castlebar, Waterford, Athlone, Sligo, Limerick and Tralee.

SFI Centres for Research Training

In March 2019, SFI made a significant investment of more than €100 million over an 8 year period in cohort-based PhD training through the launch of six Centres for Research Training (CRTs).

SFI Public Service Fellowship

SFI launched a pilot programme in 2019 to place researchers in government departments, agencies, and local authorities to work on specific collaborative research projects. Twelve awards were made in 2020 representing total grant funding in excess of €700,000. The Fellowships have a duration of between 3 and 24 months.

Higher Education

During the three years since the launch of the National Development Plan (NDP) in 2018, over 24 new infrastructure projects in the higher education sector have been approved for Exchequer investment. These projects will expand capacity in higher education institutions, will support a pipeline of talent and skills aligned with national and regional needs, and will also upgrade existing infrastructure to improve the campus environment – taking account of energy efficiency, as well as best practice in teaching and learning.

The investment includes five major projects supported by the Higher Education Strategic Infrastructure Fund of which one - the Technology Society and Innovation building in Maynooth University - is now under construction and is due to be operational by the end of the year. Major strategic upgrades and refurbishment projects on a number of campuses are also being advanced, including in IT Sligo, Dundalk IT and the Munster Technological University Cork campus.

The NDP has also allowed pre-existing commitments to be progressed such as the development of the TU Dublin City Campus at Grangegorman. The East and Central Quads at Grangegorman were completed recently – together these buildings will provide for 10,000 students across a range of disciplines to move to the new purpose-built campus.

Eleven projects in the Technological University/ Institute of Technology sector are being progressed under the Higher Education Public Private Partnership Programme. These projects are strongly aligned to skills needs in the regions and will make a significant contribution to the realisation of dynamic Technological Universities – a key policy priority for Government. A first bundle of six projects is now at tender and tenderers are being shortlisted for a second bundle of five projects.

The National Development Plan 2018-2027 provided, for the first time, a dedicated capital budget for the Further Education and Training (FET) sector. The budget envelope is €300 million over the decade. In previous years, the low overall funding levels restricted the capacity of the sector to take a strategic approach to FET investment.

Lower House, Grangegorman - formerly part of the Richmond Asylum, now conserved and repurposed by the Grangegorman Development Agency as a Student Centre for TU Dublin

In 2020, the capital allocation of €17.5m provided an opportunity to support:

- A Capital Allocation to the ETBs of €5.55 million, funding minor works and equipment
- €5m ICT Grant to support disadvantaged students to bridge the digital divide particularly in the context of a move to on-line and blended learning on foot of Covid-19.
- Investments in the upgrade of apprenticeship equipment and
- Other capital project grants spanning a range of objectives, including health and safety, apprenticeship provision, access, and capital requirements emerging from Brexit.

Disruptive Technologies Innovation Fund

The Government is investing €500m under the Disruptive Technologies Innovation Fund (DTIF) to encourage enterprises – both SMEs and MNCs – to collaborate with each other and with the research sector in the development and deployment of disruptive innovative technologies and applications, on a commercial basis, targeted at tackling national and global challenges.

The Fund will run from 2018-2027, with projects funded on a 3-year basis. The Fund will drive collaboration between our world class research base and industry as well as facilitating enterprises to compete directly for funding in support of the development and adoption of these technologies and seeding a new wave of start-ups.

DTIF funds collaborations that demonstrate technology-based disruptive innovation, collaborations that can:

- Alter markets;
- Alter the way business operates;
- Involve new products or the emergence of new business models.

There is a strong focus on SMEs, with SME participation a mandatory requirement for each collaborative project, although at least one other enterprise – either an SME or an MNC – is required to make up the minimum number of three project partners in a consortium.

There have been two Calls to date, with a total of €140m allocated to 43 projects – 27 projects with a commitment of €75 million under Call 1 and 16 projects with a commitment of €65 million under Call 2.

There were 63 SMEs among the 159 project partners that were awarded funding, with 27 of these SMEs leading their consortium. The average number of collaborative partners per project/partnership is 4 and the average award is approximately €3.25 million. Half (79) of the 159 project Partners under Calls 1 & 2 are located outside of the Dublin region.

Call 3 of DTIF was launched on 24 September 2020, with a closing date for calls of 17 December 2020. A total of 55 eligible applications were received with almost 220 project partners, 117 of which were SMEs. These applications are currently being evaluated by panels of international experts. It is expected that the successful projects will be announced by the end of Q1 2021.

2.7. High Quality International Connectivity

Key achievements 2018-2020

As a small, open economy, Brexit and wider global challenges continue to frame the context in which Ireland does business with the world. High quality international connectivity through our ports and airports is arguably more important now than ever. Key progress on this outcome in the period 2018-2020 includes the following:

- Construction of the North Runway at Dublin Airport: The programme of works which is being funded by daa remains on budget and largely on target on this key piece of national infrastructure which will provide further capacity and enable further growth at Dublin Airport. Construction works on the runway are expected to be completed in 2021 with further operational readiness and testing to take place before the runway enters service in 2022.
- Construction at Shannon Airport of the first aircraft hangar to be developed in Ireland in almost 20 years: In 2019, Shannon Group delivered a new wide body aircraft painting hangar at Shannon Airport capable of taking large aircrafts up to the size of an airbus A380. This is Shannon Group's largest construction project to date
- Development by Shannon Group of its property portfolio in the Shannon Free Zone: During 2019, Shannon Commercial Properties (SCP) completed the handover of a new Grade A office block and advanced technology engineering unit to Jaguar Land Rover. SCP continues its focus on regenerating sites in the Shannon Free Zone assisting the IDA and Enterprise Ireland in their drvie for inward investment and increased employment in the mid-west region. While COVID 19 impacted on capital investment by Shannon Group, construction of Blocks K and L continued with the completion of the sale of two of the units to Meira GTx in January 2021.

Dublin Airport North Runway

- Significant runway overlay project completed at Ireland West Airport (Knock) in 2019: €8.4m in Exchequer funding was contributed to the project under the NDP, representing 75% of the total cost (€11.2m). The project consisted of rehabilitating the runway and associated taxiways and an upgrade of the Instrumentation Landing System.
- Shannon Foynes Port Company's Infrastructure Development Programme is well underway and will consist of a jetty expansion program, the joining of the East and West Jetties and the infill behind, land purchase and 38 hectare site development for a new port logistics park at Foynes Port and the Foynes Rail Reinstatement
- Dublin Port is continuing to progress with the implementation of the Alexandra Basin redevelopment project (ABR) and other aspects of Masterplan 2040. Works include redevelopment of existing berths, creation of new berths, deepening of the port's channel, upgrading of the road network, provision of unified state services facilities for control and inspections, improvements in utility infrastructure, heritage and amenity initiatives and relocation of non-core activities to Dublin Inland Port. The ports second Masterplan Project – the MP2 Project has been granted planning approval by An Bord Pleanála. Works are currently being planned and construction will commence in 2022.
- The Port of Cork Ringaskiddy redevelopment project is continuing to be progressed and the expected completion date of the current phase is by the end of 2021. The Completion of the overall project will allow the port to relocate its container business from the current city docks and Tivoli locations to Ringaskiddy. The Ringaskiddy project will enable the Port to future proof Cork as an international gateway for trade.

2.8. Enhanced Amenity and Heritage

Key achievements 2018-2020

Heritage

Another key pillar of Project Ireland 2040 investment programme is its continued investment in our natural heritage. In 2018, €10.703 million was invested to promote the conservation of biodiversity (€6.123m), manage and restore our peatlands (€2.957m) and to enhance our National Parks and Nature Reserves (€1.623m)). In 2019, €12.605 million was invested to promote the conservation of biodiversity (€6.020m), conserve, manage and restore our peatlands (€4.038m) and to enhance our National Parks and Nature Reserves (€2.547m). In 2020, €18.648 million was invested to promote the conservation of biodiversity (€5.973m), conserve, manage and restore our peatlands (€6.988m, including €0.471m provided under the July Jobs Stimulus Programme) and to enhance our National Parks and Nature Reserves (€5.687m, including €3.2m provided under the July Jobs Stimulus Programme).

There has also been expenditure under the Historic Structures Fund (€5.096m), Built Heritage Investment Scheme (€6.942m) and the Historic Towns Initiative (€3.102m) (via the Heritage Council) for 2018-2020. In addition, a new Community Monuments Fund introduced in 2020 grant aided 69 heritage projects to the value of €1.15m.

Culture

Project Ireland 2040 recognises cultural heritage infrastructure as an essential component for sustainable, attractive and liveable cities, towns, villages and rural areas. The first three years of Project Ireland 2040 has seen significant progress in the implementation of the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media's €1.2 billion sectoral plan 'Investing in our Culture, Language and Heritage, 2018-2027.'

Key progress on this outcome in the period 2018-2020 includes the redevelopment of the National Cultural Institutions. This includes not only conserving nationally important buildings but will also safeguard the national literary, artistic and archaeological collections contained therein. This programme of works includes:

- the National Concert Hall
- the Chester Beatty Library,
- the Crawford Art Gallery,
- the Irish Museum of Modern Art,
- the National Museum of Ireland Kildare Street
- the National Gallery,
- the Abbey Theatre

Extensive preparatory work has already commenced at the National Library, National Archives and Natural History Museum to enable these projects to move to the next stage of redevelopment.

In addition, a comprehensive capital programme of investment in cultural and creative assets around the country has since 2018 supported the development of regional arts/culture infrastructure and a range of digitisation projects of national significance. This includes *Beyond 2022*, an all-island and international collaboration to create a Virtual Record Treasury for Irish history, an open-access, virtual reconstruction of the Record Treasury lost in 1922. The importance of digitisation came to the fore during COVID-19 with significantly increased visiting numbers to the websites of cultural bodies in search of digitised material. Investment of over €30 million in the audiovisual sector via Screen Ireland over the period 2018 to 2019 supported over 90 projects (feature film, television, animation, documentary and shorts).

Sport

Capital investment in sports is driven by policy and strategic objectives that fundamentally aim to increase sports participation. The benefits of sport and physical activity to physical and mental health are well proven - there is an estimated €1.5 billion cost to our annual health budget due to physical inactivity. Enhanced sports facilities represent a significant improvement to community infrastructure across the country making places more attractive to live in, work in and visit. Investment in infrastructure also creates local jobs both in construction and in the management of the facilities as well as enhancing the liveability of our villages, towns and cities. Key progress in the period 2018-2020 includes:

- Phase 2 of the National Indoor Arena at the Sport Ireland Campus completed
- Over €56m allocated to 1,648 different projects under the 2018 round of the Sports Capital & Equipment Programme.
- Allocations under the 2020 round of the Programme will be made later in 2021.
- Under the new Large Scale Sport Infrastructure Fund, 32 projects have received a grant offer with over €82m allocated to date.

2.9. Sustainable Management of Water and other Environmental Resources

Key achievements 2018-2020

Investment in the water and wastewater network is required to support environmental and economic wellbeing, and to deal with population growth and the effects of a changing climate. Key progress on this outcome in the period 2018-2020 includes the following:

- 6 new Water Treatment Plants were completed (including Kildarragh and Goldrum County Donegal and Lough Guitane County Kerry and a further 13 were upgraded (including Kilgarvan County Kerry, Inistioge County Kilkenny and Staleen County Meath).
- 7 new Wastewater Treatment Plant were completed (including Killybegs County Donegal, Courtmacsherry County Cork and Killala County Mayo) and 21 were upgraded (including Mohill and Manorhamilton County Leitrim, Athenry County Galway, Castleblaney County Monaghan, Enniscorthy County Wexford, Ardee County Louth, Grange, Tubbercurry and Ballinafad County Sligo and Ballybofey-Stranorlar County Donegal).

- Over 34,250 people were removed from 'Boil Water Notices' that had been in place for more than 30 days.
- 59 water supplies were removed from the Environmental Protection Agency's (EPA's) Remedial Action List.
- 50 agglomerations were removed from the EPA's priority list of areas for wastewater improvement.
- Over 31,270 lead services were replaced.
- 9 agglomerations with no wastewater treatment were connected to newly constructed treatment plants.
- Works were completed on 50 agglomerations listed in the 2018-2021 River Basin Management Plan.
- Net Water Saving of 97 Million Litres per Day (MLD) (2018 - Q3 2020) as a result of delivering specific initiatives to address national water leakage.
- 987km of water main and 185km of sewer laid.

Connection and Developer Services

- National Connection Charging Policy came into effect on 1 April 2019 and provides for a new single set of charges and standardised scope of work for water and wastewater services connections.

Supporting growth

- Small Towns and Villages Growth Programme was established by Irish Water to provide water and wastewater growth capacity in smaller settlements which would not otherwise be provided for in its Capital Investment Plan.
- Wastewater Treatment Capacity Register was established for all Irish Water's wastewater treatment plants including those which serve a population equivalent (PE) of less than 500. The register is being used to assess new connection enquiries and to identify all agglomerations which currently have Irish Water wastewater treatment infrastructure but may not have sufficient capacity to meet future growth.
- National Certificate of Authorisation Programme (NCAP) was established by Irish Water, and provided for under its capital investment plan, to address treatment of discharges related to the Certificates of Authorisations as applied by the Environmental Protection Agency (EPA) under the Waste Water Discharge (Authorisation) Regulations 2007.

Rural Water

- 1,164 operational supports provided to Private Group Water Schemes.
- 544 operational supports provided to Public Group Water Schemes.
- 5,562 private wells supported (new and upgraded).
- 355 domestic waste water treatment systems (i.e. septic tanks) upgraded.

2.10. Transition to a Low Carbon, Climate Resilient Society

Key achievements 2018-2020

This remains the single largest investment priority under Project Ireland 2040. The investment priorities in this area represent a step-change in Ireland's delivery of climate action objectives which are designed to place a decarbonisation pathway to 2030 and are consistent with the adoption of a net zero target in Ireland by 2050. Key progress on this outcome in the period 2018-2020 includes the following:

- Building Regulations were introduced in 2018 which require that all new buildings other than dwellings shall be Nearly Zero Energy Buildings (NZEB) and that major renovations which affect more than 25% of the surface area of buildings other than dwellings should be to the cost optimal level.
- Building Regulations were introduced in 2019 which require that all new dwellings shall be Nearly Zero Energy Buildings (NZEB) and that major renovations which affect more than 25% of the surface area of dwellings should be to a Building Energy Rating of B2 or cost optimal equivalent.
- Establishment of a Retrofit Taskforce to deliver a new national retrofitting plan which will group homes in the same area together to reduce cost, provide easy pay back models (e.g. through your utility bill) and smart financing.
- In 2019, the Government secured €530 million from the EU to deliver the €1 billion Ireland – France Celtic Interconnector, which will link the Irish and French electricity grids.
- The number of electric vehicles (EVs) at the end of 2020 was 26,186, an increase of 68 percent from 2019.
- ESB invested over €3.5 billion with €647million in renewable generation projects.

Oweninny Windfarm

- Exchequer investment in decarbonising our homes, businesses and public buildings exceeded €314 million in the period 2018-2020.
- Publication of the December 2019 policy statement on Petroleum Exploration and Production Activities as part of Ireland's Transition to a Low Carbon Economy as a precursor to a full prohibition on new licences for oil and gas in Ireland's offshore.

Flood Risk Management

- Significant progress on the implementation of the overall flood risk capital investment programme was made in the period 2018-2020 and the following flood relief schemes were substantially completed: Claregalway, Dunkellin, Skibbereen and Bandon
- Construction of a number of flood relief schemes commenced during this period, including: Ennis South, Clonakilty, Douglas, Ashbourne and the Lower Morell
- Construction of a number of schemes are continuing in 2021 including in Templemore, Ennis Lower, Athlone and River Dodder in addition to those schemes commenced during the period 2018-2020
- A number of schemes have been progressed to Planning Stage in this period, including: Blackpool, Glashaboy, Crossmolina, Enniscorthy, King's Island, Whitechurch Stream, River Poddle and Springfield

Climate Action Fund

The Climate Action Fund was created in 2018 to support the funding of initiatives, by public and private bodies, which contribute to the achievement of Ireland's climate and energy targets in a cost effective manner. The National Development Plan sets out an allocation of at least €500m for the Fund over the period to 2027, which will come from the National Oil Reserve Agency levy on oil companies. Since 1 August 2020, the Climate Action Fund is established on a statutory basis.

From the first round of funding seven projects were selected for support of up the €77 million. In turn, this Government support will leverage some €300 million in investments in Ireland. Four of these projects are currently underway with work continuing to progress the remaining three projects to delivery as soon as possible.

On 24 November 2020, the Cabinet approved funding of €108 million from the Fund for Bord Na Móna's large scale peatlands restoration project. The Scheme will protect the storage of 100 million tonnes of carbon dioxide emissions, sequester 3.2 million tonnes of carbon dioxide emissions out to

2050, enhance biodiversity, create 310 jobs and will contribute to Ireland's target of being carbon-neutral by 2050. The Climate Action Fund support will be bolstered by an €18 million investment from Bord na Móna, who are committed to a "brown to green" transition.

The Department of the Environment, Climate and Communications is currently developing proposals to provide a second round of support from the Climate Action Fund through a community climate action programme. The design of the programme will be informed by feedback received through the climate public consultation launched on 23 March 2021, in particular the conversations that are taking place at local level through the Public Participation Networks. This feedback will help shape the programme in terms of where financial support is required, where capacity building is needed, and the types of projects and initiatives that are being considered at local level. Information on the type of projects that may be supported, who may apply for this support and the application process, will be published on the Department's website when this programme is launched.

2.11. Quality Childcare, Education and Health Services

Key achievements 2018-2020

Access to quality primary education, health services and childcare, relative to the scale of a region, city, town, neighbourhood or community, is a defining characteristic of attractive, successful and competitive places. Project Ireland 2040 provides significant public investment in education and health infrastructure to meet current infrastructure needs, cater for an estimated population growth of one million and respond to Ireland's changing demographic profile. The first three years of Project Ireland 2040 saw growth in investment in schools, childcare and health services. Key progress on this outcome in the period 2018-2020 includes the following:

Schools investment

During the NDP period 2018-2020, there were 526 completed building projects under the Large Scale Capital Programme (LSCP) and the Additional School Accommodation Scheme (ASA). These projects delivered in excess of 48,000 school places, which included permanent accommodation for 229 special classes and additional capacity for 67 classrooms in 14 special schools throughout the country.

The Department has a significant existing pipeline of projects to be delivered over the coming years to meet capacity needs managed under the Large-Scale Capital Programme (LSCP) and the Additional School Accommodation Scheme (ASA). This includes circa 1,200 school building projects across the various stages of planning, design, tender and construction. There are currently in excess of 200 projects at construction, most of which will be completed in 2021. It is anticipated that circa 140 projects will progress to construction during the last quarter of 2020 and first half of 2021.

In addition, all schools approved for additional accommodation under the Department's Additional Accommodation Scheme had prefabs replaced as part of their additional accommodation project. Over 481 prefab units were approved for replacement with permanent buildings during this time.

Good progress has also been made in this period on the Maintenance and smaller-scale works to existing schools through the Summer Works Scheme, Emergency Works Scheme and Minor Works Grant Scheme; Piloting of deep energy retrofit projects; and The School Remediation Programme.

During the period 2018-2020, 32 projects were completed under a jointly funded pathfinder programme with the SEAI, testing and demonstrating energy efficiency and decarbonisation retrofit approaches. The pathfinder is paving the way for, and informing, a much larger national schools programme for the energy retrofit of schools from 2023 onwards as included in the NDP. It is facilitating research on a range of typical retrofit options, which will have been tried and tested ensuring the deployment of new design approaches and technologies are introduced to the educational environment on an evidence based approach

Healthcare

- 138 Primary Care centres are now fully operational across the country, as at the end of 2020.
- 32 of these were delivered between 2018 and 2020, of which 2 are HSE Own Build and 14 are built through the PPP mechanism. The remainder are funded by operational lease and not via the Capital Plan.
- 4 new acute ward blocks were delivered in Our Lady of Lourdes Hospital, Drogheda; Waterford University Hospital; South Tipperary General Hospital; and University Hospital Limerick.
- Over 30 Community Nursing Units, providing long stay beds have been completed and are HIQA compliant with a further 9 projects expected to be completed by the end 2021.
- National Rehabilitation Hospital (Phase 1) completed, providing 120 replacement beds.

- National Forensic Mental Hospital, Portrane construction has completed in 2021, and will replace the Central Mental Hospital.
- Letterkenny New Radiology Unit.
- In January 2019, the main works on the National Paediatric Hospital at St James's campus began whilst, in August 2019, the Paediatric Outpatient and Urgent Care Centre at Connolly Hospital Blanchardstown was opened and Tallaght Paediatric outpatient and is due to complete in 2021. On completion the NCH Project will provide 473 in-patient and day beds, 22 operating theatres and procedure rooms and 122 outpatient consulting and examination rooms.
- Radiation Oncology Unit delivered at University Hospital Cork.
- Other acute projects underway include:, Radiation Oncology Unit at University College Hospital Galway and capacity projects underway include: Tallaght Hospital Critical Care Unit, Mater Hospital Ward Block, St. Luke's Hospital Kilkenny Replacement Ward and Mercy University Hospital Cork Modular Ward Block.

On the ICT side

The ongoing investment in eHealth and ICT under the National Development Plan supports delivery of a range of functions including roll out of the individual health identifier, electronic patient record systems, corporate systems, modernisation and enhancement of the underlying technical infrastructure. Key progress for period 2018-2020 includes the following:

- The Individual Health Identifier (IHI) database was populated and verified in preparation for Health identifiers being deployed as part of the national Covid vaccinations programme and subsequent deployments to GP practices and hospital PAS systems.
- Electronic Health Record (EHR) records procured for the National Rehabilitation Hospital and the National Forensics Hospital. EHR for the National Children's Hospital Ireland currently in procurement using competitive dialogue process, commenced December 2019.
- Significant investment in underlying technical infrastructure - new systems, greater access for staff to digital solutions and reduction in risks associated with cyber-attack.
- Covid Response saw rapid deployment of eHealth initiatives during Covid-19 including roll-out of telehealth in GP Practices and outpatient department clinics; electronic transfer of prescriptions; Covid Tracker App to support contact tracing; Covid Care Tracker to manage test and tracing; and securing suitable supplier for the Covid Vaccination System.

Childcare

Capital funding of €15.7m for early learning and care (ELC) and school-age childcare (SAC) over 2018-2019 supported the creation of approximately 7,000 places nationally and supported upgrading of existing facilities. Moreover, there was €12.7m in capital expenditure in 2020 under the Covid-19 Capital Grant to assist with the costs of supporting ELC and SAC services to reopen following Covid-19 closures and adhere to new public health requirements.

Galway Radiation Oncology Unit

2.12. Other Public Investment

Key achievements 2018-2020

Project Ireland 2040 also includes a range of wider investment in important areas.

Estate Management

Project Ireland 2040 provides the OPW with funding to support a number of property areas. The following property projects reached completion in the period 2018-2020:

- Historic Leinster House refurbishment completed;
- New Glanmire Garda Station and Donegal Stations refurbishment completed;
- Athlone Garda Water Unit construction phase complete in 2020;
- Bru na Boinne construction phase complete in 2020;
- 24,000m2 Office Accommodation fit-out over the period.
- The following significant property projects are currently underway:
- Athlone Regional Division Garda Station;

Northern and Western Region

Garda

- Garda Divisional Headquarters (Galway) Completed.
- Donegal – The full refurbishment and extension completed.
- Cavan Armed Support Unit - The full fit out of a bespoke facility including upgrade to the Public Office in the Station.

Eastern and Midland Region

Garda

- Garda Divisional Headquarters (Kevin St, Dublin 8) completed.
- Construction of Military Road Garda station commenced in early 2020.
- Portlaoise Garda Station – Planning application lodged for refurbishment and extension.
- Fitzgibbon Street Garda Station redevelopment scheduled for completion Q2 2021.
- Athlone Garda Station–extended and refurbished completion expected in Q2 2021.
- Garda Water Unit Athlone-Bespoke facility completed.

Justice

- The Forensic Science Laboratory commenced construction in 2019.

Southern Region

Garda

- Garda Divisional Headquarters (Wexford) completed The Justice PPP project to build two new Garda Stations in Macroom, Co. Cork, and Clonmel, Co. Tipperary, and to provide for a Family Law Complex in Hammond Lane, Dublin 7, is progressing with planning lodged for the two new Garda Stations in December 2020.

Prisons

- Limerick Prison redevelopment due for completion in Q4 2021.The Probation Services Building was substantially completed in December 2020.

National

Garda

- Reopening of Six Garda Stations on a Pilot Basis – The refurbishment of four of the six Garda Stations to reopen under the Pilot Programme has been completed with the remaining two Stations to be refurbished in 2021.
- Ongoing Cell Refurbishment Programme – The cells at 90 locations nationwide have been upgraded since 2010.

Courts

- Site to provide for a future courthouse development was acquired at Portlaoise. Courts Service continued to pursue sites at other priority venues during 2020 including Galway and Tralee.

Defence

An ongoing programme of Defence equipment replacement and infrastructural development, aligned with Defence White Paper objectives, has benefitted greatly from the multi-annual funding certainty provided by the NDP since 2018. These capital investment programmes often have long lead-in times and very specific sectoral requirements.

- The mid-life upgrade of the Army's fleet of 80 Mowag Piranha III Armoured Personnel Carriers, including the modernisation of protection systems and weapons, is well advanced and due for completion in 2023. In addition, delivery of 28 Armoured Utility Vehicles is expected in 2021. A contract was signed for the replacement of the Army's fleet of 3/4 tonne 4X4 vehicles in 2019 with initial deliveries commencing in 2020, while a contract for the supply of 120 new 4X4 Troop Carrying Vehicles initiated last year is now well underway and set to conclude by 2023.
- Military air-based capability was significantly enhanced by the delivery into service of four Pilatus PC-12 aircraft in 2020, with two C295 Maritime Patrol Aircraft due for delivery in 2023.
- In the Naval Service, the mid-life refit of the P50 class vessels, LÉ Róisín and LÉ Niamh is underway and builds on the Naval Vessel Replacement Programme over recent years. The replacement of the flagship LÉ Eithne with a multi role vessel (MRV) is the next scheduled component of the White Paper fleet investment programme.
- Ongoing investment in communications and information technology initiatives including the Virtual Desktop Architecture IT project allows the Defence Forces to meet the challenges of operating in an increasingly complex operational environment.
- NDP funding also facilitates the ongoing progression of Defence Forces Built Infrastructure Projects in military installations and barracks throughout the country. These projects are diverse and can encompass accommodation, training, storage and health and safety upgrades.
- The Equipment Development Plan and the Infrastructural Development Plan provide the basis for the Defence Organisation to identify, plan, prioritise and manage ongoing and future equipment and infrastructural programmes/projects, to include any climate action considerations envisaged under NDP frameworks.

Section 3:
Macro-Economic Analysis

3.1. Overview

As part of the review a paper is being developed by the National Investment Office providing the macroeconomic context for the review in order to inform the level of public investment out to 2030 which will be adopted in the new NDP. This section gives an update on some of the key emerging findings of that paper.

3.2. Benefits of Public Investment

Infrastructure is an essential element of a functioning modern society and economy. It can contribute to the general welfare of society, environmental sustainability and economic productivity. Targeted investment in infrastructure can improve the general welfare of citizens through the provision of basic social services such as health, education and housing, particularly in regions where the role of the private sector in the provision of such services could be weak or even non-existent.

The primary economic benefit from infrastructure is derived from its long-term impact on productivity, thereby increasing the State's economic capacity. Public investment can also "crowd-in" additional private investment in a region. A meta-analysis carried out by Bonn and Ligthart (2014) found that doubling the stock of infrastructure increases GDP by approximately 10%. Investment in infrastructure can increase competitiveness by reducing costs e.g. through improved transport and energy infrastructure, or through facilitating innovation e.g. through the delivery of broadband and education.

Economic theory and research provides a clear justification for Government intervention in the provision of public infrastructure. The case for such intervention is arguably stronger now in 2021 compared to 2018 in light of the economic challenges facing the country and the higher levels of unemployment facing the country more generally. We know from previous research produced by IGEES in 2015 that public capital investment can have a strong jobs multiplier effect. Work is underway to update that research.

3.3. Capital Expenditure

Project Ireland 2040 was launched in February 2018 and set out ten year public capital investment ceilings incorporating €91 billion of Exchequer investment and €25 billion of investment by the commercial semi state sector. This brought total planned public investment to €116 billion over the 10 years to 2027 in the NDP. This incorporated public investment reaching a target of 4 percent as a share of GNI* and then maintaining investment at this level over the remaining period of the National Development Plan.

Capital expenditure saw its largest ever increase in 2020. While there was a pre-Covid increase planned in 2020, there were direct increases for Covid response (e.g. health and enterprise) as well as counter-cyclical stimulus measures announced in July. This amounted to an increase of €1,721 million in 2020, bringing the overall capital investment to €9,887 million or 4.9 percent of GNI*. This was an unprecedented year on year increase of 38 percent.

Budgeted capital expenditure in 2021 will be more than double the 2017 pre-NDP outturn level of €4,601 million. Exchequer capital investment increased by 30 percent, 19 percent and 38 percent over 2018 to 2020. This was significantly higher than general increases in public expenditure and economic growth over that period.

While the large annual increases over recent years were in part a return to the level of public investment present before the financial crisis, similar increases are unlikely to be sustainable over the coming years due to a number of constraints detailed in this paper, in particular on the supply side.

3.4. Public Sector Capacity Constraints

Even when functioning at maximum efficiency, there is a limited amount of investment that the public sector has the capacity to deliver in any given year, regardless of how much funding is made available.

All investment typically requires administration, appraisal, planning, design, procurement etc. All of these processes take time and expertise. When working at maximum capacity and efficiency, public sector staff will eventually reach some limit when tasked with delivering such investment.

In addition to delivery, the planning of investment projects may be appealed to An Bord Pleanála as well as to the Courts, and both of these institutions also have their own capacity constraints at any given point in time.

So delivery capacity is relatively fixed in the short-term, which naturally limits the ability to ramp up public investment in the short-term. However, it is possible to increase the capacity of the public sector in the medium-term through reallocation of resources and the hiring of additional staff and expertise in order to build delivery capacity.

The clear risk of investing in excess of what the public sector can deliver in the short-term is that shortcuts have to be taken, less appraisal and planning is carried out, with the end result being the inefficient delivery of investment and poor value for money for the public.

Identifying an exact level of public sector capacity is not practical given the complexity of the issue. The composition of the public investment will dictate the level of resources required for delivery in terms of time, staff and experience. Some investment may require less resources in terms of administration and planning from the public sector to deliver, such as maintenance spending or grant funding. The larger and more technical a project becomes, e.g. public transport projects or hospitals, the more time and

resources that will be required to plan and deliver these.

In terms of public sector capacity to deliver capital expenditure, a metric worth considering is the use of the annual capital carryover facility. Up to 10 percent of the total capital allocation in a given year can be carried over and used in the following year. This is a useful tool for expenditure management as it provides a degree of flexibility and acts against wasteful use of expenditure at the end of the year. Capital carryover is typically between 1 and 2 percent of total allocations. Increases above this level might indicate greater challenges for Departments in spending their capital allocations which could in part be due to increasing capacity constraints.

Table 3.1: Capital Carryover

€ million	2016	2017	2018	2019	2020
Capital Carryover	74	70	93	215	710
% share of total capital expenditure	1.9	1.5	1.5	2.9	7.2

Source: DPER

Table 3.1 shows that in 2019 capital carryover was well above previous years at 2.9 percent, possibly indicating increasing capacity challenges for Departments in delivering their capital expenditure allocations.

In 2020 the overall total of capital carryover was almost €710 million or 7.2 percent of the 2020 estimates, including the additional allocations announced during the year for Covid-19 and stimulus measures. D/ETE, Health, Transport and Housing have sought to carryover approx. €540 million into 2021. The level of carryover is significantly higher than previous years, in part due to a backdrop of delays occurring on projects due to Covid-19 and the commencement of stimulus projects which will run over into 2021 when payment will fall due. However the fact that total capital expenditure increased by over 30 percent between 2019 and 2020, including an in-year increase with the July Stimulus, may have played a roll. The high level of carryover may indicate the challenge of spending large increases of capital expenditure with little lead-in time for the necessary administration, appraisal, planning, design, procurement etc. Planned, consistent and manageable increases would allow the necessary time while also giving Departments the opportunity to continue to enhance their delivery capacity.

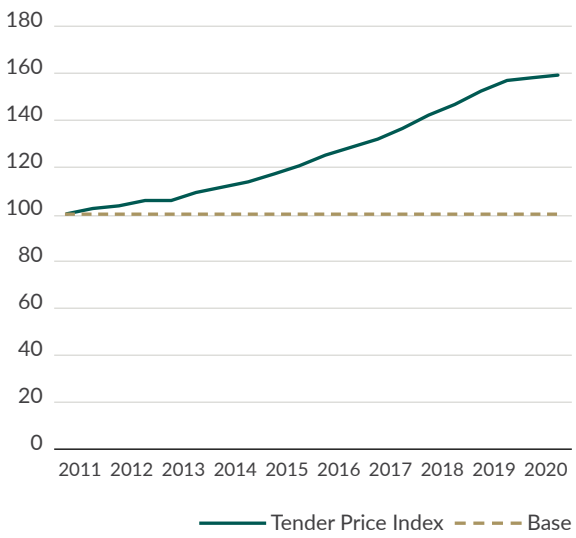
Increasing levels of capital carryover in 2019 and 2020 may indicate challenges for Departments in spending the recent large allocations of capital. However, the recently published DPER Supporting Excellence report identifies organisations with good delivery capacity and more established asset delivery functions, such as TII, the NTA, Irish Water, the OPW, the HSE and larger local authorities. These Entities are likely to have a greater level of capability and the focus on longer-term capacity challenges is likely to feature in other sectors. Also, the unprecedented level of carryover from 2020 is somewhat attributable to a slowdown in construction as a result of Covid and the additional funding provided in 2020, including for stimulus measures introduced to help support economic resilience and recovery. Planned, consistent and manageable increases would allow the necessary time for Departments to develop and process the required appraisal, planning, consultation design, procurement etc. while also giving Departments the opportunity to further increase their delivery capacity.

A range of measures are underway to increase public sector delivery capacity over the medium term including establishment of a Commercial Skills Academy, an Infrastructure Network, expansion of the Irish Government Economic and Evaluation Service, an EU report on the capacity of the public sector and the establishment of a new Planning and Environmental Court.

3.5. Construction Sector Capacity Constraints

In line with the public health advice construction sector capacity has been significantly impacted during the Covid-19 pandemic, with a focus being maintained on essential works. However, construction sector capacity constraints were clearly evident prior to the onset of the pandemic with elevated tender price inflation and a plateauing of employment in the sector. This risk was highlighted in the annual Build Report produced by the National Investment Office which noted that “potential risks and constraints are present in the form of cost inflation, limited sources of additional labour supply and stagnant productivity growth”.

Figure 3.1: Construction Tender Prices



Source: SCSI

Despite a fall in private investment in construction due to the Covid-19 pandemic, this is likely to be short-lived. Construction sector capacity may therefore be a constraint on public and private investment going forward.

Industry is being supported by the Government to expand its capacity with three broad policies: communicating for industry confidence, securing the skills pipeline, and driving innovation. Specific actions include a new apprenticeship action plan, the work of the Expert Group on Future Skills Needs, the funding and establishment of the Build Digital Project to drive digital adoption across the built environment sector and work by Enterprise Ireland to assess the potential for a Construction Technology Centre.

3.6. Demand for Investment

The demand for public investment in Ireland is significant and relatively well established.

Based on international estimates, the broad needs to cover maintenance costs alone are between 1 and 3 percentage points of GDP. In 2016 IFAC estimated that depreciation costs for the stock of public capital in Ireland have averaged some 2.1 per cent of GNP since 1995. In 2021, this would equate to approximately €4 billion based on GNI*.

In terms of demographics, the ESRI modelling indicates an average annual increase of approximately 0.74 percent out to 2040, leading to an increased demand for infrastructure.

The latest economic projections indicate that the economic recovery from Covid-19 will result in real GDP growth of 1.75 percent and MDD growth of 4.9 percent in 2021, leading to an increased demand for infrastructure services to support economic activity. Longer-term economic projections for Ireland typically indicate nominal growth of 4 percent of GNI*, with real growth of 2 percent GNI*.

The lasting impacts of Covid-19 will take time to assess. However, research by ComReg found that the figure of those working remotely from home has more than doubled to 61 percent. Maintaining higher levels of remote working in the future may result in a decreased demand for transport infrastructure / services with positive implications for the reduction of carbon emissions.

Climate action is another major driver, given Ireland's goal of an average 7 per cent reduction per annum in greenhouse gas emissions from 2021 to 2030, which will require major increases in investment in areas such as energy efficiency.

3.7. Fiscal Constraints

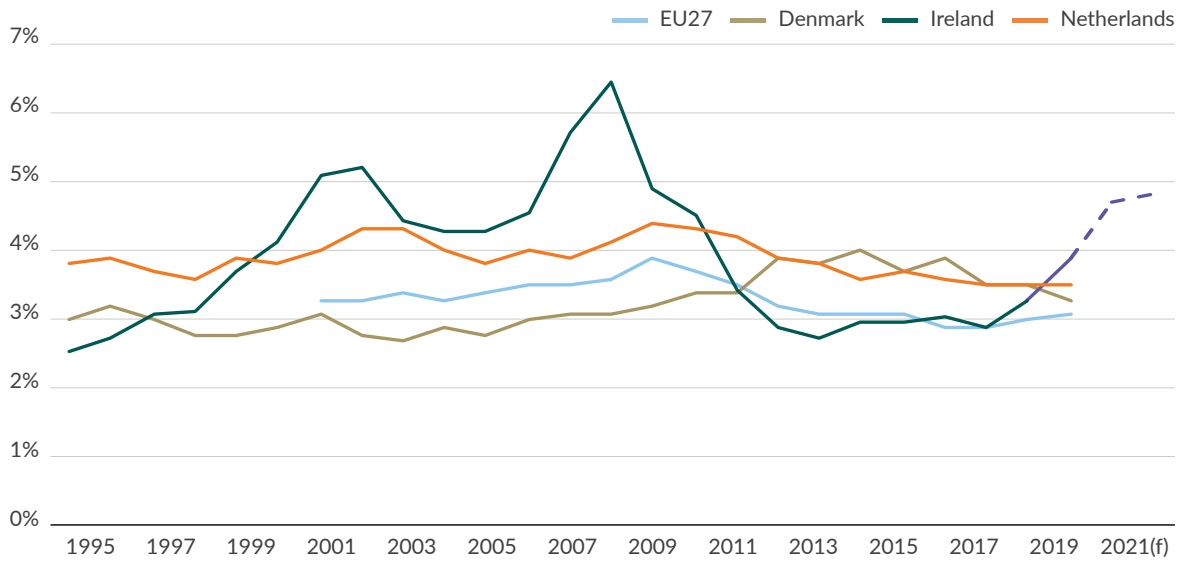
The funding available for public investment is to a large degree dependent on the overall medium term fiscal strategy adopted by the Government. The Programme for Government outlines the objective of returning towards a broadly balanced budgetary position over the medium term, while continuing to support the economy and jobs and to deliver on Programme for Government commitments across each area. Over the course of Q2 2021, the Government will be setting out the overall approach for achieving the medium term fiscal strategy, and the upcoming Stability Programme Update to be published by end- April 2021 will be an important

Table 3.2: National Planning Framework targeted pattern of city population growth

	Population 2016	Population Growth to 2040		Minimum Target Population 2040
		%	People	
Dublin	1,173,000	20-25	235,000-293,000	1,408,000
Cork	209,000	50-60	105,000-125,000	314,000
Limerick	94,000	50-60	47,000-56,000	141,000
Galway	80,000	50-60	40,000-48,000	120,000
Waterford	54,000	50-60	27,000-32,000	81,000

Source: National Planning Framework

Figure 3.2: Total Public Investment (GFCF) as a Percentage of GDP (GNI*)



Sources: Eurostat

milestone in this regard. The medium term fiscal strategy will in turn have implications for the levels of capital investment that can be sustained over the period of the revised National Development Plan.

Looking forward, as indicated in Section 4, the scale of additional funding available to be provided to capital projects will also be influenced by wider expenditure considerations of the State – in particular, policy commitments for expenditure priorities set out in the Programme for Government, such as the roll out of Slaintecare and the hypothecation of increased carbon tax revenues for agreed Government spending priorities. Furthermore, outside of policy decisions, cost pressures arise each year relating to public service pay and pensions and areas of expenditure that are demand-led. These costs must be met from unallocated resources and limit the scope for the implementation of new policy initiatives if the upcoming fiscal strategy is to be fully adopted.

Outside of the Exchequer, an additional funding option for infrastructure is through user charges. In circumstances when infrastructure is operated in a commercial environment, revenue from user charges may provide funding for the operator to carry out maintenance. For example, where a toll road is operated through a public-private partnership, the private partner may be contractually responsible for upkeep of the road using the revenue generated from tolls. As pointed out in the IMF's Well Spent Report (2020), this is relevant for subnational governments that might not have existing funding sources to support the upkeep of roads, though it requires the capacity to collect fees and to forecast user demand for the service (Bova and others 2013; Potter 2013).

3.8. International Comparisons

In recent years Ireland has had a relatively high level of investment compared to other EU countries.

In 2019, total private and public investment in construction in Ireland stood at 13.1 percent as a share of GNI*. This was above the comparator countries of The Netherlands (10.5), Denmark (10.5) and the EU27 average (10.6).

Public investment (GFCF) in Ireland in 2019 stood at 3.8 percent as a share of GNI*, above The Netherlands (3.4), Denmark (3.2) and the EU27 Average (3.0).

Compared to the EU27 average, Ireland has allocated a significantly greater share of its public investment towards housing (+10.9 percentage points), social protection and community amenities. Ireland has allocated a significantly lower share of government investment than the EU27 average in defence (-6.3 percentage points) and general public services (e.g. basic research).

In terms of supply side comparisons, in 2019 construction sector employment in Ireland stood at 6.4 percent of total employment, above both The Netherlands (4.6) and Denmark (6.1) but below the EU27 average (6.8).

In terms of the demand side, Ireland's population is expected to grow by 10.8 percent between 2020 and 2030 which is significantly higher than the EU27 average (0.32), Denmark (2.61), and The Netherlands (3.25).

3.9. Investment levels in new NDP

All of the factors examined in this paper need to be considered and balanced against each other when setting the planned level of public capital investment for the period 2021-2030.

The increases in public capital investment of between 19-38 percent each year for the last three years represent a major step change under Project Ireland 2040. These major increases included additional investment over the planned core investment of €8.2 million in 2020. These were once-off investments directly related to Brexit, the Covid response (e.g. in health and enterprise) and further counter-cyclical stimulus measures announced in July and December 2020 totalling €1.7 billion above the core spend. Similarly before the onset of Covid-19 the core investment for 2021 was €9.7 billion with additional measures increasing this to almost €10.1 billion.

These increases have put pressure on public and construction sector capacity to deliver this investment efficiently. However, there is also clearly an increased demand for public investment, in particular as it relates to the adoption of more challenging climate action targets.

Any increase in public investment to meet demand needs to be planned and sustainable over the lifetime of the ten year plan in order to reduce risks of over-heating and poor value for money. This would also allow for delivery capacity to be expanded.

A sustainable capital expenditure strategy in this context could combine two elements: an annual increase above the core investment level, combined with a target level of investment as a share of GNI* to be maintained once it has been reached.

The delivery of public capital investment benefits from long-term planning and stability. However due to Covid-19 there is significant uncertainty relating to many of the different factors which need to be considered when setting public capital investment levels. It will therefore be critical to ensure developments are monitored closely and some flexibility is maintained in capital ceilings if adjustments or additional measures are necessary.

In the meantime, decisions on the level of public investment will ultimately be made in the Stability Programme Update which will be published in April and the NDP itself which is to be published in summer 2021.

3.10. Risks

Investing too little in public capital expenditure can result in bottlenecks and the necessary infrastructure and services not being provided. Investing too much could leave limited resources available for other areas of public expenditure.

Investing too much could also add to inflationary pressures and crowd out some desirable private sector investment, for example in housing, which is already experiencing some viability challenges.

As highlighted in the Build 2019 and Build 2020 reports by the National Investment Office, such risks and pressures were already observable in the Irish construction sector pre-Covid-19.

This risk can be mitigated by increasing supply side capacity over the medium term, and a number of initiatives which are already underway in this regard were outlined previously. However these will take time to come to fruition.

In addition, there is potential for measures to be taken to reduce demand in the private sector in order to make space for the increased public investment. In its mid-term evaluation of the National Development Plan 2000-2006, the ESRI suggested that a similar approach may have been necessary at that time.

Reducing private sector demand may be a relevant policy option to be considered again in the context of an increased level of public investment under a new NDP for 2021-2030. Targeted taxation measures could be necessary to reduce private sector construction demand (in areas other than housing) and free up capacity for the increased public investment. The alternative would be to reduce public investment.

There is also the possibility that there could be a decline in activity in the commercial construction sector (particularly hotels & offices) due to Covid-19 impacts, however it is too early to tell at this point the degree to which this is true.

Continued monitoring of inflation and capacity constraints by the National Investment Office in conjunction with the Construction Sector Group will be necessary to inform any policy decisions related to this going forward.

Regardless of the ultimate level of public investment it will be essential that there is a robust focus on prioritisation of the investments which provide the highest level of social and economic return and value for money; and on strengthening the capability of the public sector to deliver fully on these priorities.

Section 4:
Public Capital Expenditure Analysis

4.1. Overview

The purpose of this section is to highlight recent trends in capital expenditure, including Covid impact. It summarises the features of capital spend under the initial years of the NDP, compared to the pre-NDP position in 2017. This analysis adjusts allocations to take account of changes in Department functions under the new Government, to provide a context and perspective for consideration of future allocations.

Key findings are as follows:

- The overall Capital allocation for 2021 stands at almost €10.1 billion. This funding level is almost €5.5 billion or 119 percent higher than the amount allocated in 2017. In other words, capital allocations have more than doubled under the NDP.
- When combined with a record 2021 carryover of almost €710 million, Departments and Agencies have potential to spend €10.8 billion in 2021.
- While resources have increased in all significant sectors, four sectors account for most of the funding; Housing, Transport, Education and Health. These four sectors also accounted for most of the funding allocated between 2005 and 2019.
- In 2021 over 75 percent of the allocation of just under €10.1 billion is concentrated in four sectors;
  - » Housing Vote - €2,766 million (27.4%)
  - » Transport - €2,528 million (25.1%)
  - » Education - €1,241 million (12.3%)
  - » Health - €1,048 million (10.4%)
- The record carryover of €710 million raises a question on the capacity to absorb additional spend, notwithstanding the impact Covid-19 has had on the delivery of projects. The NDP review will consider the level and sectoral share of funding.

4.2. Context

The 2008 financial crisis resulted in significant cuts to capital expenditure levels, which fell from a high point of €9 billion in 2008 to just below €3.4 billion in 2013. Modest increases were allocated to capital investment in the intervening years to 2017, when spend reached €4.6 billion.

The publication of the National Development Plan (NDP) in 2018 signalled Government commitment to strategic investment in public infrastructure with the publication of indicative resource allocations out to 2027. The trend in capital spend since NDP is summarised in the Table 4.1.

The overall Capital allocation for 2021 stands at just under €10.1 billion, as set out in the multi-annual capital investment framework published in the NDP and Revised Estimates Volume 2021. This funding level is just over €1.9 billion or 23 percent higher than the original 2020 allocations published in the Revised Estimates Volume 2020 and is almost €5.5 billion or 119 percent higher than the amount allocated in 2017.

A number of Departments have received increases greater than the average of 119 percent, these include the Department of Environment (294%), Housing (240%), Rural (186%), Transport (134%), and Health (131%).

When combined with the carryover from 2020 to 2021 of almost €710 million, this will provide Departments and Agencies with the potential to spend €10.8 billion in 2021. This level of capital expenditure is almost 320 percent higher than the allocation of €3.4 billion expended in 2013.

Significant additional resources of over €1.7 billion were apportioned to a number of Departments in 2020 to implement measures in response to the Covid-19 pandemic. This included the July stimulus package of measures, and increased the overall 2020 capital allocation from €8.2 billion to almost €9.9 billion.

The overall level of capital funding is now at an all-time high, with a commitment to further increases over the lifetime of the NDP. The NDP Review will assess the balance of resourcing between sectors, in the light of the Programme for Government. The review will consider if there is a need for any strategic changes in allocations.

Some public infrastructure projects have been delayed in 2020 due to the Covid-19 lockdown and the safety measures implemented on building sites following the resumption of construction activities. To facilitate unforeseen costs running into 2021, Departments carried forward almost €710 million (7.2%) from their 2020 allocations.

Table 4.1: Trend in Gross Voted Capital Expenditure

	2017	2018	2019	2020	2021
Capital - €,m	4,601	5,996	7,160	9,887	10,081
Y-on-Y Variance		1,395	1,164	2,727	194
Y-on-Y % Variance		30.3%	19.4%	38.1%	2.0%
Of which Covid-19, Stimulus and Brexit Measures				1,728	272
GNI*	186,217	198,702	213,708	202,833	208,345
Spend as % of GNI*	2.5%	3.0%	3.4%	4.9%	4.8%

* Figures for 2017, 2018 and 2019 are the audited capital outturn expenditure figures as published in the Appropriation Accounts. The figures for 2020 and 2021 are as published in the Revised Estimates Volume published in Dec 2020.

4.3. Sectoral Expenditure

Table 4.2 sets out Departmental expenditure allocations from 2017 (pre NDP) to 2021. For comparison purpose, the figures have been adjusted from 2017 to take account of the transfers of functions following restructuring of Departments.

Previous analysis has found that capital spend is highly concentrated in four sectors – housing, transport, education and health – and in eight main spending areas within those Departments – water, housing, roads, public transport, schools, higher education health services and health ICT. While the NDP has significantly increased resources in all significant sectors, these same spending areas still account for most spend.

In 2021 over 75 percent of the allocation of almost €10.1 billion is concentrated in four sectors;

- Housing Vote - €2,766 million (27.4%)
- Transport - €2,528 million (25.1%)
- Education - €1,241 million (12.3%)
- Health - €1,048 million (10.4%)

This represents a moderate increase on the 2017 position (adjusted for transfers of function), when the four sectors accounted for 70.6 percent of the overall €4.6 billion capital allocations.

- Transport - €1,079 million (23.5%)
- Education - €900 million (19.6%)
- Housing Vote - €814 million (17.7%)
- Health - €454 million (9.9%)

The composition of spend within the four highest spending sectors is concentrated into eight areas, which over the period 2017 – 2021 account for 90% of total spend in those Departments and 67 percent of overall capital expenditure.

There has been a significant growth in investment in all four sectors, with spending in the two areas of Housing Vote increasing by €1,780 million (228%) compared to 2017, Transport increasing by €1,355 million (129%), Health increasing by €441 million (101%) and Education up by €288 million (42%).

The top three areas of investment in 2021 are Housing Vote - €1,837 million (18% of overall capital allocations), Roads - €1,302 million (13%) and Public Transport €1,100 million (11%).

The eight areas of investment have a combined percentage increase of 131 percent since 2017 compared to an increase of 119percent for the overall capital envelope.

4.4. Non-Infrastructure Expenditure

Capital expenditure covers a broad spectrum of investment in a range of areas such as the construction of physical assets, for instance; schools, roads, bridges, hospitals, court buildings etc. it also includes the maintenance of assets, the purchase of land for development, the purchase of ICT equipment, medical equipment (e.g. ventilators), military equipment and vehicles amongst other things.

In addition, some Departments disburse capital grants to bodies, including agencies, companies, committees, advisory groups, charities, or individuals, whether directly from the Departments or through an intermediary body or series of bodies. The capital grant is a financial provision, for a particular activity or service administered or undertaken by an outside body, including agencies, companies, committees, advisory groups, charities or individuals. It ranges from grants to State Bodies to undertake their statutory functions to research funding and specific grant schemes operated by government Departments or other Bodies in receipt of exchequer funding.

While some Departments issue capital grants as part of their capital allocation, in most cases it accounts for just a small portion of their overall capital spend. This is not representative of the Department of Agriculture, the Department of Enterprise or the Department of Environment, through which the majority, but not all, of their capital spend is distributed in the form of capital grants.

Over the period 2017 – 2021 these Departments saw increases of 37 percent for Agriculture, 64 percent for Enterprise and 294 percent for Environment.

4.5. Covid-19

Additional resources were allocated to Departments in 2020 in response to the Covid-19 public health emergency which increased capital allocations from €8,166 million to €9,887 million. The substantial package of supports, of circa. €1.7 billion, was granted to assist employment-intensive economic activity in 2020.

The July stimulus allocated €500 million for a list of projects and programmes covering a wide geographic and sectoral scope, which included housing, education, sustainable transport, environmental protection and heritage/tourism.

This investment package was implemented to help alleviate the overall economic impact on construction activity as a result of the impact brought about by Covid-19, and to mitigate the significant fall-off in private sector investment in 2020.

Less significant Covid specific allocations have been provided for in 2021 covering areas such as Health and aviation supports.

Table 4.2: Departmental Expenditure Allocations

	2017	2018	2019	2020	2020*	2021	Change between 2017-2021
Agriculture, Food and the Marine	219	274	277	274	316	299	+37%
Children, Equality, Disability, Inclusion and Youth	27	26	26	31	41	32	+19%
Defence	96	95	138	113	125	131	+36%
Education**	610	644	767	748	925	740	+21%
Enterprise, Trade and Employment	341	329	387	422	1,341	558	+64%
Environment, Climate and Communications**	147	177	184	339	339	579	+294%
Finance	22	23	26	22	32	34	+55%
Foreign Affairs	13	12	14	13	13	13	0%
Further and Higher Education, Research, Innovation and Science**	290	298	364	386	404	500	+72%
Health	454	513	689	854	1,074	1,048	+131%
Housing, Local Government and Heritage**	814	1,790	2,168	2,266	2,394	2,766	+240%
Justice	170	147	167	269	286	258	+52%
Public Expenditure and Reform***	140	190	180	225	225	222	+59%
Rural & Community Development**	59	96	141	152	169	169	+186%
Social Protection	8	8	8	15	15	16	+100%
Tourism, Culture, Arts, Gaeltacht, Sport and Media**	114	111	94	155	169	186	+63%
Transport**	1,079	1,262	1,528	1,880	2,017	2,528	+134%
Total***	4,601	5,996	7,160	8,166	9,887	10,081	+119%

*Allocations post Covid-19 and stimulus measures.
**Figures adjusted for transfers of functions from 2020 to 2017 for comparison purposes.
****Majority of capital allocation for Public Expenditure and Reform is for the Office of Public Works. For example €207m in 2021 Revised Estimates
****Rounding effects.

4.6. Capital Carryover

Departments are allowed carry over unspent capital up to a maximum of 10 percent of Voted capital to the following year. Statutory provision for capital carryover by way of "deferred surrender" to the Exchequer is made under Section 91 of the Finance Act 2004.

The amount of carryover being sought from 2020 into 2021 is almost €710 million, which is considerably higher than the amount requested in previous years, however, this is against a backdrop of the impact of Covid-19, including the allocation of an additional €1.7 billion capital expenditure in 2020, with some projects delayed while other projects commenced but payment for same will not fall due until 2021.

The provisional gross capital outturn at the end of 2020 was €9,649 million, which included the carryover amount of €710 million. This left a balance of approximately €235 million to be surrendered to the Exchequer.

4.7. Conclusions

There has been a rapid recovery in spend since the implementation of the National Development Plan (NDP) signalled Government commitment to strategic investment in public infrastructure. The 2020 allocation of almost €9.9 billion surpassed the previous high capital allocation of €9 billion from 2008, while 2021 sees budgeted allocations exceed €10 billion for the first time ever.

Undoubtedly, these high levels of investment bring with it a number of challenges which have to be monitored and controlled. In particular, the high level of capital carryover suggests a need to assess the capacity to absorb additional spend. The NDP Review provides an opportunity to review the level of overall resourcing, and the balance of resources between sectors.

Section 5:
Infrastructure Demand Analysis

5.1. Overview

This section summarises an analysis, updated from a previous analysis in 2017, which examines sectoral trends in demand for the largest infrastructure sectors. The paper's purpose is to give a consistent and comparative assessment in order to help prioritisation of investment across sectors. The paper examines demand in the following sectors: education, energy, health, housing, transport and water. As noted in the previous section, these areas account for a significant proportion of infrastructure investment and hence the focus on them in this paper. While not covered in the scope of this paper, non-infrastructure investment in the likes of enterprise development and R&D will also be critical for delivering Project Ireland 2040.

5.2. Background

Energy investment was the single largest area of investment in the NDP as set out in 2018 with a non-exchequer allocation of €13.7 billion. In 2021, over 75 percent of the almost €10.1 billion allocation for exchequer capital investment is concentrated in four sectors;

- Housing and Water - €2,766 million (27.4%)
- Transport - €2,528 million (25.1%)
- Education - €1,241 million (12.3%)
- Health - €1,048 million (10.4%)

In focusing on these key sector of physical infrastructure, the paper does not extend to all areas of Government capital expenditure. Most notably, consideration of capital grant schemes is outside the scope of this paper. Grant programmes are fundamentally different in nature as it is difficult to point to specific underlying demand and supply considerations related to that type of spending. Policy positions and targets play a great role in setting investment requirements related to such programmes.

In addition, other sectors which account for a lower level of investment are not included in this high level analysis but will be considered in detail as part of the review of the National Development Plan, in particular through submissions from the relevant Government Departments.

The drivers of demand examined in this paper include exogenous drivers, such as demographics, climate change and economic growth, as well as policy plans and stated ambitions which can also act as drivers. The paper primarily focuses on developments in these drivers since the 2017 position which was laid out in the "Strategic Public Infrastructure: Capacity and Demand Analysis" paper published in August 2017 to inform the evidence base for the 2018 National Development Plan.

Historic investment and an overview of the infrastructure stock was an important component of the 2017 paper, but has not been revisited to the same degree in this paper given the relatively short time period between the two papers. Where relevant, important capacity constraints are discussed in the chapters in the context of the ability of the current infrastructure systems to meet demand. The current paper also highlights risk factors which will be important to monitor going forward under each chapter. For example, Covid-19 may have led to temporary changes in demand in a particular area. Such temporary impacts should not be given undue importance in planning investment in long term infrastructure but may lead to longer term sociocultural and technological changes which may impact on demand for infrastructure and services in the longer term. Such changes will need to be closely monitored in the ongoing planning and implementation of infrastructure.

Similarly, as a result of the Climate Action and Low Carbon Development Bill 2021, Government will be required to achieve a 51% reduction in total greenhouse gas emissions by 2030, as compared to 2018 levels, and to achieve carbon neutrality by 2050. This will require very significant Exchequer investment, combined with further private sector investment, to achieve the radical restructuring of our society and economy that will be required to eliminate fossil fuel use and move rapidly to a carbon-neutral economic model, if these statutory emissions reduction requirements are to be met.

It should be noted that demand management can also be used in order to optimise the use of existing infrastructure. This can be done through measures which attempt to match the capacity of the current infrastructure to the demand that exists for such infrastructure. This can help ensure that demand is met without the need for the potentially costly investment in additional infrastructure, thereby freeing up funding and capacity for alternative higher priority infrastructure projects to be delivered instead.

An overview of the key findings is presented in the following two sections. The first section presents a summary of the key insights from each of the sectors and the second provides concluding remarks on the comparative demand for investment by looking across the available evidence on each of the sectors and changes in the demand drivers from the 2017 analysis.

5.3. Key Sectoral Insights

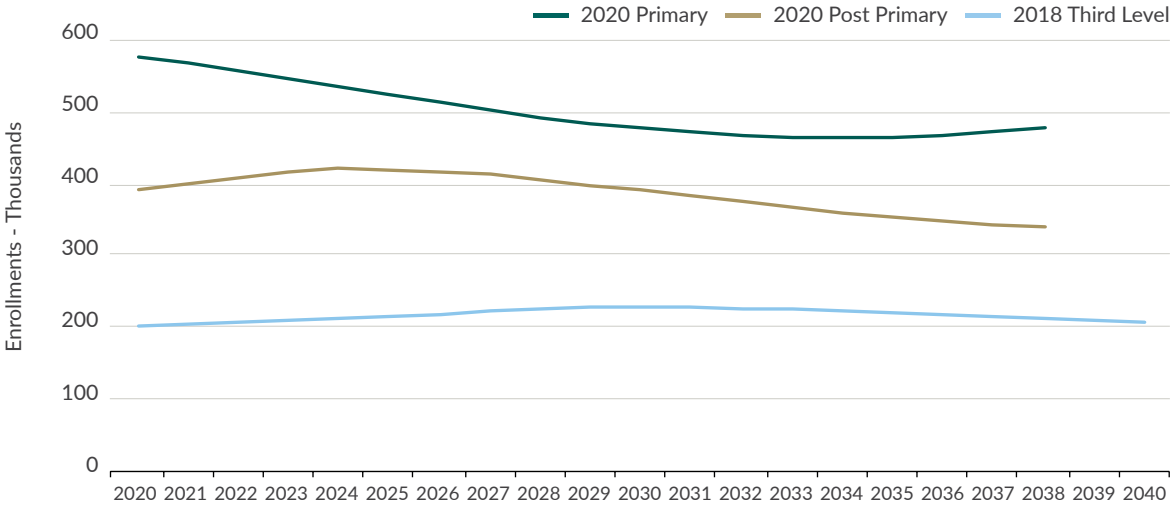
The following section presents the specific key findings from each of the chapters relating to the above themes, additional areas of demand drivers and specific policy drivers.

Education

Across both primary and post-primary level enrolments are expected to fall at a slower rate than previously forecast in 2017 which indicates that there will more pupils in the primary and post-primary system than expected in 2017.

National enrolment numbers at primary level decreased in 2020 for the first time since 2000. Aggregate demand at primary level will decrease over the next 14 years until 2034, however, this fall in demand will not be as steep as previously forecast and it should be noted these projections do not account for regional capacity dynamics.

Figure 5.1: Education Enrolment Projections



Source: Department of Education

At post primary level, pupils are remaining at second level for longer as participation rates in Transition Year and Leaving Cert programmes increase, increasing demand for places at this level. National demand is projected to increase as enrolments are forecast to rise, peaking in 2024 and then falling thereafter but falling at a slower rate than previously forecast in 2017.

These projections of enrolments do not address capacity constraints which may prevail at local and regional levels. Analysis of the present baseline capacity levels of schools and potential capacity issues were not included in this review as data on school level capacity was unavailable for review. However, data collected as part of the National Inventory of School Capacity developed in 2020 should be analysed when available to provide an assessment of capacity.

Regional projections of enrolment numbers at primary and post primary level indicate that the distribution of demand will not be uniform across all regions with total enrolment numbers shifting from other regions towards the Midlands and Mid-East at both primary and post-primary level if current trends continue.

Demand for third level is expected to rise along with projected third level enrolment numbers until 2030 which have been revised upward since 2015. Wider negative labour market conditions created by the Covid-19 outbreak could potentially increase future demand for third level places.

Covid-19 poses a potential risk going forward in the long term in particular as its impacts on international student revenue and wider demographic factors remain unknown.

Ongoing development of policy reform in the area of special needs education will potentially impact demand for capital expenditure through the increased and wider provision of students with special needs in mainstream education.

Energy

In general, energy infrastructure in Ireland is in a good position to continue meeting overall demand in the medium term.

It is essential that the existing statutory requirements and other obligations are observed and that the fundamental risks associated with Brexit and climate obligations continue to be monitored.

Investment in the sector is primarily from non-Exchequer sources, with a NDP commitment by CSBs of €13.7 billion.

The programme for Government includes a strong commitment to climate governance, and commits to achieving an average of 7 percent per annum reduction in overall greenhouse gas emissions from 2021 to 2030, and for the production of at least 70 percent renewable electricity by 2030.

It is clear that significant research and investment will be required in order to intensify the use of renewable energy sources and reduce the levels of greenhouse gas emissions to achieve these targets. This will require policy changes to be implemented across sectors to ensure targets are being met in a sustained and measured means.

Health

The Health capital resource envelope stands at €10.9 billion over the NDP period up to 2027.

It is clear that the increases in our populations over the age of 65 and the increasing old-age dependency ratios will have result in increased demand in the coming decade for Health. However, the health sector is complex and it is not always possible to make a direct, forensic link between demographic and policy change in Ireland on the one hand and healthcare demand and capital investment on the other. The key reforms highlighted in the existing NDP to meet this demographic pressure remain consistent in this review, notably including the Sláintecare vision to expand primary and community services as well as sufficient acute provision, albeit that costs have increased in the intervening period. This will seek to provide the appropriate care in the appropriate setting, but will require capital investment to enhance community services that currently have unmet demand and will face future demand pressures as a result of population ageing.

There are a number of other drivers of demand in the health system which include the requirement for reform, modernisation of facilities, regulation and safety requirements and requirements and learnings arising from Covid.

A significant unknown in this context is the longer term impact of Covid, which may call for acceleration of some categories of project and even additional investments.

Housing

Average household size has been decreasing in recent years and is expected to continue decreasing in the coming decades. This is significant because it means more units are required to house the population.

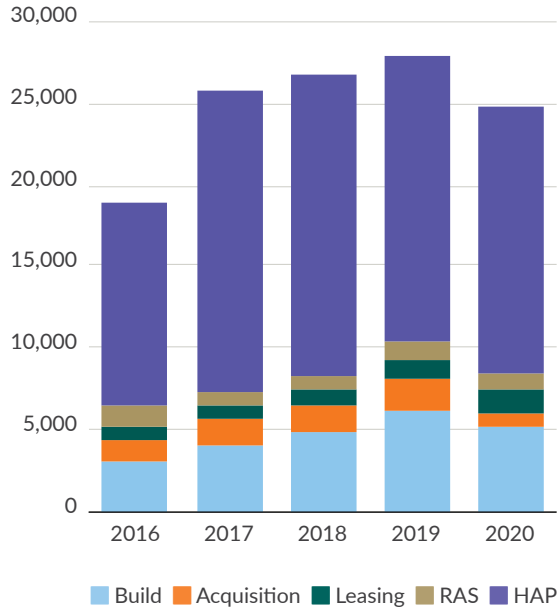
The significant increase in average first time buyer price (20% since 2017) is an important development in the context of supports for first time buyers. Demand side affordability measures, like the Help-to-Buy incentive scheme, look to bridge the gap between incomes and prices. If prices increase at a higher rate than incomes, then that gap widens, and the initial support becomes less effective.

The demand for housing infrastructure generally is largely driven by population growth. Latest projections based on ESRI research indicate annual housing demand arising from population growth to be up to 33,000 units per year between 2016 and 2040. Going off the number of new residential dwellings completed since 2017, these levels of demand are currently not being met.

State intervention in the housing market prioritises housing need and the provision of social housing.

With the exception of COVID-19 related setbacks in 2020, social housing targets have been met over the past number of years.

Figure 5.2: Social Housing Provision



Source: DHLGH

The Housing Need and Demand Assessment tool utilised by DHLGH illustrates that, without major policy intervention, a significant proportion of new households may default into seeking social housing as prices and rents will be too high to allow them to purchase or privately rent. Large demand for social housing provision is symptomatic of under supply in the broader housing market. This is because under supply in the private housing market exacerbates affordability issues which in turn creates the need for higher levels of state housing supports, be they social housing provision or affordability measures. Factors such as the viability of development and capacity of the private sector are therefore vital considerations in ensuring that housing demand will be met over the coming decades.

Transport

Future population growth is targeted by the National Planning Framework (NPF) to occur predominantly outside of the Dublin and Eastern regions. Investment will be needed in the medium-long term to deal with the impacts of growth on Irelands regional transport infrastructure, particularly in regional cities where growth rates are expected to increase.

Table 5.1: Annual change in the number of passenger journeys

€ million	Avg. Yearly Change 2013-2016	Avg. Yearly Change 2016-2019
Dublin city	4%	8%
Cork city	6.7%	8.5%
Limerick city	1.2%	11.5%
Galway city	3.5%	11.9%
Waterford city	0%	16.7%
Ireland	4.1%	8.3%

Source: NTA Bus & Rail Statistics for Ireland

Dublin's population is expected to grow steadily in the short-medium term. Transport infrastructure investment will be needed in the short-medium term to service this demand.

Transport demand grew by an average of 8 percent per year in Dublin, and by between 8.5 percent and 16.7 percent in Irelands other cities, between 2016 and 2019.

The age make-up of Irish society is expected to change significantly in future decades, becoming older. This shift may reduce demand for transportation, as people over the age of 65 make fewer daily trips than any other age group.

If Ireland succeeds in achieving consistently high levels of employment and economic growth in the upcoming years, transport demand will likely rise consistently in response.

Between 2016 and 2019, the proportion of Ireland's national roads operating above 100 percent capacity increased from 15 percent to 17 percent for primary roads, and from 32 percent to 36 percent for secondary.

Extreme weather events resulting from climate change are expected to significantly impact upon transport infrastructure in future years. Strategic investment to adapt Ireland's infrastructure will therefore prove cost saving in the long run.

Water

Going forward, Irish Water faces significant challenges in terms of the quantity, quality, reliability and sustainability of public water supplies across the country.

Irish Water must ensure that their water supplies become more sustainable over time, therefore they need to ensure that solutions to their supply issues consider the broader environment within which they operate. This means:

Irish Water cannot continue to abstract water from sensitive sources to meet ever increasing demand.

Where feasible they must cater for increased growth requirements in the first instance by driving an aggressive leakage reduction programme combined with strong promotion of water conservation measures in homes and businesses

Irish Water must fully adhere to the World Health Organisation (WHO) principle that the starting point for good clean drinking water is source protection, as incorporated into the recast Drinking Water Directive, rather than relying on ever more complex and costly treatment for sources that are deteriorating due to inadequate protection. Irish Water will achieve this by developing and implementing Water Safety Plans across all their supplies.

Irish Water have classified the range of available solutions into three pillars; lose less, use less and supply smarter. These pillars will enable Irish Water to optimise their capital and operational solutions to achieve the best outcomes and react to emerging issues.

- **Lose Less** – reducing water lost through leakage and improving the efficiency of Irish Water's distribution networks;
- **Use Less** – reducing water use through efficiency measures; and
- **Supply Smarter** – improving the quality, resilience and security of Irish Water supply through infrastructure improvements, operational improvements and development of new sustainable sources of Water.

5.4. Summary

Providing an assessment of the relative need for public investment across each of the sectors discussed within this paper is a difficult task. There are a range of factors at play aside from the available evidence on demand drivers across each of the sectors presented in this paper such as the political landscape, public opinion and international developments. There are also gaps in the understanding of demand drivers based on the available data across the areas discussed. While noting the above caveats, these concluding remarks draw on the available evidence on the drivers of demand presented in this paper.

The analysis suggests that housing is the area where demand for investment is most acute given the pressures which a malfunctioning housing market is putting on affordable and social housing. Demand for water will continue to increase driven by population and economic growth with the current infrastructure struggling to efficiently distribute the natural and treated resources available following a history of underinvestment. Transport and energy are areas where the main drivers of further investment relate to policy ambitions rather than exogenous drivers, and are particularly key areas for Ireland's climate action ambitions. The main exogenous driver of demand for the health system is the ageing of the population which will have an impact on the demand for services and related infrastructure, though not necessarily a directly linear impact. There are a number of other drivers of demand in the health system which include the requirement for reform, regulation and safety requirements and requirements and learnings arising from Covid. The interaction of private and public healthcare and the high levels of health insurance coverage in Ireland make it less clear as to the impact population ageing will have on public demand. In contrast to the area of health, demographics are favourable over the medium to long term with enrolments in primary schools set to decrease from 2020 with secondary school enrolments due to begin decreasing from 2024. Regional shifts in demand and policy ambitions such as reducing the climate impact of schools are potential upward drivers of demand.

The findings of this paper form an important part of the overall evidence base which will be drawn on by Government in Phase 2 of the review as decisions are made relating to the revised NDP to be published in summer 2021.

Section 6:
Consultation

6.1. Overview

The purpose of this chapter is to report on Review to Renew, the public consultation process to inform the revised National Development Plan (NDP) which was launched by Michael McGrath, TD, Minister for Public Expenditure and Reform on 3 November 2020. The deadline for receipt of submissions was 5pm on 19 February 2021.

6.2. Review to Renew Public Consultation – Background

From inception, the consultation process was a fundamental part of the process to deliver the revised NDP and a range of events, platforms and strategies as set out below were used to engender dialogue and encourage feedback. The consultation process sought to allow all relevant stakeholders an opportunity to participate in shaping our revised capital plan. 572 submissions were received.

In line with Section 26 of the Department's 'Consultation Principles and Guidance' published in November 2016, in the case of public consultation processes where there are a significant number of submissions, the Departmental policy is that a capture of the main themes emerging from the consultation should be detailed as part of a technical exercise to guide the policy and decision making process.

Accordingly, this report documents the range of submissions received, the sectors which contributed and the themes arising.

6.3. Communications

Transparent communication increases the accountability of public administrations toward the community it serves. Communications around the NDP and Project Ireland 2040 have a strong public information mandate. The development and introduction of the capital tracker and the MyProjectIreland interactive map, the Annual Conference, the establishment of the InfraNet, the presentation at 2019's National Ploughing Championships, public information campaigns and the cohesive identity displayed at all stages of project development contribute to public knowledge and understanding of the plan and its impacts.

Similarly, the public consultation process was grounded in the principles of transparency with the objectives of:

1. Empowering all stakeholders to participate in the NDP consultation processes.
2. Bringing together the views and aspirations of a representative sample of industry, local government, academia, citizens, practitioners, policy-makers, experts, civil society and interest groups.
3. Prompting all contributors to consider the issues at hand and to form thoughts and opinions in relation to future infrastructure needs.

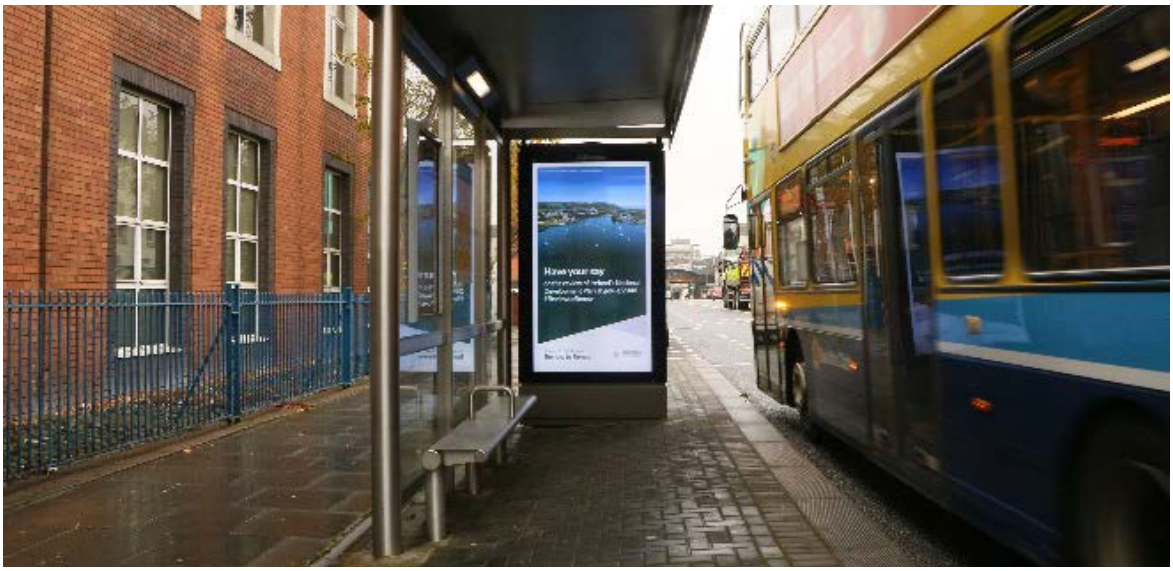
6.4. Summary of Key Consultation Events

The InfraNet

To facilitate input from a broad cross sector of academia, policy-makers, practitioners, professional bodies and technical experts whose core work areas are directly related to the strategic NDP themes, an infrastructure network - the InfraNet - was convened at intervals to critically examine public investment governance, reforms and innovations and engage with experts in public sector and delivery bodies to share best practice, issues and solutions.

With over 170 attendees from 70 organisations at the last session, the four InfraNet events so far have delivered productive engagements among policy-makers and experts on regional balance, housing, climate considerations and promoting value-for-money in capital project appraisal.

However, it was also considered that wider stakeholder and public consultation would be critical



Transit Shelter Ad in Situ

to ensure that the revised NDP is informed by the views of all citizens. Hence, a series of additional tools and initiatives were used.

Additional measures

These included an online primer, dedicated email address, transit and print advertising, promoted social content and promotional video.

A transit (bus and rail) advertising campaign ran on selected dates from 30 November 2020 to 20 February 2021 nationwide. National advertisements were placed in the Irish Times, the Sunday Independent and the Irish Examiner.

On account of the measures put in place in respect of the Covid-19 pandemic, the department was unable to receive hardcopy submissions by post. Respondents were asked to make their submissions by email to reviewtorenew@per.gov.ie.

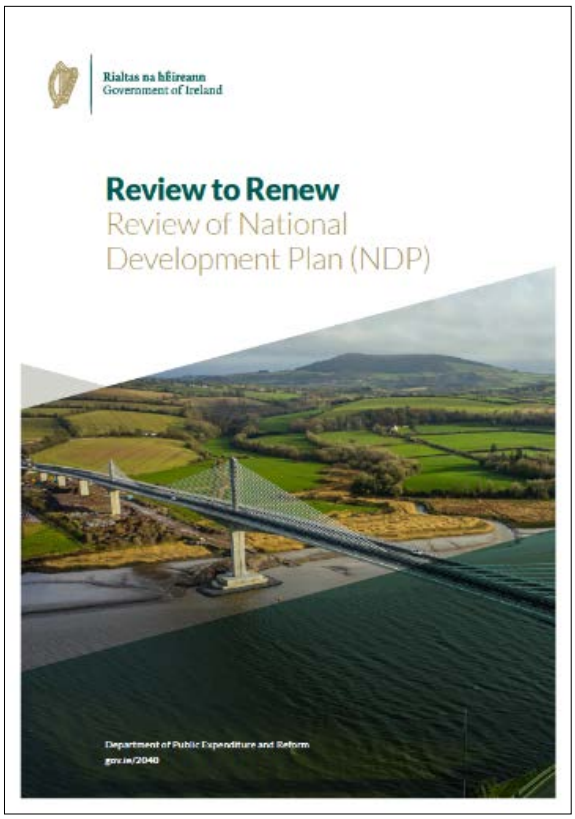
6.5. Summary of Contributions

A total of 572 submissions were received. Of the 572 submissions received:-

- 324 submissions from members of the wider public, including political representatives (non-party submissions);
- 115 submissions from organisations and research bodies across various industry sectors, community groups and NGOs;
- 56 submissions from political parties and elected members;
- 47 submissions from county and city councils and assembly type bodies;
- 16 submissions from chambers of commerce; and
- 14 submissions from the education sector.

The online submissions system had at its centrepiece a primer which was published on gov.ie/2040. The primer set out the context of Project Ireland 2040 and the NDP, the primary aims of Review to Renew, as well as identifying 7 questions for consideration when making submissions. These were:

1. Is the overall level of public spending on capital investment correct?
2. What should the capital budget be spent on?
3. What types of capital investment should be prioritised?
4. How can the management and governance of public investment be improved?
5. How is the NDP affecting your region?
6. What is your feedback on Project Ireland 2040 communications?
7. Is there anything else you would like to add?



6.6. Key Findings

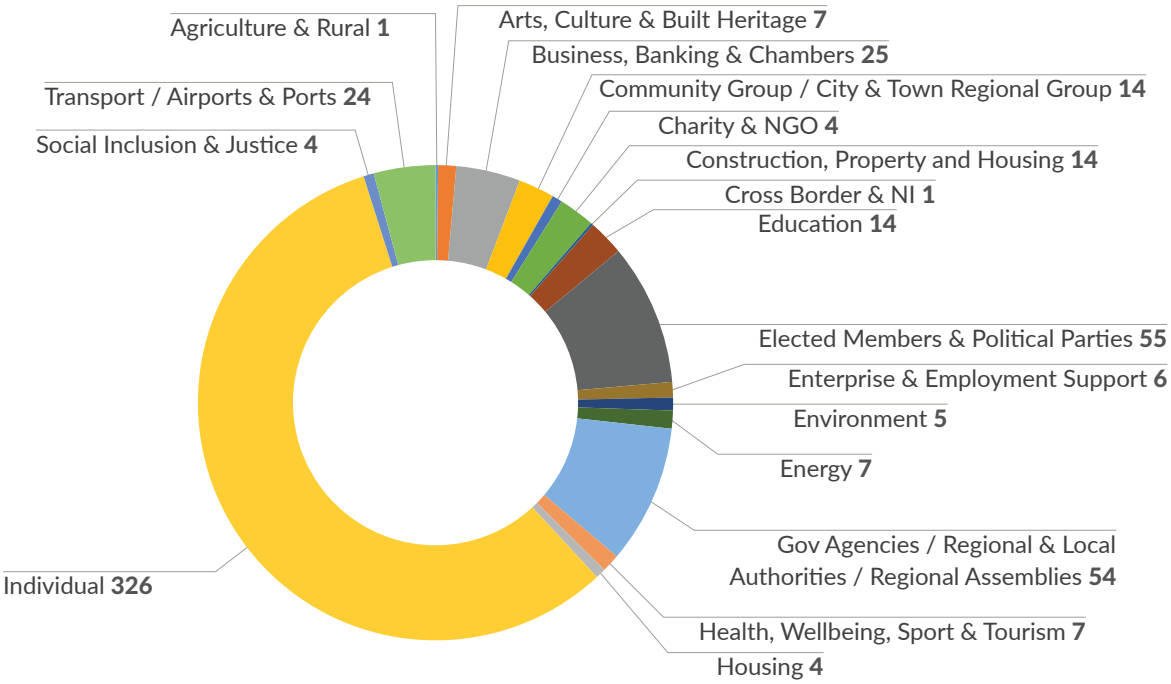
Responses received during the public consultation process have been analysed by the National Investment Office (NIO) in the Department of Public Expenditure and Reform (DPER). Respondents placed particular emphasis on identifying the long-term infrastructural needs and priority areas for action. Each submission submitted typically comprised a number of different matters or points, and sometimes set out a large number of different issues.

Level

In response to question one, "is the overall level of public spending on capital investment correct?" the overriding consensus was that investment in capital projects should be more ambitious, particularly in light of the low cost of financing debt available to the Government. A number of respondents also noted that the current level of capital spending is insufficient when compared with our international counterparts.

Some respondents commented that capital investment should be front-loaded to 'shovel-ready' projects in the context of kick-starting a post-COVID recovery. In addition, it was advised that the government needs to embrace a greater diversity of funding and co-funding options, including: leveraging non-exchequer investment opportunities such as Public Private Partnerships (PPPs); pursuing specific funding opportunities from the EU such as use of City Deals and the Recovery and Resilience Facility (RRF); the Irish Strategic Investment Fund (ISIF); and

Breakdown of Submissions by Stakeholder Type



innovative partnership models between public and private enterprises.

Numerous submissions also stressed the importance of accelerating project delivery, tackling the efficiency of the infrastructure process with specific reference made to improving and streamlining the planning system, timelines, and enhancing the role of public procurement. Of note, one respondent highlighted that social criteria such as the living wage should be mainstreamed across all strategic investment priorities.

Governance

When asked how the "management and governance of public investment could be improved", many respondents considered that there is strong experience across the sector, with an opportunity to learn from this experience and consider how projects can be more effectively procured, including the suggestion to leverage the State's existing specialists.

Many respondents also commented on the need to ensure that there is stronger alignment between the infrastructure plans of local government, regional bodies, and the strategic vision of central Government. Some respondents felt that current management structures are resulting in decision making power being centralised and moved away from the people who are directly impacted by those decisions. As such, many suggested that national Government empowers the regions to a greater degree and that delivery agencies such as Local Authorities need project management resources to lead delivery.

There was also a consensus that openness should be maintained in the decision-making and prioritisation process, with specific reference made to the Investment Projects and Programmes Tracker as aiding transparency and building public confidence. Reference was also made to the need to continue and deepen important partnerships with key stakeholders across society, in fora such as the Construction Sector Group.

It was widely acknowledged that the revised Public Spending Code (PSC) provides a comprehensive mechanism to control and manage risks such as delays to project delivery. However, the need for improved project assessment criteria taking account of economic multipliers and other investment impacts was emphasised by many respondents. A recurring message among submissions was that the public procurement process is bureaucratic and onerous. Exclusionary qualifying criteria, poorly defined project briefs, unrealistic budgets, a lack of understanding of the complexity of the construction stage on the part of clients, a lack of collaboration with all members of the supply chain, and suboptimal risk transfer mechanisms were all cited.

A variety of actions that could drive further efficiencies and give certainty around the delivery of key projects were suggested, including: the ability to flexibly adjust capital investments between sectors and for projects; providing greater budgetary certainty to public authorities over the medium-term; streamlining of planning and regulations; expediting the delivery of the planning and environmental law court; clearly defined lines of accountability and key performance indicators from the outset to allow for greater project co-operation and collaborative

working to avoid unnecessary disputes; and the establishment of a centralised procurement approach for public investment that takes advantage of economies of scale across the sector.

Other suggestions included: the establishment of a new Oversight, Accountability and Transparency Unit, the establishment of a Project Management Office (PMO) to facilitate gathering and sharing of information, the establishment of a National Infrastructure Commission; the establishment of an Infrastructure and Projects Authority (IPA) akin to the UK version; and that capital expenditure and grants should be recorded on an Open Ireland portal.

Respondents cited the importance of looking at exemplar developments of a similar nature and interrogating the process that successfully delivered analogous projects. Respondents also considered that sectoral programmes should be identified, and investment made to implement these as national programme structures. In terms of closing out cost overrun areas and contract price inflation, it was noted that the Public Works Contract in its current form should be assessed and revised so that issues can be dealt with as early as possible, and that the NDP review must take account of the Capital Works Management Framework (CWMF) and prioritise the medium term strategy of the Office of Government Procurement (OGP).

On the issue of green public procurement, there were calls for clear, transparent, coherent and binding targets for reducing carbon emissions, including a mechanism of accountability for any missed targets and the suggestion that the PSC needs to be updated to incorporate a range of more suitable, flexible and qualitative methodologies to estimate the costs and benefits of climate action. In particular, one respondent felt that PPPs should be climate proofed and should not contain contractual commitments which could incentivise or promote increased carbon emissions. Additionally, a separate respondent called for better use of existing tools like Environmental Impact Assessment and timely consideration of EU Directives.

Separately, other distinct suggestions included: ensuring that brownfield development targets are achieved; reform of the compulsory purchase order; transparency regarding project selection criteria; that all major expenditures are overseen by cross-political party groups; Government and providers should agree on reasonably timed impact outcomes on all public expenditure initiatives; Local Authorities should receive a multi-annual capital envelope to ensure a more streamlined, consistent and certain planning and procurement process; public investment should be continued or discontinued based on staged, evidence-based outcomes; contractor past performance should be a key part of the assessment criteria for future work; and that regional development considerations should be incorporated into future investment programmes and appraisals.

Overall, there was a general consensus that more individual community and collaborative planning should be prioritised over general blanket plans and policy, less focus on a 'one size fits all' approach, and that community engagement in the planning process would aid the process so that the right and suitable plans are implemented in each respective location.

Communications

In response to the question on Project Ireland 2040 communications, the majority of feedback was very positive, with many respondents commenting that the MyProjectIreland interactive map, Investment Projects and Programmes Tracker and Annual Report and regional briefs are useful tools and resources, which significantly aid engagements with multinational clients. While the good work in the area of communications was acknowledged, some respondents however suggested that the process lacked national promotion and could draw a wider appeal if marketed better.

Suggestions for improvement included consideration as to the frequency of updates and the potential to further develop resources in line with technological developments; centralisation of communications on capital infrastructure projects within a department or commission; inclusion of more detailed information in relation to timelines and project delivery dates; use of clear and comprehensive definitions of any terms and jargon used within the policy; publishing an interactive tool to allow a comparison of the quantum of capital expenditure in each location/region and improving overall messaging and communications, with a suggestion of wider use of contemporary communications approaches in national and local media, with a focus on the implications for regions and individual communities, through use of TV, print media, social media and podcasts.

It was also suggested that the Project Ireland 2040 Interactive Map should reference how projects match the NSOs, and that the investment project and programme tracker should highlight the status of the largest projects that have the potential to showcase Ireland as an attractive investment location, as well as the adoption of a traffic light system to identify the status of projects. Moreover, it was suggested that executive summary sections of project completion reports should specifically reference how the project aligns with the strategy. With regard to competitive bids for funding and notification of funding allocations, it was noted that a clear timescale is necessary. Some respondents also noted that a stronger bottom up approach should be adopted to

better involve community input and communications in general.

Other suggestions included:

- strategic communications should focus more on project outcomes and the associated social benefits derived from projects;
- communications strategies should be cohesive across all projects and the public should be provided with information on all upcoming developments that form part of an overall plan, rather than individual developments so that the general public pay more attention to the overall improvement in national infrastructure; and
- having regular, structured communication with public stakeholders to ensure that the objectives of any infrastructure project are achieved.

Overall, it was noted that key to managing the public's engagement with projects under Project Ireland 2040 is to have a strategic approach to all communications, in order to promote productive engagement with the public, mitigate negative sentiment, and allow a widespread holistic view of capital investment on key infrastructure projects.

Miscellaneous

There were a limited number of responses to the final question "is there anything else you would like to add?". Although the process of reviewing the NDP was welcomed, there was an emphasis on the need for its speedy delivery.

In terms of the quality of data available on capital investment, it was suggested that structures and supports should be put in place to facilitate sharing and leveraging data in a seamless manner that enables value to be derived by the delivery teams. It was suggested that identifying, collecting and managing through collaboration could help improve outcomes.

The Capital Budget, Priorities and the Regions

Consistent themes, including Climate Action and Utilities, Balanced Regional Development, Sustainable Housing and Transport among others emerged across the three questions, "What should the capital budget be spent on?", "What types of capital investment should be prioritised?" and "How is the NDP affecting your region?". The responses are summarised thematically as below.

Climate Action and Utilities

It was widely suggested that all developments must be viewed and assessed through the lens of climate action. A significant numbers of respondents considered that all capital projects, including those already committed to, must be comprehensively screened and evaluated for their potential impact on greenhouse gas emission, and the necessary investment required to climate-proof them.

It was considered essential that the NDP provide flexibility around future sustainability investment needs after the Climate Action and Low Carbon Development Bill is enacted. Active consideration was urged towards appropriately designed policy and funding mechanisms that support sustainable investments and support end users in moving away from fossil fuels. While many suggestions raised fell outside the scope of exchequer public capital investment and the review of the NDP, a number of relevant proposals are listed below:

- decarbonising the gas network with the distribution of renewable gas now and hydrogen in the future, and enhancing and expanding decarbonisation infrastructure (e.g. renewable energy generation across wind, solar and biomass) and emerging decarbonisation technologies (e.g. carbon capture and storage; green hydrogen);
- building of more hydro dams and incinerators for generating power;
- leveraging the comparative advantage that Ireland's onshore wind can provide by developing sufficient grid infrastructure in a timely manner;
- the provision of a comprehensive fast charging EV network across the country, potentially co-located with renewable generation and energy storage units;
- investment in sustainable management of water, necessary flood relief and coastal defence infrastructure;
- provision of a strategic network of connected green infrastructure routes;
- strengthening biodiversity, green and blue infrastructure;
- investment in digital technology enabled sustainable production (e.g. advanced smart energy systems and ag-tech enabled sustainable agriculture);
- increased capital investment in land use and in forestry, with particular reference made to restoring habitats and peatlands.
- smart mobility activities (e.g. connected and autonomous electric vehicles and necessary support infrastructure and mobility as a service solutions);
- investment in the implementation of the Climate Change Adaption Plan; and

- investment in sustainable transport, including the creation of safe off-road cycleways, the electrification and intensification of our railway network, replacing longer trips with train, bus, tram or metro and shared mobility services, including car-sharing or rural transport schemes such as Local Link.

Reference was also made to increasing capital spend to facilitate and accelerate the growth of renewable energy generation potential across the Atlantic Economic Corridor (AEC) and completing the Celtic Interconnector to connect Ireland's electricity grid to France. Investment in the delivery of a targeted low carbon just transition for the peatlands of the wider Midlands was also urged and a campaign of behavioural change aiming at promoting a shift away from the motor car towards active and public transport.

Balanced Regional Development

Issues highlighted included large regional disparities and latent structural challenges in the regions as a consequence of underlying issues, such as lower employment, productivity and incomes, and regional vulnerabilities. It was also considered by many that these weaker regions are more vulnerable to the impacts from COVID and Brexit.

Many submissions highlighted that investment should be prioritised for key regional projects that will drive regional employment and enterprise growth and called for investment in regional growth centres. There were suggestions that there should be a greater focus on investment outside the five urban areas by national agencies, such as IDA Ireland and Enterprise Ireland to provide increased and higher value employment opportunities in the regions and to sustain them as viable places to live, work and invest in. In referencing the Regional Spatial and Economic Strategy (RSES), there was a suggestion that a 360 Degree Development model should be used.

Many respondents commented on the dominance of investment in 'national' projects in the Eastern and Midland region. Projects within the AEC were mentioned and seen as key in delivering the objective of enhanced regional accessibility and allowing regions to act as a counter-balance to Dublin and the East coast.

Respondents also referenced the long term underinvestment in the Northern and Western Regional Assembly (NWRA) area, and frequently cited the European Commission's recent downgrading of the region from a 'More Developed Region' to a 'Transition Region'. Many of these respondents endorsed the NWRA's recommendation to "Positively discriminate in favour of the Northern and Western region" and provide a higher rate of capital investment in infrastructure in the region.

A significant number of submissions requested that funding for the National Broadband Plan is ring-fenced for rural communities. In parallel, requests were made for the necessary services and infrastructure to enable remote working.

The development of serviced sites within rural towns and villages to enable sustainable rural housing developments was referenced in a significant number of submissions.

Regional assemblies called for more to be done to support their region's Marine Economy.

Sustainable Housing Development for all Socio-Economic Groups

A large body of submissions considered the need to deliver the spatial strategy of the National Planning Framework (NPF) and RSES through focused growth and investment in strategic locations, supporting the delivery of housing and enabling infrastructure on key sites that contribute to compact growth targets in the regional Growth Centres and Key Towns across the country.

Respondents commented on the significant undersupply of affordable housing and the need to increase social housing stock, emphasising the need for new builds, provided by Local Authorities and approved housing bodies.

The development of serviced sites within rural towns and villages to enable development of sustainable rural housing and remote working hubs in the regions was seen as a priority. Others referenced opportunities for utilising and refurbishing existing empty properties. For example, some respondents suggested tackling dereliction and prioritising the promotion of over-the-shop living, expanding the Living Cities Initiative to the Growth Centres designated under Project Ireland 2040 to encourage infill development.

In particular, there were calls to speed up large developments on council lands to provide the necessary social housing while maintaining social integration, sustaining the Social Housing Investment Programme and the suggestion that there should be a dedicated investment fund for local authorities to acquire lands for housing and to facilitate opening up of lands for development.

Reducing the reliance on private sector renters and the roll-out of cost-rental at scale was also noted as priority areas. The establishment of a State housing corporation to conduct large-scale mixed income or ˘cost-rental˘ public housing building programme was suggested. In addition, there were calls to improve the potential for developers and the building industry to deliver housing at lower costs.

It was also suggested that a fundamental review of thinking on affordable home ownership for all is required, as well as enhanced consideration and state investment in complementary and innovative housing options such as providing sheltered accommodation for the vulnerable, and supported living for those wishing to downsize and avoid institutional care in their later years. The need to consider reforms of current structures aligned to the delivery of Traveller accommodation was also highlighted as a priority area.

Transport and Active Travel

It was widely advised that continued capital investment in public transport is required to facilitate a modal shift towards environmentally sustainable and reliable forms of transport post the COVID 19 era.

In the main, submissions sought enhancement of the inter-regional and intra-regional national road network, as well as maintenance and enhancement of the regional and local road network.

Respondents further considered that investment should be focused on: maintaining, upgrading and expanding the rail infrastructure; investment in twin-track and high-speed upgrades to intercity rail network allowing for more frequent and faster journeys for the most potential passengers and freight transport; increasing train speeds between the capital and the regions and between regional metropolitan areas/ports; and protecting existing rail lines from coastal erosion.

Respondents also commented on the need to enhance the reliability and connectivity of inter-regional and intra-regional bus services that connects regional areas, including developing a rural bus network and expanding the Local Link Rural Transport Programme throughout rural communities and having better bus services to ease congestion that slows down commutes. Multi-modal transport hubs and networks in an all-island context were also cited.

A significant portion of submissions reflected a desire to enhance cycling and pedestrian infrastructure in both urban and rural settings and the use of smart transport technologies, with particular reference made to safe cycling infrastructure and rural footpaths.

Ports and Airports

Many respondents commonly referenced infrastructure and services of regional airports, as well as improving the infrastructure and capacity of our seaports and harbours. The impact that high-quality international connectivity has on overall international competitiveness and the upgrading of ports and Euroports to accommodate the significant increase in freight which has occurred post-Brexit was cited by many.

Some respondents identified airports as critical to the economic development of specific regions and key to the expansion of enterprise and enabling international tourism in their regions.

Respondents also noted that funding should be provided for the marine development on both inland waters and on the coast, and that supports for business start-ups in the marine leisure area should be prioritised. The development of the marine sector in terms of Brexit, fisheries and its potential to deliver sustainable energy resources and develop the offshore wind industry were all highlighted.

Many of these respondents commented on the need to revise and improve supports for the ongoing upgrade and improvement of the harbours and ports. Providing infrastructure funding to deal with the deficit of infrastructure on many of the islands including funding for improved piers, airfields, and helipads was also highlighted.

Energy

Some submissions referenced the maintenance and development of the future of electricity and gas interconnectors, including the implementation of the Renewable Electricity Support Scheme (RESS) and the proposed Celtic Interconnector.

Furthermore, there were calls for investment in the renewable energy sector, onshore and offshore, in recognition of Ireland's potential as an energy exporter, including investment in floating offshore, wind farms and the subsequent requirement of adoption of technologies new to the Irish electricity grid, as well as the upgrading/reinforcement/ building of huge amounts of transmission equipment. Investment in research and development in conjunction with the Higher Education Sector was also stressed.

Enterprise, Skills and Innovation Capacity

A significant volume of submissions urged investment to support the ongoing viability and expansion of businesses across the different sectors of the economy, both indigenous and multinational, through public/private collaboration, with many calling for increased funding for IDA Ireland and Enterprise Ireland.

Allied to this, respondents sought investment in place-making of key locations of scale to enable national and regional economic drivers and delivery of enterprise infrastructure that support regional enterprise policy, develops clusters, supports smart specialisation in regional areas, grows the enterprise base and the wider hinterlands, including Dublin as a national economic driver. Specific reference

was made to the delivery of a robust Enterprise Supporting Ecosystem comprising of business incubation centres, community enterprise centres, accelerator development schemes, local enterprise offices, research and innovation centres with Higher Education Institutes (HEIs), technology gateways, technology centres, research centres, and IDA business and technology parks.

It was also suggested that in light of the complexities Brexit has brought to trading, there is a clear and present opportunity to develop Ireland as a centralised distribution hub for the EU.

Furthermore, some respondents commented that spending on Enterprise, Skills and Innovation must be focused on the creation of green jobs, and the 'greening' of existing jobs. It was also recommended that focused investment in a reformed apprenticeship model and a national youth guarantee would simultaneously increase construction sector capacity and reduce structural inequalities.

Culture, Gaeltacht, Heritage and Sport

Respondents called for investment in National Cultural Institutions to ensure developments are completed to the highest possible level, thereby providing a future for cultural institutions, the collections they house and the communities they serve.

Funding was urged for historic towns and buildings in the practice of culture and heritage led regeneration, to promote the sensitive and adaptive reuse of historic building stock, industrial structures and protected structures where appropriate.

Funding was sought to support the implementation of language plans for Gaeltacht areas, the identification of Gaeltacht Service Towns and an Irish Language Network, to promote the development of Gaeltacht areas in a manner that protects and enhances the distinctive linguistic and cultural heritage by investing in Gaeltacht industrial, language, cultural, Gaeltacht tourism initiatives and infrastructure development. In particular, there were calls to increase the level of funding for Foras na Gaeilge and Údarás na Gaeltachta, and to increase funding to enable development of a network of Irish Language Centres. In addition, one submission highlighted the need for the development of a specific National Housing Policy for Gaeltacht areas.

Support for the film and audiovisual sector was also requested, as was investment to support UNESCO candidate sites. Proposals were made that Government invests in an independent, publicly-owned platform for the delivery of linear and non-linear public service media for Ireland. It was also proposed that investment be made in screen industry specific infrastructure, including studio space to unlock the huge potential of the industry and drive economic recovery post COVID-19.

A number of submissions also called for investment in parks, the public realm and related amenities, such as: a targeted and accelerated public realm capital improvement programme; a fund for local authorities to adapt, equip or otherwise improve public spaces for cultural and events activities; a competitive fund that would encourage the development of spaces of regional strategic importance by local authorities; and a targeted fund to incentivise the Public Sector to activate appropriate private spaces for public attendance at artistic, cultural and entertainment events.

Submissions that highlighted Ireland's creative culture and language as a priority also referenced the need for investment in sport including indoor sporting facilities, art, music, dance, theatre, literature, investment in tourism brands including Ireland's Ancient East and Hidden Heartlands brands; and investment in community, cultural and smart infrastructure facilities.

Tourism

Investment in tourism was considered necessary to address infrastructural bottlenecks, promote off-season activity to spread demand, augment the capacity of developing tourism areas, exploit opportunities in tourism niches and build upon underdeveloped locations where parallel investment in transport infrastructure is increasing accessibility from major population centres.

All-Island Perspective

In considering balanced regional development, many respondents recommended that an all-island integrated cross-border approach needs to be advanced to develop cross-border collaboration and to progress towards all-island balanced regional growth. As such, it was suggested that a much stronger focus on the integration and linking up of the four urban centres as the "Atlantic Urban Arc" is required.

In the main, these respondents suggested that the NDP should support North/South cooperation and all-island initiatives in critical areas such as climate change and the decarbonisation agenda, energy, education and skills, R&D, healthcare, connectivity, joint spatial planning, and infrastructure provision.

Investment in national transport links that promotes all-island development and continued cooperation between the Irish Government and the Northern Ireland Executive on essential cross-border and border region transport infrastructure projects such as the A5 and the Narrow Water Bridge were identified as important.

Remote Working

Numerous respondents proposed that investment should be targeted at building stronger towns and villages within the larger urban areas and to encourage migration of jobs and families to less developed areas. Respondents also commented on the opportunity to invest in strategically located regional and local office work hubs, both urban and rural to allow for a more blended approach to future working, having access to reliable broadband and lessening the burden on those commuting.

Continued investment in broadband and hyper-connectivity measures to strengthen rural economies and communities nationally were viewed as vital. However, one submission considered that the rise of flexible working does not fundamentally change the compelling logic of a city regions-based approach to national spatial development.

Health (Physical and Mental), Community and Social Care

A number of respondents commented that the current Covid-19 pandemic has exposed the requirement for further investment in healthcare systems and appropriate infrastructure, as well as the requirement for new and refurbished facilities for mental health.

In general, references were made to the Age Friendly Ireland Programme and funding requirements to support older people to live with dignity and independence in their own homes, smart healthcare and enhancing regional healthcare infrastructure by providing the necessary investment to support the implementation of the objectives of Sláinte Care across the regions, including the advancement of Primary Care Centres.

The need to increase funding for a range of new public nursing homes, ambulance services, opportunities to increase public hospital capacity and opportunities that e-health and healthcare digitalisation presents were all referenced. Some respondents did however suggest that rather than the construction of new buildings, investment in health may be better spent on retrofit and design, updated equipment and process improvements.

Present levels of capital expenditure were viewed as inadequate in relation to supporting the disability sector. There were calls for accelerated investment under the NDP to: support development of an integrated and sustainable national public transport system, including retrofitting of older public transport infrastructure, more connected public transport that is accessible and increased Rural Link services; ensuring that accessibility and the universal design approach to the built environment is considered at the planning stage to ensure that it is suitable for of all users; provision of universally designed housing units; and compliance with the UNCRPD and United Nations 2030 Agenda and Sustainable Development Goals (SDGs). The expansion of neuro-rehabilitation services and the provision of specialist rehabilitation facilities were also welcomed.

One respondent called out the need for care infrastructure, including day care, child care, respite care and community care.

Flood Mitigation, Water and Waste Water Infrastructure

The protection and improvement of the quality of water services and water resources and meeting demand was referenced in some submissions. These respondents expressed concern about lack of suitable water infrastructure as it risks deterring both housing and industrial developments and accordingly investment in a mix of new projects and upgrades to existing water infrastructure was pursued. Investment in the nation's water infrastructure in terms of delivering a safe and secure drinking water supply nationally was also highlighted.

Investment in waste water treatment plants and sewage facilities, including the upgrading, improvement and expansion of water and wastewater capacity to meet EU Directives and legislation, with particular reference made to towns and villages was cited.

Others noted the requirement for increased investment in flood protection and mitigation measures in order to enhance the resilience of cities. However, it was noted that the flooding and national adaptation strategy should place a stronger emphasis on nature-based solutions and that a review of flood prevention infrastructure projects should be conducted with full consideration of climate change mitigation and adaptation, and biodiversity policies.

Childcare, Education and Skills

Funding was sought to support childcare provision, primary and post primary school provision, and third level expansion, collaboration, research and innovation, including funding for additional accommodation, investment in digital equipment and infrastructure.

There were specific calls to address the digital divide that impacts on lower income areas, including reducing inequalities in access to education. In reference the higher education sector, it was suggested that emphasis be placed on investing in education resources in areas of disadvantage and engaging socially disadvantaged groups that have a poor participation rate in higher education and life-long learning.

In terms of childcare provision, respondents pointed to the fact that investment in childcare infrastructure and community family supports are vital to supporting Ireland's workforce, and also stressed that both rural and urban communities must have affordable access to the supports. Of particular note, there was a suggestion for State-run crèche facilities.

The majority of submissions that focused on the education sector concentrated on the third level sector in the main and are captured below.

Many of these submissions highlighted that balanced, targeted funding is required on a sustained basis to address the significant and growing infrastructure gap in the higher education system, in terms of the physical infrastructure (maintenance, upgrades and further developments), the sustainability of campuses, the digital capacity and the essential technological / research infrastructure required if the third level sector is to be able to cater for expanding numbers and maintain its output of globally competitive graduates and research.

Enhancing research and innovation capacity, increasing the uptake of advanced technologies, developing skills for the knowledge economy and smart specialization, enhancing the growth and competitiveness of SMEs, supporting digitization and driving social cohesion were all considered as important areas for investment.

Specific suggestions included: calls for a renewed and sustained programme of investment in research infrastructure that focuses on physical infrastructure, digital/"soft" infrastructure and human capital development; development of further Technological Universities (TUs); a Higher Education Research Innovation Strategic Expenditure Fund (Higher Ed-RISE Fund); a significant investment programme in fit-for-purpose Further Education and Training (FET) college buildings and facilities; a Green Campus Fund for universities for retro-fitting of buildings and for other sustainability measures, including implementing smart building technology and supporting green travel and transport infrastructure and biodiversity on campuses; and continued investment in overseas aid to share our national capabilities.

The majority of the submissions commented on the need for enhanced exchequer funding for research and innovation (R&I) to enable development of research clusters of scale, in areas of core strength, capable of competing with leading universities worldwide. It was requested that consideration be given to the interplay between the core and time-limited funding to assist in the building of a robust R&I ecosystem. Bringing regional balance to research funding was also viewed as important.

In terms of sector specific disciplines, it was also noted that the correct infrastructure and resources must be available, with particular reference made to skills development in the area of health.

Significant and joined-up investment in digital transformation within TUs and in broader regional/national infrastructure was advocated for so that the TUs are enabled to facilitate technological innovation and digital creativity across every region in the country. Furthermore, there was a suggestion of the development of a borrowing framework for the TU sector to ensure that TUs have access to loan finance to fund the development of facilities and physical infrastructure.

Blended learning was highlighted as an area for consideration given the potential long-term shifts to remote learning. In particular, the establishment of a dedicated gap funding for digital infrastructure and capacity building for the technological higher education sector and an educational delivery platform to heighten enabling digital learning for students were suggested.

6.7. Conclusions

The coming years will prove challenging for the Irish economy and society. It is clear that a number of factors, including Brexit and COVID-19 have significantly changed the policy landscape. The priorities for the remaining adjusted timeframe of the NDP to 2030 therefore needs to reflect these developments. With the right decisions, those challenges can provide us with the opportunity to reimagine a stronger, more sustainable, and more competitive Ireland.

The views and recommendations received through this public consultation will inform and assist in the preparation of the revised NDP during phase 2 of the review over the coming months.

Certain themes which arose such as Climate Action, Balanced Regional Development, Sustainable Housing and Transport were almost universal, appearing in the strong majority of submissions received. In recognition of the importance of these objectives, they will take a central role within the new NDP.

The proposals and suggestions from a wide range of agencies, organisations and the wider public clearly indicate an increased awareness and understanding of the influence that a revised and strengthened NDP will have on the country and its people.

A continuous and transparent dialogue will be maintained going forward, particularly at a sectoral and local level as plans are developed and updated, and particular challenges and investment needs are identified.

Section 7:
Departmental Submissions

7.1. Overview

This section gives a summary of the submissions made by Departments and Offices as part of the review. It focuses on the relevant sectoral strategies informing investment plans and identifies the drivers of the demand for such investment and the expected returns/outcomes. This information will form part of the evidence base in assessing the requirement for public investment levels in each sector. The material in this section does not represent the views of DPER nor does its inclusion reflect the acceptance by DPER of any specific funding proposals.

7.2. Introduction

As part of this Review of the National Development Plan, the Department of Public Expenditure and Reform wrote to all Government Departments in October 2020 inviting submissions. These submissions were to include, inter alia, an assessment of the adjustments to the NDP to deliver the Programme for Government policy priorities in the context of the economic, social and environmental challenges faced by the country. Submissions outlining requests for additional funding were received from seventeen Departments. A summary of these submissions are set out in this section. A number of common and interlinked themes emerged from these submissions, as detailed below.

Box 1: Project Selection

It is important to note that the NDP is fundamentally a high-level financial and budgetary plan, which sets out the framework and broad direction for investment priorities. It includes indicative Exchequer allocations to support the delivery of the ten national strategic outcomes identified in the National Planning Framework.

The NDP is not a comprehensive list of all the public investment projects that will take place over the next ten years. However, where sufficient planning and evaluation has already taken place the NDP contains expenditure commitments for a range of Strategic Investment Priorities which have been determined by the relevant Departments as central to the delivery of the NPF vision. All of these commitments require evaluation along with the development of business cases in line with the requirements of the Public Spending Code before they are formally approved for implementation.

It should be noted that DPER, in carrying out its role in coordinating the NDP review, does not consider the merit of individual projects or sectoral policy strategies as this is primarily a matter for individual Departments and Agencies. Individual projects are selected based on a detailed process which begins with Departments or Agencies setting their own sectoral strategy and goals, and then subsequently identifying specific needs or challenges to be addressed, whether that be through education, regulation, taxation or potentially expenditure on an infrastructure project.

7.3. Common Themes

Climate Action

The Department of Environment, Climate Action and Communications' submission noted that the Programme for Government (PfG) sets out how Ireland will respond and manage the challenge of decarbonising our economy and creating a sustainable future for all. The need to contribute to the Government's climate action targets can be seen not only in the submission from the Department of Environment, Climate and Communications but across nearly all the submissions received. In developing an Agri-food sector to guide investment a key theme is developing a "Climate Smart, Environmentally Sustainable Sector". The Department of Education transitioning the school system to an era of Net Zero Carbon by 2050, and meeting 2030 public sector targets. One of Future Jobs Ireland's five themes is "Transitioning to a Low Carbon Economy". It has been proposed that Energy Efficiency/Retrofitting for social housing is given a dedicated allocation in the revised NDP. Investment in public transport is key to connecting Ireland, meeting our climate goals and tackling urban congestion.

In its role of Estate management the Office of Public Works priorities include the need to upgrade the building fabric, eliminate fossil fuel heating and increase the energy efficiency of the OPW's portfolio supports Government's climate action targets.

Regional Development

Delivering on regional development as set out in the spatial strategy of the National Planning Framework features across Departmental submissions. The NPF Strategy targets 75% of growth to take place outside of Dublin and 50% of growth to take place in rural areas.

Investing in Higher and Further Education institutions in the regions is noted as an important requirement in order to rebalance development across Ireland in line with the NPF providing more of a viable counter-balance to Dublin, in enterprise and employment opportunities.

The Department of Rural and Community Development highlights that its funding programmes are uniquely positioned to assist with NPF, PfG and other Government priorities and our range of small to medium scale investment is delivering significant benefits at a local and regional level.

Covid-19

Investment needs have been identified by Departments in direct response to Covid-19 as well as the impacts of Covid-19 throughout different sectors.

The Department of Health has highlighted requirements arising from and lessons learned from Covid (e.g. infection control requirements, layout of facilities).

The Department of Enterprise Trade and Employment's new Statement of Strategy includes the overarching objective of Recovery and Resilience with a primary focus on the economic recovery from the COVID-19 economic shock. This will play a critical role in informing its investment priorities over the coming period of the NDP.

The Department of Rural and Community Development noted that its investment schemes are highly responsive to emerging priorities, for example, allowing rapid and increased investment in remote working and in the adaptation of town centres in response to the pandemic.

Department of Tourism, Culture, Arts, Gaeltacht, Sports and Media is seeking to mitigate the expected medium-term impacts from COVID-19 e.g. reduced international travel, widespread closure of businesses, the Department is developing a capital investment strategy to give effect to the delivery of the forthcoming sustainable tourism product. This investment strategy will act as a driver for regional economic activity in the short run, while ultimately supporting the sector to pivot to a new sustainable tourism model.

Digitisation

Digitisation features both in the form of providing digital infrastructure for the public and investing in the ICT requirements of Departments to fulfil their roles.

A major investment priority under the Department of Environment, Climate and Communications is the roll out of the National Broadband Plan following the signing of the contract in 2019.

In addition there are ICT investment needs identified across submissions made by Departments. Tusla has highlighted a need for ICT and data management system enhancements. The Department of Education are aiming to strengthen the rollout of the Digital Education Strategy so that schools are better enabled to operate in a digital environment and have the necessary ICT support and maintenance arrangements in place. Digitisation through eHealth is a priority of the Department of Health. A comprehensive Digital strategy has been drafted for the Department of Justice to put in place the capability, capacity and platforms to transform business processes. The Department of Foreign Affairs are also seeking Investment in a high quality global ICT infrastructure supporting advance technologies that deliver capacity and efficiencies for the Department. Similarly the Department of Defence and Department of Social Protection are looking to invest in their ICT capacity.

Brexit

While Brexit has already taken place it is still a factor impacting on investment decisions across sectors.

The Office of the Revenue Commissioners has highlighted that increased customs transactions are necessitating investment in systems to cater for this increase from both a performance perspective and to deliver a number of business requirements to ensure customs can operative effectively and efficiently post Brexit.

The Enterprise Ireland Strategic Framework for 2021 prioritizes actions to boost productivity and international competitiveness and build resilience in Irish businesses as they adapt to a changed environment after Brexit, as well as seeking to drive digital and climate transformation.

The Department of Transport has highlighted the opportunities and challenges from Brexit through investment in our ports and airports.

The following sections give a high level summary of each of the Departmental submissions.

7.4. Department of Agriculture, Food and the Marine

The Department of Agriculture, Food and the Marine's submission noted that the agri-food sector has been well served over the last 20 years by having a series of ten-year strategies to guide its development. Recent policies such as Food Wise 2025 and Food Harvest 2020 have been successful in guiding the economic and structural development of the sector, as evidenced by the 63 percent increase in exports since 2010.

The Government has committed that this should continue with the preparation of a new strategy to 2030. The Programme for Government has committed to an ambitious blueprint for the industry for the years ahead, adding value sustainably in the agri-food sector into the future,

The Department is committed to developing the forest sector and supporting primary producers and employment in rural Ireland. There is also a commitment to ensure that, in addition to growing international markets and value-added export as a key priority, a strategic focus of the strategy will be on environmental protection, reversing biodiversity decline and developing additional market opportunities for primary producers closer to home. The strategy also sets out to embed the agri-food sector as part of the circular bioeconomy.

The process for developing an Agri-food Strategy to 2030 is underway and it will set out a pathway to economic, social and environmental sustainability for the next decade. While the sector is facing significant current and future challenges, including the current public health emergency and its implications, the new trading relationship with the UK post-Brexit, and the future of the Common Agriculture Policy (CAP), it also has many opportunities to develop further and prosper. It is in this context that the 2030 Strategy Stakeholder Committee, under the Chairmanship of Tom Arnold, is developing the new strategy. Ireland has a strong international reputation as a supplier of quality, safe, nutritious and sustainably produced food and beverages and international consumers seek out our food and beverage products in what is a very competitive international market. All the sector stakeholders, from farmers, forest owners and fishers right through to food processors and distributors, are working hard to build and enhance that reputation.

The Committee is developing a strategy that outlines a vision for the next decade, and that positions and directs the agri-food sector for the challenges and opportunities ahead is required. The Committee is adopting a food systems approach which involves considering the connections of the food system with nutrition, health and the environment. Four overarching themes have emerged:

- Climate Smart, Environmentally Sustainable Sector
- Viable and Resilient Primary Producers with Enhanced Wellbeing
- Food that is safe, nutritious and appealing: trusted and valued at home and abroad
- An Innovative, Competitive and Resilient Sector, driven by Technology and Talent.

The 2030 process has been disrupted by the pandemic and the uncertainty around Brexit and there are still a number of outstanding areas and issues to be discussed and agreed. A draft strategy and environmental assessment then go for public consultation, with a final Strategy expected to be published shortly after.

7.5. Department of Children, Equality, Disability, Integration and Youth

The NDP requirement reflects various strategies of prime importance to the work of the Department of Children, Equality, Disability, Integration and Youth and the priorities of the Government. At the same time, they reflect various obligations both statutory (national and international) and societal, with which the Department and country must comply. In reviewing the NDP requirements of the Department, close attention has been paid to the strategies, objectives and demands on the Department.

1. Early Learning and Care (ELC) and School Age Childcare (SAC): According to the Department, the ELC and SAC sector continues to exhibit undersupply of provision in certain geographic areas and for certain cohorts. There is an expected reduction in existing supply, an anticipated increase in demand and a requirement to increase provision in accordance with EU targets. These issues, coupled with a requirement to improve the quality of ELC and SAC provision in accordance with new regulations, standards and guidelines, are the key drivers of demand for capital investment in the sector. The ambition is to provide an additional 8,000 places for children under 3 years, 4,000 places for children aged 3-6 and 8,000 SAC places.

Maintaining, improving and developing capacity in this sector is underpinned by a range of strategies and policies, including Government commitments to making high-quality ELC and SAC affordable and accessible to all children, particularly given the benefits it confers to children, families and the economy. This policy objective is reflected in a range of national policies and strategies, including "Project Ireland 2040", "First 5, a Whole-of-Government Strategy for Babies, Young Children and their Families (2019-2028)" and the Programme for Government. In addition, the forthcoming National Economic Recovery Plan will also recognise the role of and need for high quality ELC and SAC provision.

2. International Protection and Accommodation (IPAS): The demand for services and supports in the IPAS arena is one that has developed rapidly over recent years and responsibility for it was transferred to this Department in October 2020. Under EU directives, Ireland has an obligation to provide accommodation for any applicant who seeks it, while in the protection process. The Advisory Group on the provision of support including accommodation to persons in the International Protection process (aka "the Catherine Day Advisory Group") estimated that an average of 3,500 applicants annually would require accommodation, while their applications were being determined. They further advised that international

trends and pressures make it inevitable that people will seek protection in the EU for the foreseeable future and that Ireland needs a permanent system to respond to the demand for accommodation.

Ireland's current system of procuring accommodation from commercial contractors was developed as a temporary response to a spike in numbers seeking international protection twenty years ago. It is expensive and of variable quality and it is inflexible, with limited ability to determine the location of premises, under the existing system.

The Programme for Government committed DCEDIY to implementing a new model of accommodation which has been set out in a White Paper published on 26 February 2021. The White Paper has identified an overall development strategy comprising of purpose-built Reception and Integration Centres, new builds, purchase of existing accommodation and urban renewal respectively. Up to now, the costs of direct provision have been met almost entirely from non-capital sources but, with the development of the new model set out in the White Paper, it is clear that the sector will require a significant capital provision in the years ahead.

3. Tusla: Tusla has developed a comprehensive Estates Strategy, as part of which it has undertaken an assessment of its existing stock of estate assets. Tusla is a comparatively recently established agency, having being established largely from existing HSE services in 2014. At that time, it inherited a stock of estate assets much of which Tusla has deemed is not fit for purpose. In addition, as the agency has developed and other statutory and regulatory requirements have evolved over time, there is now a need for ICT and data management system enhancements. Tusla has recognised these issues and developed strategies to address them. The implementation of Tusla's Estates and ICT strategies will enable Tusla to meet its obligations in the face of Ireland's demographic and socio-economic landscape changes and the resultant upsurge in demand for its services. Furthermore, capital investment in Tusla's infrastructure is vital for supporting the delivery of more integrated, accessible and client-focused services to vulnerable children, young people, and their families, in a safe and suitable environment. This will be achieved through a mixture of refurbishment of Tusla's existing estates, acquisition of new properties, and leasing solutions including co-location, where appropriate, with HSE's Primary Care Centres, thereby maximising accessibility and efficiencies.

7.6. Department of Defence

The Department of Defence submission states that the Defence high-level goal is to provide for the military defence of the State, contribute to international peace and security and fulfil all other roles assigned by Government, both at home and overseas.

The White Paper on Defence 2015 reinforced by the White Paper Update 2019, set out the Government's comprehensive policy framework for defence, which represents the foundation for defence planning in the medium term. The White Paper provides for a whole of Government approach by recognising the indivisibility of security with many other government policy areas. The White Paper identified the societal bedrock provided by security and defence provision, which allows society to function and thus contributes to national well-being across political, social, economic and environmental elements.

Defence policy, as enunciated by successive governments, has been shaped to take a medium to long-term approach to investment in Defence to ensure that the necessary capabilities are in place to meet requirements. These policies identify the capability requirements to be retained and developed over the coming years principally in the land, air and maritime domains. This is a key organisational objective, which is central to safeguarding the capacity of the Defence Forces to deliver on all roles assigned by Government - these requirements are both immediate and contingent in nature. In this context, the Defence Forces carry out a broad spectrum of operational tasks that include national supports through the Aid to the Civil Power (ATCP), Aid to the Civil Authority (ATCA), Fishery Protection and Ministerial Air Transport (MATS) tasks. In addition, the Defence Forces undertake significant overseas peace support and humanitarian operations in support of Ireland's foreign policy goals and contribute to overall national security objectives. Additionally, the Defence Forces can be deployed on a broad range of contingent support tasks, as exemplified by the Defence Forces multi-faceted contribution to the national response to the ongoing Covid-19 pandemic.

The principal demand drivers of Defence capital funding are the ongoing renewal, retention and acquisition of military equipment along with the development of military infrastructure and ICT. The acquisition of military equipment is being pursued through a comprehensive Equipment Development Plan which provides a consolidated, structured basis for investment in military equipment to maintain and develop necessary capabilities. Similarly, an Infrastructure Development Plan sets out the requirements for essential infrastructure development works over a medium term timeframe.

This infrastructural investment, which has a strong regional or local dividend in terms of local enterprise and employment, seeks to ensure that all Defence Forces installations are fit for purpose taking account of operational, security, health and safety and human considerations.

The primary return on Defence investment will be the retention of necessary military capabilities which provide the means by which the Defence Forces can deliver effectively on their various roles. These sectoral benefits, will, in turn, deliver wider societal benefits by providing a robust national security infrastructure which aligns and complements related national goals encompassing sustainability, economic recovery, social cohesion and overall societal well-being.

The Defence investment strategy includes funding of capabilities in Civil Defence, principally enhanced transport capacity. Delivered by local authorities, the resourcing of Civil Defence provides an important retained capability at local level to respond to emergencies as well as contributing to community resilience and volunteerism.

7.7. Department of Education

The Department of Education's submission stated that the current NDP, as part of Project Ireland 2040 framework, provides for €8.8bn investment in schools during the period 2018 to 2027. The focus over the last decade has primarily been on adding capacity to cater for increased enrolments. In tandem, much progress has also been made in the modernisation of school facilities under the School Building Programme with:

- Approximately 25 percent of primary level classrooms constructed or refurbished since 2008.
- Approximately 20 percent of post primary classrooms constructed or refurbished since 2008.

This accommodation is also very energy efficient, providing a good platform for meeting targets under the Climate Action agenda. The focus of ambition for the forthcoming 2021 – 2030 NDP period is across the following four areas:

1. Adding Capacity/ Modernising Accommodation throughout the school system to address:
   a. mainstream place provision demands at primary and post-primary level to meet local and regional demographic growth in the context of the rollout of housing provision and to address historical unmet need;
   b. Pro-actively cater for special needs requirements, particularly at post-primary level;
   c. Ancillary accommodation requirements across schools, particularly to support the reform and modernisation of school curricula (for example STEM and PE) involving PE Hall and School laboratory build and modernisation programme in line with the existing NDP objectives and Programme for Government commitments.
2. Supporting the Climate Action Agenda by transitioning the school system to an era of Net Zero Carbon by 2050, and meeting 2030 public sector targets, through:
   a. Future proofing new school building projects under the School Building Programme to be fully renewable ready as they become viable;
   b. Commencing the move from high carbon to low carbon fossil fuel heating provision in schools by phasing out all existing high carbon fossil fuel (oil) boilers in schools with new direct modulating high efficiency gas fired boiler systems that can support the integration of heat pump systems in series with controls. This will further position the school system on a trajectory towards a fully renewable future, with the high efficiency gas fired boiler system serving as a transition/back-up in conjunction with the development of scalable renewable heating solutions for schools
   c. Implementing a Climate Action Summer Works Programme to progress climate action specific initiatives across the school system; and
   d. Rollout of the Deep Energy Retrofit programme from 2023 onwards.
3. Implementing a structured School Estate Maintenance and Asset Management System, in line with the increased emphasis on asset management within the NDP, by strengthening the systems, arrangements and funding for preventative maintenance of school buildings
4. Strengthening the rollout of the Digital Education Strategy so that schools are better enabled to operate in a digital environment and have the necessary ICT support and maintenance arrangements in place through
   a. Enhancing connectivity to Primary Schools through the Schools Broadband Programme;
   b. Providing Wireless Networking for Primary Schools; and
   c. Maximising the impact of funding.

7.8. Department of Enterprise, Trade and Employment

DETE's submission sets out an ambitious, deliverable and forward-looking approach to capital investment in our enterprise and employment environment. The next decade will see a number of profound changes in our economy and society. While the impacts of Brexit and the COVID19 pandemic will continue to challenge businesses in the first part of decade, the digitalisation of entire sectors and the transition to a low-carbon economy will be even more transformative. DETE's proposal represents a future-focussed plan to ensure that Ireland's enterprise base is resilient, innovative and dynamic.

- DETE outlines its objectives at a high-level in the Department's Statement of Strategy, a renewed version of which was published in February 2021. This includes overarching objectives such as:
- Recovery and Resilience – Our primary focus will be on economic recovery from the COVID-19 economic shock, and laying the foundations for sustainable, broadly based, regionally balanced growth

Future-proofed Enterprise – Ireland is committed to achieving net zero GHG emissions by 2050. We will ensure that enterprise plays its part in achieving these national goals. To be competitive and sustainable over the longer term, all businesses must innovate. Innovation will be central to our mission, both in terms of driving business transformation and the continuous digitisation of the economy, and through our own mode of working as a Department; Responsible Enterprise – We will continue to champion the principle of businesses operating responsibly at home and abroad.

The recently published IDA Strategy (2021 – 2024) identifies the opportunities for sustainable growth among IDA's established base of clients through a focus on transformative investments to increase the productivity of Irish operations and their workforce through RD&I, digitisation, training and actions on sustainability. It will also maintain a focus on attracting the next generation of leading multinational companies to locate in Ireland, further driving sustainable growth and maximising the impact of Foreign Direct Investment in Ireland to 2024 and beyond.

Areas of focus will include diversifying source markets for investment in order to further enhance Foreign Direct Investment's resilience, increasing innovation capability, accelerating the transition to digitisation through completing the construction of the Advanced Manufacturing Centre, and strengthening linkages with SMEs including through the development of clusters.

The Enterprise Ireland Strategic Framework for 2021 sets out actions to provide targeted measures to indigenous businesses in the internationally traded sector to drive digital and climate transformation. It prioritises actions to boost productivity, international competitiveness and build resilience in Irish businesses as they adapt to a changed environment after Brexit. Sustaining existing trade and accelerating the diversification of Irish exports will be par9amount with a particular focus on liquidity, financial planning, business continuity and driving efficiency to enhance the productivity of client companies. EI programmes aim to drive transformational change and the pace of innovation; and scale and grow the export and start-up base, across sectors and companies of all sizes, with a particular ambition around regional jobs.

The recently published National SME and Entrepreneurship Growth Plan, was developed by an SME Growth Taskforce of entrepreneurs, business leaders and other individuals uniquely positioned to contribute to a long-term vision for the SME sector. It sets out a wide range of recommendations with long-term strategic relevance for SMEs and entrepreneurs, including measures to assist companies to start up, scale up, enhance their digital capabilities, and increase export activity. The Plan, and the detailed set of actions included, will inform and direct DETE and its agencies' agenda – particularly Enterprise Ireland and the Local Enterprise Offices – in engaging SMEs into the future.

Currently, nine Regional Steering Committees established by DETE are implementing Regional Enterprise Plans. This 'bottom-up' collaborative mechanism, involves the enterprise agencies, Local Enterprise Offices, local authorities, higher and further education bodies, private sector and others, within each region, chaired by a senior figure from industry. Regional Enterprise Plans span a range of policy areas at the national level including:

- Inward investment (IDA regional targets);
- Indigenous enterprise and start-ups;
- Scaling emergent and established clusters;
- Addressing barriers to SME growth, skills and talent; and regional innovation enablers.

The current Plans concluded at the end of 2020 and a process has commenced to develop new Plans to the end of 2023 as part of a rolling series of action plans. This collaborative mechanism at local and regional level informs national enterprise policy and DETE's programmes as to the diverse and nuanced regional contexts.

The effects of Brexit and the COVID- 19 pandemic have disrupted the enterprise environment for managers, investors, entrepreneurs, employees and the communities they live and work in. The capital

plan proposed in DETE's submission attempts to separate the short-to-medium investment required to respond to these crises from medium- and longer-term strategic investments to develop and build resilience and dynamism in our enterprise environment and employment base.

7.9. Department of the Environment, Climate, and Communications

The Department of the Environment, Climate and Communications' submission noted that the Programme for Government (PfG) sets out how Ireland will respond to and manage the challenge of decarbonising our economy and creating a sustainable future for all. It commits to a 7 percent emissions reduction on average per annum from 2021 to 2030 and net-zero emissions by 2050. It also commits to balanced regional development underpinned by a digitally connected society and transitioning to a circular economy. The economic and environmental challenges faced as a result of the climate crisis, COVID-19 and Brexit are immense but a sustainable, renewable and digital-based future will allow us to recover from the social and economic damage of the pandemic whilst also equipping us to better manage future challenges. The increasing climate ambition at the heart of the PfG is in line with the enhanced ambition under the European Green Deal and the EU's commitment to global climate action under the Paris Agreement.

In terms of the ten National Strategic Outcomes (NSOs) specified in the 2018 National Development Plan (NDP), it is important to note that the transition to a low-carbon and climate-resilient society is an overarching outcome involving radical restructuring of our society and economy over a thirty-year period. The PfG, supported by new climate legislation, has strengthened the ambition from low carbon to climate neutral. This involves eliminating fossil fuel use to rapidly move to a carbon-neutral economic model. Failure will have far reaching negative impacts on the economy and the public finances; undermine the long-term, sustainable competitiveness of the economy; and lock Ireland into a redundant fossil-fuel based economic model. Embracing the transition will support further job creation through the development of new and emerging sectors. The green economy, including the retrofitting and renewable energy sector, the circular economy, clean mobility, green and blue infrastructure, sustainable agriculture and the bio-economy will create high-quality employment opportunities that will be a source of significant employment growth over the coming decades, as well as supporting a stable tax base.

Every investment decision taken will bring us closer to or further from this outcome, making it imperative that climate action permeates every NSO. Our compact growth must be centred on energy efficient buildings, supported by reduced journeys and sustainable mobility. We must enhance regional accessibility in a climate neutral way. Our rural economies must be grounded in sustainable enterprise, agriculture and tourism. It will be necessary to reimagine transport in our cities, prioritising sustainable and active mobility. Leveraging the economic opportunities of a climate neutral economy in enterprise, education, skills and research policies. High-quality international connectivity must support sustainable economic and social opportunities e.g. ports and offshore wind development. Enhancing amenity and heritage must include supporting biodiverse carbon sinks. Managing water and other environmental resources sustainably, including harnessing opportunities in circular and bio economies. Our childcare, education and health services must be energy and resource efficient. While it is acknowledged that the level of investment required goes well beyond the capacity of the Exchequer, it is vital that the NDP is deployed to maximum effect to realise the transformation envisaged in the PfG, including addressing the appropriate balance between regulation and Exchequer investment, and how Exchequer investment leverages EU/private funding. Factoring appropriate carbon pricing into the investment reprioritisation across all NSOs will be essential to this process. The reviewed NDP must place a stronger focus on just transition and ensure that those areas and sectors most affected by the climate and digital transition are supported.

7.10. Department of Further and Higher Education, Research, Innovation and Science

The Department of Further and Higher Education, Research, Innovation and Science notes that Ireland's further and higher education and research & innovation system is a strategic national asset capable of supporting a knowledge-based, innovative, creative society and economy for all citizens.

Ireland's national ambition and future prosperity relies on Ireland being a leader in talent, skills, research and innovation. The establishment of the new Department is a recognition of the centrality of these issues to future progress. It provides an opportunity to take a holistic approach to the development of infrastructure and research capacity across the tertiary system, recognising the unique contributions of different providers, while maximising the potential of integrated thinking and approaches.

Grangegorman. TU Dublin (Michael Hanley Photos)

There are a number of drivers of investment demand for the new Department, including:

- Positioning Ireland as a global innovation leader in order to secure a sustainable economic model and address societal challenges.
- Facilitating increased enrolments in line with demographics – Full-time Enrolments in the higher education sector grew by a third between 2007 and 2017, and are projected to continue to grow until at least 2030.
- Ensuring right infrastructure and equipment to match skills development with the current and future needs of our economy, across the regions and nationally.
- Addressing deficit in the existing stock, including with regard to energy efficiency and decarbonisation.

Ambitions in the sector include:

- Investing in Higher and Further Education institutions in the regions in order to rebalance development across Ireland in line with the NPF providing more of a viable counter-balance to Dublin, in enterprise and employment opportunities.
- Significantly enhancing public investment in R&D capacity in order to sustain and build competiveness and secure a strong and sustainable knowledge economy, while also stimulating increased private investment in R&D by indigenous and international enterprise.
- Investment in R&D is also central to addressing major societal challenges such as climate change.
- Build resilient and flexible higher education infrastructure to drive human capital and knowledge and support digital transformation.
- Develop technological universities and innovation districts as the key anchors for vibrant, sustainable regions. These will build talent pipelines and enable knowledge creation which will allow regions develop, attract and retain talent, sustainable enterprises and high-quality jobs.
- Build Further Education and Training (FET) Colleges of the Future as beacons of community-based learning. These will help to transform the position of FET in Irish society and support its mission of building skills, fostering inclusion, and facilitating pathways.
- Advance commitment to a shared island through collaborative investments in human capital and research. This approach would help build new connections on the island of Ireland and also strengthen East-West collaborations and reduce the risks associated with Brexit.

7.11. Department of Health

Investment decisions in the sector are informed by relevant health policies, strategies, and reform initiatives. Key policies and strategies in the sector include:

- The Sláintecare Report (2017) sets out an overarching vision and long-term policy direction for Ireland's healthcare system. Capital investment has a key role to play in enhancing the service provision and driving the reforms set out in the Report such as reorienting the model of care towards primary and community settings, addressing capacity and infrastructure deficits in the acute sector and supporting the provision of digital health services.
- The Health Capacity Review (2018) identifies capacity requirements for the period to 2031 in the areas of acute hospitals (including the development of elective only facilities), primary care (including the development of diagnostic hubs), and in step down and long stay bed facilities.
- The eHealth Ireland Strategy (2013) (and supported in the Sláintecare report), where digital health services envisage a range of systems to underpin patient safety, efficiency and the critical building blocks required, without which integrated care cannot be delivered.
- The National Women and Infants' Health Programme provides the lead for the strategic development and organisation of maternity, general gynaecology and neonatal services. The National Model of Care for Paediatric Healthcare Services describes the vision for the delivery of services to children and their families in acute and community settings. The focus of both the "National Maternity Strategy 2016 – 2026 – Creating a Better Future Together" and the Paediatric Model of Care, is on strengthening services by bringing together primary, community and acute services in an integrated way.
- The National Cancer Strategy 2017-2026 (2017) and The National Programme for Radiation Oncology provide the strategic direction for the provision of radiotherapy services across Ireland. A rolling capital investment plan is reviewed annually with the aim of ensuring that cancer facilities meet requirements.
- The National Residential Care Standards for Older People (2016) incorporate the learning from HIQA's inspection and registration of designated centres for older people. Accommodation standards in impacted Community Nursing Units require significant investment through upgrade, refurbishment, or replacement.
- The Congregated Settings Report – A Time to Move On (2011) and HIQA's 'National Standards for Residential Services with Disabilities' (2013) provide the basis for the capital programme for the replacement and refurbishment of long-term residential care units along with the purchase and adaptation of houses in the community for people with disabilities currently living in congregated settings.
- Sharing the Vision a Mental Health Policy for Everyone (2020) is the successor to 'A Vision for Change'. The holistic view of mental health is maintained, and it carries forward those elements of the original policy that still have relevance in-light of expert opinion. A new mental health ten-year capital programme is in development with the focus on upgrading existing facilities, replacing inappropriate community residential and non-residential facilities and the continued expansion of services.
- A range of other policies and strategies are in place including in the areas of the National Ambulance Service Strategic Plan 2016-2020 (Vision 2020) and plans and programmes for equipment replacement and minor capital works.

The importance of a Strategic Framework for Health Capital Investment to provide an evidenced-based prioritisation mechanism for capital spending has been recognised and work is taking place to develop this.

Drivers of demand for capital investment in healthcare include:

- Changing demographics.
- The need for reform of service delivery (Sláintecare) including digitisation (eHealth).
- Regulatory requirements.
- Need to maintain and update facilities and equipment.
- Requirements arising from and lessons learned from Covid.

Achieving climate action targets

The ultimate outcome of investing in the capital infrastructure of the health system will be a world-class health and social care service for Irish people delivering higher quality life (outcome 10 of the National Strategic Outcomes and will support our transition to a low-carbon and climate resilient society (Outcome 8 of the National Strategic Outcomes).

7.12. Department of Foreign Affairs

The Department's priorities are currently being addressed through capital investment in three main business areas:

- Ireland's Citizen focused Passport Service
- Global ICT Infrastructure
- Global Property Portfolio

and include the following actions:

- The doubling of the scope and impact of Ireland's global footprint as detailed in Global Ireland 2025.
- The Passport Reform Programme which aims to provide a fully integrated service delivering a more efficient, predictable and citizen-focussed service with an increased focus on fraud detection and prevention measures to maintain the integrity of the Irish passport and the provision of online services.
- Investment in a high quality global ICT infrastructure supporting advance technologies that deliver capacity and efficiencies for the Department.

The construction, refurbishment, enhancement of security works and acquisition of properties, including the development of Ireland Houses with the State Agencies in strategic locations. This investment in the Department's Global Property Portfolio ensures that Irish missions have the accommodation and promotional/representational capacity necessary to fulfil their responsibilities for hosting events that highlight Ireland as an opportunity for investment and promote trade, economic and cultural opportunities.

7.13. Department of Housing, Local Government and Heritage

In terms of Compact Growth, investment under the NDP is critical to ensure not only that the required levels of housing are achieved, but that they are located in the right place and appropriately meet emerging needs. A number of inter-related investment and policy initiatives are required to increase supply to the level and type required, addressing affordability and viability to accelerate housing provision particularly in urban areas where the issues of affordability are most significant, and where the nature of development, particularly apartment development is often unviable.

Social Housing

The Programme for Government has committed to increase the social housing stock by over 50,000 over the next five-years, the majority of which is to be built by local authorities, Approved Housing Bodies and State agencies. The Department intends to target some 10,000 new build on an annual basis compared to the 7,900 new build which had been envisaged from 2022 onwards in the existing NDP. There is a strong demand for social housing supports, supporting the need for increased build targets. The Summary of Social Housing Assessments for 2020 61,880 households on the social housing waiting list. In addition to delivery, the NDP supports a range of other critical capital housing activities including addressing housing defects, urban regeneration, Planned Maintenance and Voids, Traveller Accommodation.

Affordable Housing

The National Development Plan (NDP) contained very limited reference to, or capital funding for, the direct provision of affordable housing in the short to medium term. The Government has clearly targeted affordable housing delivery in the more immediate term as a top priority. Together with the longer-term facilitating measures such as infrastructure provision, direct housing supply measures are also increasingly required and need to be reflected in the new 10 year NDP.

Taking all factors into account and within the overall target delivery of 33,000 homes per year, the approach is to set and ambitious and achievable total affordable homes delivery target of 50,000 over the 10 year period to 2030. The detailed delivery streams for these homes will be developed as part of the Government's new 'Housing for All' strategy.

Urban Regeneration and Development Fund

URDF is the largest of four PI2040 enabling funds. Funding provided through the URDF is primarily to support the growth and regeneration of the five cities and other urban centres and provide funding support for more compact growth and sustainable development projects. The Fund is providing part-funding for projects that will enable a greater proportion of residential and mixed-use development to be delivered within the existing built-up footprints of our cities and large towns, while also ensuring that more parts of our urban areas can become attractive and vibrant places in which people choose to live and work, as well as to invest and to visit. To date there have been two calls for proposals. Beyond the current tranche of approved projects, however, it is intended that the URDF would focus on separate strands of assistance to metropolitan cities and regional centres and Towns. This repositioning and reprioritisation

Ringsend Wastewater Treatment Plant Upgrade Project

of the URDF programme is in response to the emerging need to address gaps that remain following the implementation of the applicant led projects approved under Call 1 and 2.

Local Authority Retrofit

It is important to note and consider Energy Efficiency/ Retrofitting for social housing as a dedicated inclusion in the revised NDP. The Programme for Government commitment is to retrofit least 500,000 homes to a Building Energy Rating (BER) of B2 by 2030. Local Authority owned housing constructed pre-2008 represents approximately 7.3% of occupied dwellings. It is intended that Local Authority owned housing sector will retrofit to a BER standard of B2/ Cost Optimal Equivalent in proportion to the overall housing stock (i.e. approx. 36,500 dwellings).

Water Sector Investment

The proposed investment in water services is in line with the Water Services Policy Statement 2018-2025 include its strategic thematic objectives of quality, conservation and future proofing. Funding for water and waste water services under the NDP, delivered primarily through Irish Water and the Department's Rural Water Services, plays a key enabling role in realising the national planning objectives and strategic outcomes of the NPF. This funding will ensure that Government objectives for delivering increased housing supply, addressing existing deficits, ensuring environmental compliance, and revitalising our towns and villages are delivered.

The clear direction provided to strategic planning and decision making on water services ensures that there is full alignment with commitments in Project Ireland 2040 and the River Basin Management Plan for Ireland 2018-2021 which outlines the measures the State and other sectors will take to improve water quality in Ireland's groundwater, rivers, lakes, estuarine and coastal waters over the period. Overall, the alignment of policy and investment contributes to ensuring that Ireland has secure, resilient, high-quality drinking water supplies and appropriate levels of waste water treatment. These outcomes are vital for protecting public health, enabling social and economic development (including housing and industrial development) and protecting our environment (including addressing EU infringements).

Heritage

Ireland's heritage – built, natural, cultural and linguistic, tangible and intangible – is of fundamental importance to all aspects of our society, our identity, our well-being and our economy. The investment envisaged for the heritage sector will address biodiversity loss, habitat restoration, species protection, essential investment in our national parks, nature reserves, heritage estates and National Monuments. It will also allow investment in our heritage and historic built heritage, traditional building skills, canals and waterways and in community engagement with the built and natural environment.

Other areas of Activity- Capital funding provided through the NDP in Capital Ceilings enables a range of other key capital programmes to continue, including Met Éireann & Fire and Emergency Services which have tangible impacts for citizens.

7.14. Department of Justice

Sectoral Strategies informing investment plans

Since the development of the National Development Plan 2018-2027, the Department of Justice's submission notes that multiple strategy documents have been developed within the Justice Sector which inform capital investment decisions in the criminal justice sector:

- Department of Justice Statement of Strategy 2021-2023.
- Department of Justice Information Management and Technology Strategy
- The Irish Prison Strategic Plan and Capital Strategy 2019-2022
- Courts Service Modernisation Programme
- Courts Service Corporate Strategic Plan 2021-2023
- An Garda Siochána Connect Digital Strategy
- An Garda Siochana Capital Investment Programmes

Key drivers of investments

A comprehensive Information Management technology strategy has been drafted for the Department of Justice and will be published shortly. The focus of this strategy is to put in place the capability, capacity and platforms to transform business processes moving away from the reliance on paper and siloed out of support systems towards more robust ICT platforms and digital services. The implementation of this strategy will be supported by a 3 year roadmap.

The key driver of demand for the Courts is the implementation of an ambitious 10-year Modernising Programme, this strategy will streamline how services are delivered. A core element of the modernisation programme is ICT where the focus will be on redesigning services around the user, leveraging modern digital technology to streamline services and processes. This will entail replacing at risk ICT infrastructure, and ultimately delivering an internationally recognised modern digitised court system.

Changes in population distribution as outlined in the National Planning Framework (NPF) is another key driver for the Service. The Courts Service Estate Strategy is in the process of being updated to reflect NPF targets. The new Estate Strategy will be ready in Q2 2021. The new Courts Estate Strategy will take into account the National Planning Framework when determining the appropriate future estate configuration, including the number, location and function of required facilities.

Another key driver for Courts Service is the expansion of the Family Law area including the anticipated introduction of a dedicated Family Law structure – separate from civil - as anticipated in the upcoming Family Law Bill. The introduction of the Operating Model into An Garda Síochána is resulting in significant additional accommodation requirements. In eleven (11) of the newly merged divisions, the

Waterford Courthouse

accommodation requirements of the Operating Model are being met from within existing resources.

Based on the best available evidence, the direction of penal policy is aimed at reducing the number of people who are committed to prison for minor offences while increasing diversion and availability of alternative sanctions, where appropriate. It is acknowledged however, that even where suitable alternative options are available, there will be an ongoing need for humane accommodation for people serving sentences for serious offences, bearing in mind the projected changes in demographics. Much of the current prison estate dates from the 19th century and requires ongoing significant intervention in terms of building new facilities and maintaining existing infrastructure. The IPS has a comprehensive programme of work to maintain the prison estate including planned preventative maintenance designed to reduce or mitigate against loss of critical services and capacity.

Expected Outcomes

The new Programme for Government sets out objectives for the justice sector:

- to build strong and safe communities and implement the Report of the Commission on the Future of Policing,
- increased investment in our family courts system and more efficient and effective deployment of court and judicial resources
- invest in a prison service that provides secure custody for those in prison, protects the public from dangerous criminals, and facilitates the rehabilitation of prisoners to enable their safe return into communities.

7.15. Revenue Commissioners

The strategic investment priority in the Department of Finance vote is the delivery by the Office of the Revenue Commissioners of further ICT developments to further enhance and improve tax & customs administration. The PAYE Modernisation project represented the most significant reform of the administration of the PAYE system in over fifty years. The new system went live on the 1st January 2019 in line with both its delivery schedule and budget allocation. PAYE Modernisation ensures payment of the right tax at the right time, securing a greater confidence in compliance because of the real-time nature of the reporting by employers and the oversight by Revenue. An evaluation of this compliance measure indicates Revenue actions directly delivered additional Income Tax collection of at least €53.8 million from employers in 2018. There was a surplus of €290 million in PAYE Income Tax in 2018. Even if only €23 million of this (a tenth of the surplus less the direct additional yield) was due to Modernisation, together with the €53.8 million, suggests total yield of €77.4 million - exceeding the €50 million Budget 2018 target for this measure.

An unforeseen but critical outcome of the PAYE Modernisation project was its fundamental and foundational role in enabling Revenue to support employers and employees as part of the Government's Covid-19 initiatives. Revenue rapidly remodelled the PAYE payroll submission system to first operate the Temporary Wage Subsidy Scheme (TWSS) which was subsequently replaced by the Employment Wage Subsidy Scheme (EWSS) and the Covid Restrictions Support Scheme (CRSS). These schemes continue to be adjusted in how they operate reflecting the ever changing and dynamic environment and in response to policy decisions at government level. This critical investment has facilitated over €4.5 Billion in payments across the three schemes to date.

Revenue also invested in its Customs IT estate as a result of Brexit and the need to support trade and the economy overall following the UK's decision to leave the EU. BREXIT has resulted in a significant increase in customs transactions necessitating investment in our systems to cater for this increase from both a performance perspective and to deliver a number of business requirements to ensure customs can operative effectively and efficiently post BREXIT. Separately, Revenue has also invested in its Customs IT systems in order to comply with the UCC legislation. The expected outcomes of this investment will position Revenue to exploit opportunities to further facilitate the legitimate trade of goods, limit fraudulent and non-compliant activity and adapt to changing legislation and improve the overall effectiveness of our customs solutions delivering public service for the future.

7.16. Department of Rural and Community Development

The Department of Rural and Community Development's submission states that rural areas are integral to our national economic, social and environmental wellbeing, supporting a large proportion of our population as well as significant economic activity and jobs in an increasingly diverse range of sectors. The current pandemic, though an extremely challenging time, has presented us with a unique opportunity to support more people to live, work and raise families in rural Ireland.

The possibility now exists to be ambitious about achieving rapid progress on the goal of balanced regional development and to reposition our rural areas and regions as an economic counterbalance to Dublin and the main urban centres. There is an opportunity to commit significant, needed resources to reshape our economy and our society in a way which focuses on inclusive, balanced and sustainable economic, social and environmental development. Ensuring people can live and work within their own locality will reduce climate impacts, wider environmental impacts, and also reduce excess demand on urban housing and transport infrastructure.

The integrated capital funding programme delivered by DRCD provides local authorities and communities with the possibility to deliver on the economic aspects of their development plans and drive the economic development of their areas. The Department's schemes fund projects which align with the implementation of either town/village masterplans or local area development plans. This ensures locally led development, which is cognisant of different challenges facing different areas.

In all cases, our investment helps achieve the long term strategic plan for economic development in each area, and aligns with the NPF, PfG, the Regional Spatial and Economic Strategies and key sectoral strategies. Since the publication of the NDP, the DRCD capital programme has been integrated and designed especially to deliver on the National Strategic Objectives of (i) Strengthening the Rural Economy and Communities (ii) A Strong Economy Supported by Enterprise, Innovation and Skills, and (iii) Enhanced Amenity and Heritage, and is providing funding opportunities tailored to achieve these objectives.

The Programme for Government expresses strong support for enhanced and sustained investment in the Department's investment programmes, for example, setting out commitments to expand the Town and Village Renewal Scheme and a new grants scheme for community centres, as well as committing to new policy initiatives like Town Centre First and the National Remote Work Strategy, which will be strongly supported by our programmes.

The forthcoming Rural Development Policy will be the Government's blueprint for post-Covid recovery and the development of rural Ireland. The policy will also support the delivery of key Government policies such as the Climate Action Plan, the National Economic Recovery Plan and the National Broadband Plan, setting out over 100 policy commitments across a range of sectors. Continued strong investment will be necessary to support this ambitious plan.

The Government has also committed under the draft National Economic Recovery Plan to ensure that the recovery is fair and balanced. In addition, the effects of Brexit will be most keenly felt in rural and border areas. This Department's programmes will be at the forefront of delivering on these goals.

The Department's capital investment programme is integrated under 3 strands:

- The Rural Regeneration and Development Programme
- LEADER Programme and Rural Supports
- Community Development Capital Investment

The above integrated suite of capital investment areas was committed to as part of the NDP and our investment has achieved significant momentum in the period since 2018.

The Department's funding programmes are uniquely positioned to assist with NPF, PfG and other Government priorities and our range of small to medium scale investment is delivering significant benefits at a local and regional level. Local Authorities, State bodies and community groups have identified these funding schemes as vital to support the regeneration of rural areas and to sustain and grow the rural economy.

The Department's investment schemes are highly responsive to emerging priorities, for example, allowing rapid and increased investment in remote working and in the adaptation of town centres in response to the pandemic. The Department has a strong track record in delivering investment, fully utilising its capital allocations since its establishment, and a pipeline of effective projects has been established through our support.

7.17. Department of Social Protection

The Department of Social Protection has a relatively small capital budget. The capital allocation will primarily be used to deliver IT modernisation and carry out refurbishments on the Department's buildings.

The Department continues to engage with the Office of Public Works (OPW) on a plan for the refurbishment of Áras Mhic Dhiarmada, a listed building. While preliminary work and investigations have begun, the substantial refurbishments works are not expected to start until 2023 at the earliest.

The development by DSP of the pan-Government MyGovID online identity portal and the MyWelfare and WelfarePartners online services were vital components in the delivery of rapid income support measures on a national scale through the Pandemic Unemployment Payment and Covid illness supports. Quickly deployed remote working solutions for large numbers of staff would also not have been possible without ongoing capital investment in new equipment and technologies. Continued capital investment in ICT will remain vital in the delivery of current and future DSP services to the population at large and to some of the most vulnerable in society.

7.18. Department of Tourism, Culture, Arts, Gaeltacht, Sports and Media

The Department of Tourism, Culture, Arts, Gaeltacht, Sports and Media's submission refers to the sectoral capital plan, Investing in our Culture, Language and Heritage (ICLH) 2018 – 2027. The strategy recognises that high quality investment is essential for a vibrant arts and culture sector. The ICLH is closely aligned with NSO3 (Strengthened Rural Economies and Communities) and NSO7 (Enhanced Amenity and Heritage).

The Department's investment priorities for the Tourism and Sport sectors are currently set out in the strategy document, Linking People and Places (LPP). Under NSO 3, LLP highlights that employment in tourism is regionally dispersed and capital investment acts as a source of economic activity and employment. Under NSO7, it is acknowledged that investment in sporting infrastructure plays a very important role in improving amenities and the attractiveness and liveability of different areas.

In addition to various individual strategies, the Department is currently finalising its new Statement of Strategy which has identified a number of cross-cutting issues and goals which can take advantage of the synergies that exists across the department in terms of economic development, well-being, climate change, equality and diversity etc.

There are three main drivers of demand for the Department.

- increased investment identified by its economic development agencies; Failte Ireland, Screen Ireland and udaras na Gaeltachta to enable and support economic recovery and resilience.
- increased participation at all levels in the sport, culture/arts, Irish language and creativity sectors due to both a rising population and increased awareness of the importance of these sectors to well-being and social cohesion.
- importance of developing and growing a sustainable tourism product, of investing in green Gaeltacht infrastructure, of protecting Ireland's tangible and intangible culture and language, and showcasing Irish arts and culture internationally.

Priority areas identified for Department include:

- Support for the Tourism Sector (to recover from the COVID-19 pandemic). Investment will see the delivery of a capital investment programme underpinned by the forthcoming Sustainable Tourism Policy. This will act as a driver for regional economic activity in the short run, while ultimately supporting the sector to pivot to a new sustainable tourism model. Overall, investment in tourism will see the development and enhancement of tourist attractions and activity-based tourism to provide high quality of experience for visitors, all resulting in higher revenue and more jobs. Investment also strengthens Ireland's international reputation and attractiveness. It is estimated that every 1,000 additional overseas tourist attracts 20 jobs in the domestic industry.
- Revitalised National Cultural Institutions both in terms of their physical presence, but also in terms of digital engagement, visitor expectations and the long-term protection and expansion of the National Collections.
- Investment in sports, language and cultural infrastructure that are aligned with and support the regional development objectives of the NPF and Regional Spatial and Economic Strategies. The Sports Capital & Equipment programme (SCEP), designed to support sport clubs and voluntary organisations and the Large Scale Sport Infrastructure Fund (LSSIF) available to National Governing Bodies of Sport and Locial Authorities will both expand. Their overall goal is to support projects covering every county and town, all genders and ages with disadvantaged areas prioritised. It is recognised that increased

sports participation will enhance the health and wellbeing of the nation.

- Support for the audio-visual sector, creative industries and Gaeltacht enterprise infrastructure
- Investment in innovation and digitalisation which will assist in responding to changing audience expectations and increase capacity to generate online revenue.
- Support for the regional arts/culture infrastructure and development of the media & digitalisation sector.

7.19. Department of Transport

The Department of Transport's submission notes that the transport system will be a key enabler of the National Planning Framework's National Strategic Outcomes (NSOs) over the coming decades and the submission outlines the significant investments required to ensure realisation of those NSOs in line with Government policy and the Programme for Government commitments.

In particular, the submission noted the important role of transport in supporting –

- NSO 1: Compact Growth;
- NSO 2: Enhanced Regional Accessibility;
- NSO 3: Strengthened Rural Economies and Communities;
- NSO 4: Sustainable Mobility;
- NSO 6: High-Quality International Connectivity; and
- NSO 8: Transitioning to a Low Carbon and Climate Resilient Society.

In terms of transitioning to a low-carbon and climate resilient society, the Department notes that as a fifth of Ireland's greenhouse gas emissions are attributable to transport, there is no question that transport emissions abatement must feature strongly in the national decarbonisation effort and tackling climate change. Development of potential pathways to 51% emissions reduction in line with the Programme for Government commitments will require intensification of action, introduction of new measures and likely demand constraint.

Investment in improved sustainable mobility infrastructure and services can support Government's ambition in terms of delivering compact growth in our cities, towns and villages. The Department highlights the potential of transport investment in unlocking lands for large-scale housing delivery and ensuring that new housing development is centred around high-capacity public transport corridors with well-developed walking and cycling networks enabling active travel as the mode of choice for localised travel and supporting the sustainable development of local communities.

Regional accessibility is an important focus of our rail and road networks and the Department highlights the importance of ensuring adequate protection and renewal of existing infrastructure, such as our national road network. In rail, the Department states a Strategic Review of rail will commence in 2021 which will examine all aspects of rail connectivity on the island of Ireland, including the potential for rail freight.

The Department's investment programme has a key role to play in strengthening rural economies and communities through supporting expanded rural public transport services, improved active travel infrastructure in rural communities and through continued investment in, and improvement of, regional and local road links.

In sustainable mobility, the Department notes the Programme for Government's strong commitment to delivering on the existing investment programme and the progress made since 2018 in the planning and designing of the major public transport projects in the Greater Dublin Area. Increased investment in sustainable mobility is now required in the four regional cities of Cork, Galway, Limerick and Waterford to support the spatial objectives of the National Planning Framework with a particular emphasis on transport-led development in the four cities.

Our ports and airports are crucial for ensuring our international connectivity for passengers and freight and the Department recognises that strategic surface investment will be necessary on roads and public transport links to ports and airports.

Additionally, Our Airports and Ports are vital for ensuring international connectivity to the benefit of passengers, tourism, services and high value goods. The National Planning Framework recognises the importance of connectivity, for international competitiveness and the need to address opportunities and challenges through investment at ports and airports that have emerged from Brexit.NSO6 outlines plans for high-quality International Connectivity. Major infrastructure projects are underway at the three Tier 1 ports and Rosslare Europort to expand capacity and enhance connectivity with other projects in planning at other ports. Furthermore, new runway is currently being progressed by daa at Dublin Airport which will provide additional capacity and enable further growth at Dublin Airport. Also, being supported is a significant runway overlay project at Cork Airport Measures aimed at targeting investment towards the "greening of airports" include on-site generation of the renewable energy. The Department of Transport

Rose Fitzgerald Kennedy Bridge, New Ross

also plans to explore alternatives to carbon-based fuels as technology improves including support for R&D on sustainable aviation fuels (e.g. biomass, non-recyclable waste), production capacities, transport, storage and distribution for supplying SAFs

The Department acknowledges that COVID-19 has impacted transport demand in the short term and is likely to have longer term effects in terms of how, and why, citizens travel and these effects will require ongoing consideration. However, it emphasises that about three-quarters of journeys in 2019 were made for purposes other than commuting for work and in the context of our climate action challenge, it is important that investment in sustainable mobility seeks to provide sustainable alternatives to citizen's travel needs across the day.

Finally the Department outlines the ongoing development of the National Investment Framework for Transport in Ireland (NIFTI) which, once finalised and approved by Government, will ensure that transport investment is closely aligned with overarching Government policy and in particular the National Planning Framework.

7.20. Office of Public Works (OPW)

There are two major drivers of demand for the Flood Risk Management role of OPW. The Catchment Flood Risk Assessment and Management (CFRAM) Programme assessed flood risk for those communities at potentially significant risk of flooding. The evidence from the CFRAM Programme was set out in the 2018 Flood Risk Management Plans (FRMPs) and included 34,500 properties that have a 1% chance of experiencing a significant flood event (100-year flood) in any year. 95% of these properties can be protected against these flood events with continued investment in flood relief schemes, including in 118 additional flood relief schemes and the 33 schemes underway and 42 completed, at that time.

In May 2018, An Taoiseach launched a €1billion investment in FRMPs over the lifetime of the NDP 2018-2027 as part of Project Ireland 2040. This investment as well as delivering some 150 major flood relief schemes, set out in the FRMPs, also supports local authorities to undertake minor flood mitigation works or studies. Just under €2.5 million was provided to local authorities under this scheme for flood risk management of 47 localised flood relief projects within their functional areas in 2020. Two thirds of these are outside of the CFRAM studied areas.

Additionally, the Lower Lee Flood Relief Scheme, which is currently at its design stage, is a scheme to address Cork City's flooding issues. The estimated cost of the project was €140m, with €20m invested in repairing quay walls which are at risk of collapsing, but it is envisaged by the Department that, due to design changes on foot of the public exhibition, and further public realm improvements, this will increase and will be updated prior to PSC Approval Gateway No.2 and the submission to the Minister. The Scheme is also being designed to form part of the future climate change adaptation Strategy for Cork.

All OPW schemes are designed to be adaptable to impacts of climate change and now identify opportunities to implement Natural Water Retention Measures, which can reduce flood risk, improve water quality and create habitats.

Due to complexities and planning uncertainties in bringing flood schemes forward, it is foreseeable that the programme for the construction of the currently planned schemes, and associated annual expenditure, will continue beyond the end of 2027 to 2030 with an overall increase in projected expenditure arising in the last three years of this programme by €300 million.

OPW is also responsible for Estate management. An important driver of investment in the Estate is the implementation of the OPW's sustainability policy, the key principles of which focus on reducing energy consumption, avoiding generation of waste through reuse and recycling and green procurement.

The increasing age of the property portfolio is also an important driver of demand. OPW highlights that radical investment is required in order to modernise the estate and support the implementation of the Government's climate action targets. Programmes of work include upgrade of the building fabric, eliminate fossil fuel heating and increase the energy efficiency of the portfolio.

Additionally, the Government has approved the OPW 2021-2024 Statement of Strategy with the Office's vision of "Our built and natural environments in harmony". Under this strategy, the OPW has carried out assessments of the potential impacts of climate change on its investment in projects and has identified the need for adaptation in their design and implementation.

The expected outcomes for the role of estate management include redevelopment and retrofitting of a minimum of 60,000 m2 of existing office accommodation and provision of an estimated 65,000 m2 of new modern office accommodation, complying with all energy requirements. These investments cover 14 percent of the overall portfolio and will be combined with a programme for the disposal of less efficient buildings/leases.

Additionally, enhanced maintenance, preservation and presentation of parks, gardens, historic buildings and monuments nationwide will benefit the tourism sector.

Section 8:
Climate Considerations

8.1. Overview

This section sets out the areas of priority for the NDP in ensuring a renewed focus on the climate impacts of public investment decisions. It is proposed that there will be a number of steps followed in the incorporation of climate and wider environmental considerations into the new NDP.

8.2. Overarching Climate Focus within the NDP

Climate was a key consideration in the development of the last capital plan and in the ongoing appraisal of priority projects and programmes. In the consideration of the existing National Planning Framework when outlining overall strategic objectives for the National Development Plan in 2018, there was direct reference and application to how the Irish Government would target the improvement of climate objectives through NSO 8. There was also significant work in the past two years to reform the Public Spending Code to increase the shadow price of carbon thereby ensuring more robust consideration of climate impacts in project appraisal, which was directly actioned as part of the Climate Action Plan in 2019.

However, in recognition of the importance of the climate objectives for the Government in the coming years, through the renewal of the Climate Action Plan and the soon to be enacted Climate Bill, the impact on climate and the environment will take a more central role within the new NDP.

It will be important for the NDP to ensure that it is consistent with recent and upcoming commitments from the Irish Government to become carbon neutral by 2050 and to meet the more immediate climate targets by 2030.

Up to now, there has been no means to assess whether Departments are taking the necessary steps to transform how projects/programmes are being prioritised while considering climate objectives. While the latest Climate Action Plan did address public investment and reforms in this area, this was predominantly focussed on central changes to the Public Spending Code to allow for appropriate costing of climate and environmental impacts to be included.

It is proposed that this NDP would extend this to the project selection stage in allowing Departments to assess whether they are contributing to or working against the climate and environmental objectives of Government in setting out investment priorities. This analysis will allow Departments to consider climate impacts in setting overall priorities and allow the Government to be cognisant of the climate impacts of the overall NDP prior to a final decision to sign-off.

8.3. Assessment of Spending Proposals

This work stream will be dedicated to the climate and environmental impacts of the decisions taken in the NDP. Departments will be asked to analyse whether their investment priorities are aligned Ireland's climate and environmental objectives. Departments will be required to assess each spending proposal/proposed spending allocation against a range of environmental outcomes:

- Climate Mitigation
- Climate Adaptation
- Water Quality
- Air Quality
- Resource Efficiency & Circular Economy
- Nature & Biodiversity
- Just Transition (optional)

Each spending proposal/allocation will receive a ranking against each category and the cumulative score of each category will determine whether the proposal is likely to contribute to the achievement of Government's objectives in this area, is neutral or risks the achievement of the Programme for Government ambitions. It is intended that this will give an overarching view as to how aligned all sectors plan to be with climate objectives in order to ensure this is a key factor in sectoral prioritisation.

8.4. Use of International Methodologies

To complement the assessment of the NDP mentioned above, it is also proposed that the NDP as a whole is assessed against a suitable climate/environmental methodology, such as one proposed by an international body like the OECD or World Bank. The OECD for example, issued recommendations for recovery plans in their "Build Back Better" report, published in mid-2020. This would demonstrate if the investment decisions reached in the NDP align with the principles set out in the "Build Back Better" report, such as alignment with long-term emission reduction goals, factoring in resilience to climate impacts, slowing biodiversity loss and increasing circularity of supply chains.

8.5. Improving Assessment of Decisions and Appraisal

Proposals that Departments will submit as part of the NDP Review will be at very different stages of the project lifecycle. This will make it impossible to apply the full Public Spending Code to every proposal as part of the NDP Review. Every single project will still need to undergo the rigor of the full Public Spending Code process prior to its commencement. In that regard, DPER has an ongoing body of work to strengthen the climate and environmental characteristics of the Public Spending Code and this work will be detailed in the NDP Review.

The NDP will set out the work to increase the shadow price of carbon in recognition of the enhanced climate targets that will be formalised in the forthcoming new Climate Action Plan. Higher shadow prices of carbon improve the cost effectiveness of projects that reduce emissions, while ensuring that the negative consequences of projects that may lead to increased emissions are fully captured by the appraisal of those projects. With much more ambitious climate targets for 2030 and 2050, it is likely that the shadow price of carbon will also increase substantially since this is based on the estimated marginal cost of achieving these higher climate targets. This requires an assessment of the marginal abatement costs associated with the Programme for Government target which DPER is given to understand will be progressed as part of the research work associated with the revised Climate Action Plan.

In addition, further work on the Public Spending Code has been commissioned through the European Commission's Technical Support Instrument. This work will have two key objectives. Firstly, to look at whether considerations on the expected geophysical effects of climate change are properly taken into account and adequately valued in the appraisal process and secondly to develop a methodology for the assessment and inclusion in the Code of the induced emissions that may arise from infrastructure investment projects. This work has already commenced and is likely to lead to reforms in the Code in 2022.

8.6. Carbon Tax Hypothecation

The NDP is another opportunity to highlight, in line with the Programme for Government commitments, the use of the revenue arising from the increases to the carbon tax that are now committed to in legislation. These are to:

- Ensure that the increases in the carbon tax are progressive through targeted social welfare and other initiatives to prevent fuel poverty and ensure a just transition;
- Fund a socially progressive national retrofitting programme targeting all homes but with a particular emphasis on the Midlands region and on social and low-income tenancies;
- Allocate funding to a REPS-2 programme to encourage and incentivise farmers to farm in a greener and more sustainable way.

The Department of Finance estimated that the €6 portion of the carbon tax increase announced in Budget 2020 would raise €90m in 2020 and €130m in 2021 (i.e. over the course of a full year). The Department of Finance estimate that a €7.50 increase in the carbon tax in Budget 2021 will lead to increased carbon tax revenues in 2021 of €108m and €147m in a full year. This means that the combined proceeds of the 2020 and 2021 increases in the carbon tax are estimated at €238m in 2021. This additional funding has been allocated to the following specific areas in 2021 via the estimates process:

1. Investment in Residential & Community Energy Efficiency (DECC) - €100m
2. Targeted Social Protection Interventions (DEASP) - €48m
3. Pilot Environmental Programmes in Agriculture (DAFM) - €20m
4. Continuation of 2020 Carbon Tax Investment Programme - €70m

The NDP Review is an opportunity to make allocations in line with the Programme for Governments on a longer term basis. This will require the Department of Finance to develop longer term estimates for the expected revenue arising from the pathway of carbon tax increases. Allocating indicative carbon tax revenues to Departments in the NDP will provide these Departments with an additional degree of certainty in relation to funding and will also ensure that the efforts of these Departments are focused on the necessary research and programme developments required to give effect to the commitments in the Programme for Government.

8.7. Policyholder Engagement

On Friday 29th January 2021, the National Investment Office (NIO) in the Department of Public Expenditure and Reform (DPER) welcomed colleagues to a strategic information webinar of the public sector infrastructure network called InfraNet.

The theme of the webinar was 'Capital for Climate'. The session was a fruitful exchange between policy-makers and experts, and will inform the review of the National Development Plan which is currently underway.

Minister for Public Expenditure and Reform, Michael McGrath TD gave the opening address at the webinar. He outlined the importance afforded and progress made regarding climate action and infrastructure investment by the Government. He also highlighted the ongoing Review of the National Development Plan and the importance of embedding climate into the Review and the opportunities for participation in the public consultation.

Minister for the Environment, Climate and Communications, Eamon Ryan then addressed the Network, highlighting the interconnectedness and solutions of climate to the other key public policy challenges of housing and health. He also highlighted the role of the National Planning Framework and development of regional cities as key to aiding the climate challenge, creating sustainable communities. The Minister also discussed some potential solutions.

A panel session discussed in further detail the relationship between infrastructure and climate. Chaired by Dr Tara Shine, Environment and Development Consultant and Director of Change by Degrees, the panel included Mark Griffin, Secretary General, Department of the Environment, Climate and Communications, John Fitzgerald, Adjunct Professor of the Department of Economics, TCD, Dr Brian Caulfield, Associate Professor, Civil, Structural and Environmental Engineering, TCD, and Dr Eimear Cotter, Director at Environmental Protection Agency.

While many challenges and solutions relating to public investment issues were addressed, some overarching points are detailed below:

- It was suggested that while public investment will play an important role in helping Ireland reach its climate targets (e.g. through retrofitting the social housing and public building stock, increasing public transport, mitigation through flood defences), the majority of investment will need to come from the private sector (e.g. retrofitting of private housing, purchasing of electric vehicles etc.). It was argued that this would require greater use of tax policy instruments and fewer subsidies.
- Questions were raised as to the capacity of the construction sector to accommodate this significant level of demand in addition to other investment requirements in areas such as housing and infrastructure.
- The communication piece with all of society was highlighted as essential and needs to be done at a number of different levels. In terms of getting private sector engaged, a number of programmes are being put in place, including a new aggregated programme on retrofitting.
- In addition, regulation was seen as being essential and a need to consider what the necessary regulatory landscape looks like. In terms of level of investment, the worst thing that could be done would be to increase levels of funding without understanding the consequences. There is a need to look at an economy wide basis and at a sectoral basis to the measures that will have the greatest outcomes, and how to pump and prime different sectors.

Section 9:

Delivering Housing in line with the NPF

9.1. Overview

Delivering the right kind of housing in the right locations is critical to the successful delivery of Project Ireland 2040 and thereby underpins the entire plan. Given their significant policy experience in this area, the secretariat of the National Economic and Social Council was invited as part of the NDP Review to examine and recommend policy options to address the housing and urban development challenge. This section gives an overview of that work which was published in November 2020.

9.2. Background

As part of the review of the NDP the National Economic and Social Council (NESC) Secretariat were asked by the Department of Public Expenditure and Reform (DPER) to provide research to address the following question:

What are the policy options available to facilitate the delivery of public and private housing in line with the compact growth targets set out in the National Planning Framework (NPF) and related policies in a new Programme for Government?

The research was undertaken over six weeks in consultation with DPER, the Department of the Taoiseach, and the Department of Housing, Local Government and Heritage (DHLGH). Specifically, the research involved:

- Summarising relevant material from NESC's existing, extensive body of related research;
- Collating material from external sources including DPER, DHPLG, Office of the Planning Regulator (OPR), Land Development Agency (LDA), Housing Supply Coordination Task Force For Dublin, Home Building Finance Ireland (HBFI), Ireland Strategic Investment Fund (ISIF), Office of Government Procurement (OGP), and relevant others; and
- Synthesising and analysing the above to identify and prioritise high-impact policy options.

The Council's system-wide view of housing policy informs the approach taken in the research reported here. This work was undertaken in the context of the new Programme for Government and proposed review of the National Development Plan (NDP). The work is not intended to provide a comprehensive assessment of the challenges and solutions, but rather suggest high impact and deliverable options based on previous work to date and the most up-to-date guidance from and within government Departments, bodies and other experts.

9.3. Findings

The report's overarching message is that Ireland must change its system of urban development, land management and housing provision- that the system is dysfunctional and that a suite of actions were and are required to fix it. This is consistent with the NESC 2018 Report 'Fixing Ireland's Broken Land and Housing System'. It points to key aspects of the problem which inform the options set out in later sections of this report i.e. the dominant business model applied in the housing sector, the resulting land-price trap with development normally being close to the margin of viability, and competition occurring at the 'wrong' stage in the housing market (further to NESC Council Report 145: Urban Development Land, Housing and Infrastructure: Fixing Ireland's Broken System).

The report suggests a coordinated, action-orientated approach rather than isolated actions. The Secretariat believes that such a system-wide approach can address the two gaps highlighted in the request made to it – the supply gap and the affordability gap - in a tangible way, by ensuring development happens and by engineering affordability in to that development.

In setting out priority options, the starting point is recognition that direct public-policy influence is needed on housing supply and urban development, particularly to put land in the hands of actors who will develop it. This necessitates the establishment or presence of public institutions with a strong developmental mandate, political authorisation, and executive capacity. To ensure development happens, these institutions must operate 'in the shadow' of a credible system of compulsory purchase of urban development land at below full development value.

It is crucial that affordability is engineered into policies to increase the supply of housing. This suggests, for example, a requirement for affordable housing on private land beyond current Part V, and a commitment to a national cost rental strategy at scale. Further, absent a construction sector with capability and capacity to deliver the required supply, these interventions will count for little. Finally, to demonstrate the commitment and ability of the State to deliver on its objectives, a national development programme should name strategic sites to provide affordable housing at scale.

Adopting this overall approach, the NESC Secretariat's research and policy options were set out under the following six areas:

1. Robust Developmental Institutions
2. Making Sure Development Happens
3. Engineering Affordability Into Supply
4. Adequate, Targeted Financial Mechanisms
5. Embedding System Change
6. National Programme of Flagship Projects
7. Construction Sector Capacity and Productivity

A full list of the policy options can be found in the NESC paper published on www.nesc.ie. A number of recommended options include:

- Developing the role of the Land Development Agency as a robust, credible institution for strategic land assembly, use of public lands, centre of expertise and acting as Development Agency for urban development.
- Establish a national cost rental scheme.

- Urgently enable the State to (seek to) acquire land in designated development areas at existing use value plus some premium as per the Kenny Report, 1974 and the All-Party Oireachtas Committee on the Constitution, 2004.
- Urgently update Compulsory Purchase Order processes (the Law Reform Commission commenced this work in 2015 and produced an issues paper in 2017).
- Review operations of Vacant Site Levy in order to increase effectiveness.
- Introduce a Site Value Tax replacing Local Property Tax/rates (as done in Denmark, Australia, some US States, and New Zealand).

The NESC report notes that it is essential to consider these options in conjunction with research and inputs from elsewhere, to determine which are likely to have the largest and quickest impact on delivering on the policy objectives, and to prioritise accordingly. Prioritisation will also be dependent on the capacity and capability related to specific options in the relevant Departments and agencies at a given point in time when considered in the broader context alongside other priorities.

9.4. Next Steps

The Cabinet Committee on Housing, supported by an effective Senior Officials Group has an important role to play in ensuring progress across the seven topics and 40+ related options suggested here, and progress on this agenda more broadly. Planning and urban development related matters are being advanced as part of the work of this Committee, including new legislative provisions and measures to boost urban housing supply. The Land Development Agency Bill has been published as an important step in strengthening institutional capacity as part of this agenda.

In addition, the Cabinet Committee has agreed that further to the Programme for Government commitment, a new national housing strategy, 'Housing for All' will be a whole of government five-year action plan, with a ten-year outlook, in line with the NDP timeline. The scope of Housing for All will address matters raised by NESC regarding housing supply activation, including land and viability.

The Programme for Government also commits to establishing a Commission on Housing to examine issues in the provision of housing, and this can also play an important role, particularly in relation issues that require in-depth consideration.

The NESC Council will continue to have housing, urban development and land-use on its Work Programme for the foreseeable future and it provides a forum for cross-society/interest discussion of challenges and solutions in the provision of social and affordable housing, in the context of the NPF's strategic objectives.

Finally, it is critically important that the stated national objective of compact growth, particularly in regional cities, is pursued as part of the strategy to deliver more public and private housing, in line with the new Programme for Government.

Section 10:

Alignment of the NDP and NPF

10.1. Overview

Among the most important aspects underpinning Project Ireland 2040 is the alignment of the National Planning Framework (NPF) and the National Development Plan (NDP). In order to assess this alignment a research paper was produced by the National Investment Office in cooperation with government Departments as part of Phase 1 of the NDP Review. This section gives an overview of the findings and proposed measures in that paper.

10.2. Background

Among the most important aspects underpinning Project Ireland 2040 is the alignment of the National Planning Framework (NPF) and the National Development Plan (NDP). With previous public investment plans the link between the national spatial strategy and the investment plan was weak or absent. This was due to a number of causes including a lack of prioritisation in the spatial strategy itself, as well as the lack of a mechanism to ensure that local development plans were aligned with the national plan. This served to undermine the strategy as housing development often took place in towns and locations that weren't prioritised for growth in the spatial strategy and, in turn, the infrastructure required to support that development could not be delivered on a consistent basis in the correct locations.

A central benefit of ensuring alignment of the spatial and investment plans therefore is that housing, jobs and infrastructure can be delivered on a more concurrent basis rather than consecutively with potentially long periods of time in between. Achieving planned development like this increases the economic efficiency and return on public investment while improving the quality of life for Irish citizens through the provision of public services.

It is clear that a meaningful alignment of the two elements can be mutually reinforcing with investment attracting further development in the desired locations, enhancing environmental sustainability and maximising the economic and social impact of the available public investment. It is important to clarify that public investment alone will not deliver the type of balanced regional growth identified in the National Planning Framework, but public investment can act as an anchor for further investment and development when targeted in the right locations. For this reason, it is important that public investment priorities are aligned with the wider vision for balanced regional growth in 2040.

1. The purpose of this paper was to undertake an initial point-in-time assessment of the extent to which the spatial development targets of the NPF are being incorporated into sectoral investment strategies and decisions funded through the NDP. There are therefore two distinct elements:
2. A process analysis to assess how the NPF targets are reflected in sectoral strategies and the decision making process in relation to public investments.

An output analysis to assess the degree to which actual public investments, either delivered or planned, align with and support the achievement of NPF targets.

This assessment should in turn inform learnings and proposed measures which can help Government Departments and Agencies further align their strategies and investment decisions with the NPF growth targets for Ireland's regions and cities. It will also facilitate the development of a monitoring framework to allow for a deeper and more granular analysis to be undertaken by Departments in close co-operation with the National Investment Office and the Department of Housing, Local Government and Heritage.

10.3. NPF Targets and Progress

The national growth targets set out in the NPF were translated into the three Regional Spatial and Economic Strategies which were adopted in 2019 and 2020.Over the course of 2021-2022 these regional targets will be translated into County Development Plans, with the process being overseen by the Office of the Planning Regulator.

The recommended approach for Departments and Agencies to report on spatial alignment is set out based on the NPF spatial principals of balanced regional development, city and regional centre-focused growth and compact urban development.

10.4. Understanding Alignment of the NDP and NPF

The alignment of investment plans with any new spatial strategy takes time. Many of the larger projects that will be delivered in the early years of the NDP are projects that were in planning long before the new spatial strategy was articulated in the NPF.

It is important to recognise that sectoral investment strategies are informed by a wide range of factors and spatial alignment with the NPF is just one of these, albeit a particularly important one for Ireland's development over the next twenty years.

Sectors that have major infrastructure projects with long planning and delivery horizons and which are developmental in nature, require greater incorporation of NPF targets into their planning e.g. large transport or water projects.

10.5. Assessing Strategic Alignment and Project Selection

Significant work has been undertaken to align sectoral plans with the NPF targets e.g. the Department of Transport has developed its new investment framework modelled on NPF population projections. A number of Departments are due to update or develop sectoral investment strategies over the coming period and this will provide an opportunity to strengthen alignment with the NPF. The paper notes a lack of explicit consideration in project selection processes of the investment needs required for Ireland's regional cities to grow in line with NPF targets.

There is a risk of Departments or Agencies assuming that a general regional spread of investment represents alignment with the NPF in and of itself, as opposed to an explicit recognition and focus on achieving the specific growth targets set out in the NPF, in particular the greater levels of growth in our regional cities of Cork, Galway, Limerick and Waterford.

10.6. Assessing Investment Alignment

There are a range of limitations and caveats which should be noted when interpreting this point-in-time analysis. The approach adopted in the paper is a "top-down" analysis of whether NDP investment outputs are aligned with the NPF growth targets. This approach allows us to compare investment levels across Ireland's three regions and five cities and elsewhere, however it does not take into account the existing infrastructure stock or needs of each region. The analysis could therefore be usefully supplemented in the future with an independent and consistent "bottom-up" gap analysis of what investment is needed in each region, city or growth centre in order to meet NPF growth targets.

The analysis in the paper compares the share of planned projects in each region and city with the projected share of population growth as per the NPF. Data is drawn from the Investment Tracker and MyProjectIreland mapping tool with over 700 projects. It should be noted that this is a point-in-time analysis and does not reflect all the investment which will take place over the next ten or twenty years. A continual monitoring of alignment will be necessary as investment plans are developed and expanded.

The data examined shows a clear spread in the number of investment projects across the three regions, largely in line with the NPF growth targets. Towns/Villages/Rural Areas have a higher share of total projects compared to the cities, however when examined based on projects over €20 million this comes into line with the NPF growth targets.

However, the regional cities in particular appear to have a lower share of investment projects over €20 million and €100 million compared to their planned growth, suggesting investment may be taking place in the wider regions rather than within the regional cities at present. It is important to note that this may change as new projects are identified and progressed for these locations.

Both the Northern and Western Region, and the Southern Region, have a larger share of URDF/RRDF funding than their planned share of growth.

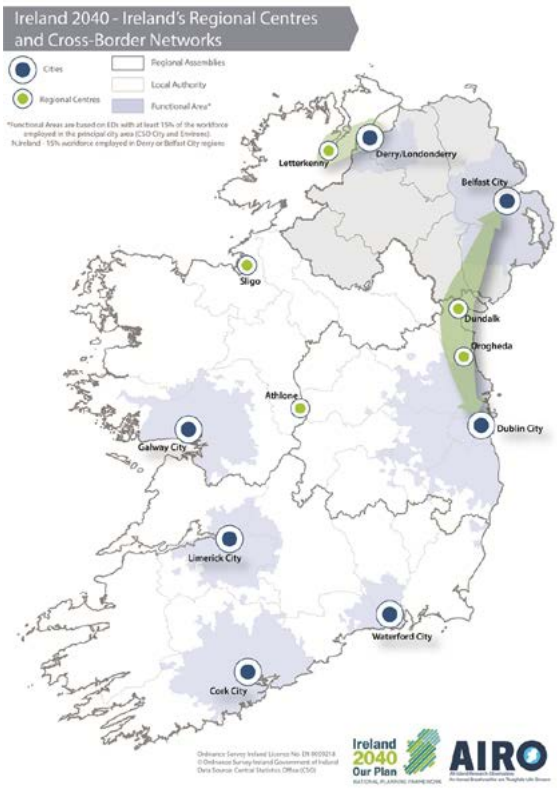


Figure 8.1-8.6 Comparison of investment projects and 2040 population growth targets

Figure 8.1: All Investment Projects by Region

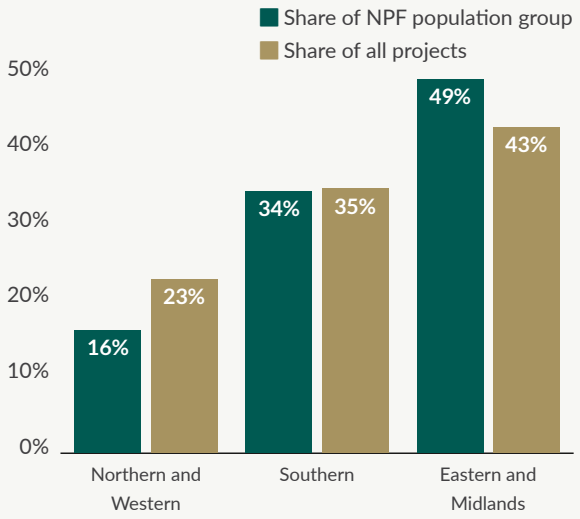


Figure 8.2: All Investment Projects by Settlement

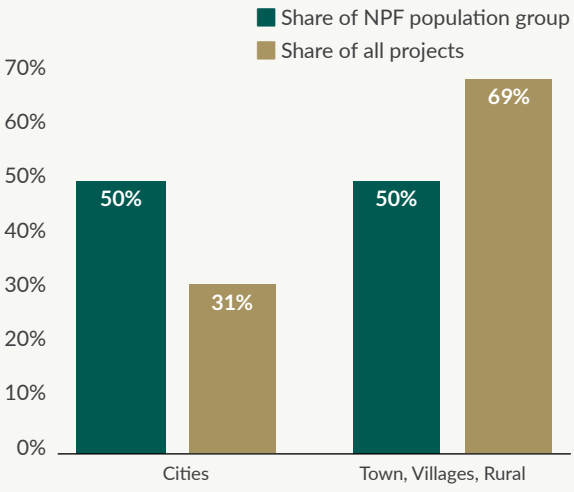


Figure 8.3: Projects over €20 million by Region

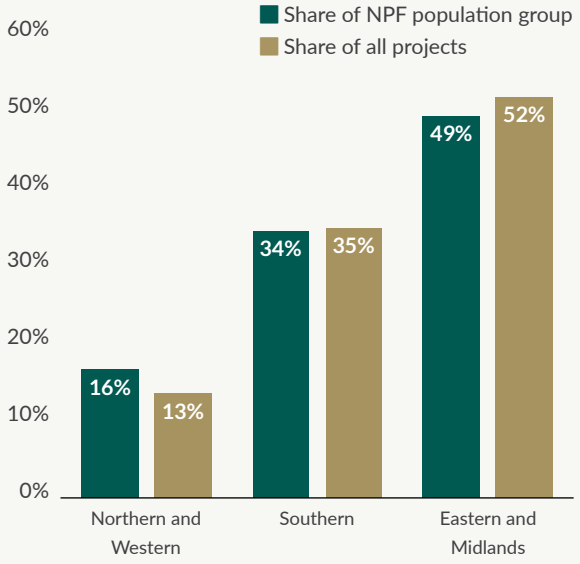


Figure 8.4: Projects over €20 million by Settlement

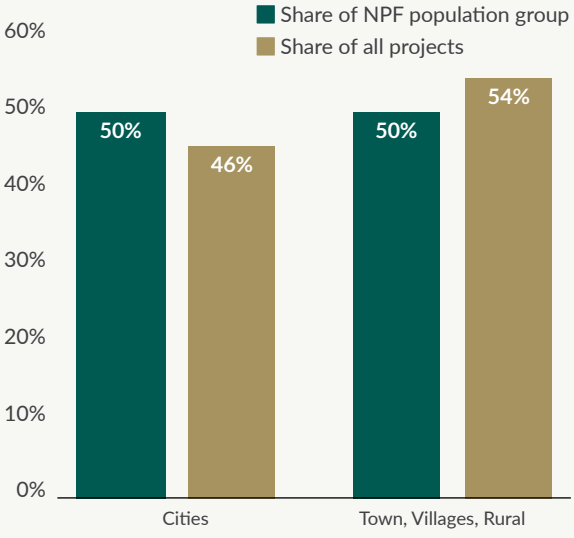


Figure 8.5: Project over €20 million in Cities

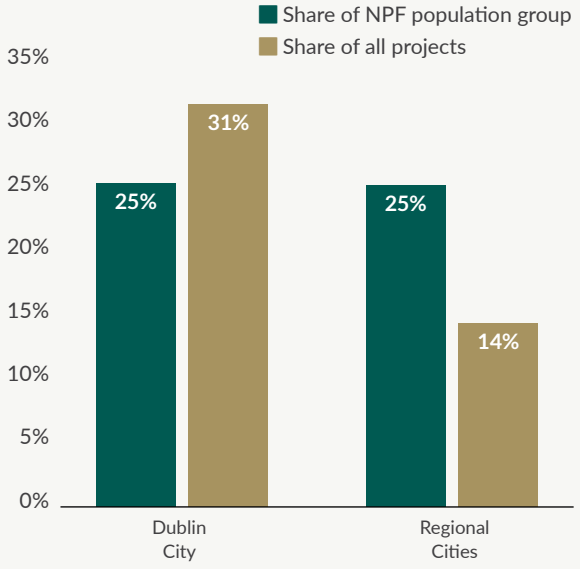
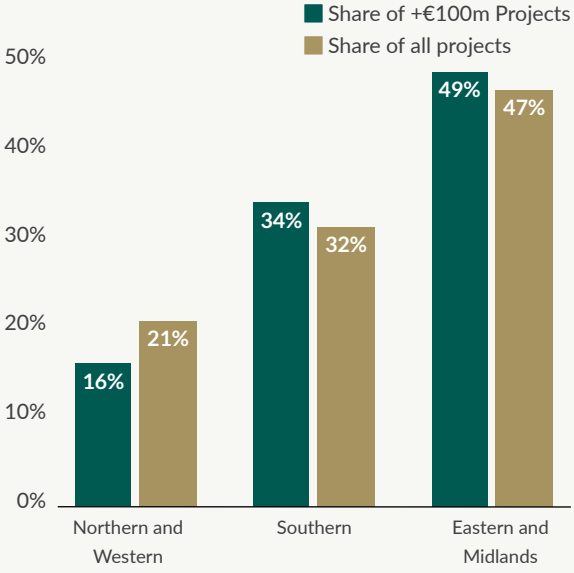


Figure 8.6: Projects over €100 million by Region



10.7. Proposed Measures

- The measures set out below have been proposed for implementation in order to help further embed the link between the National Development Plan and National Planning Framework:
- Proposals for the establishment of Project Ireland 2040 City Delivery Boards to drive investment in these locations in line with the NPF targets should be advanced.
- Departments should develop or update sectoral investment strategies to reflect and reference the specific regional, city and compact growth targets set out in the NPF as soon as practicable, based on the county level breakdown provided in the recently published ESRI paper on demographics and structural housing demand. In due course these can be further tailored following the adoption of the new County Development Plans.
- Departments and Agencies should as a matter of best practice consult the Department of Housing, Local Government and Heritage and the National Investment Office at an early stage when drafting sectoral strategies in order to ensure appropriate consideration of regional, city and compact targets of the NPF, rather than waiting until the strategy is being brought to Government.
- Departments should develop standardised project selection criteria in their sectors where not already in place. Where possible Departments should seek to include alignment with the regional, city and compact growth targets as a criteria in the selection of investments.
- Departments which have larger demand-led investment programmes should monitor the share of investment for each of the three regional assemblies and five cities e.g. in enterprise supports, retro-fitting, sports clubs etc.
- As part of the recently updated Public Spending Code (2019), a new Strategic Assessment stage has been introduced. A key element of this stage is to ensure the strategic fit of public investment proposals with government policy and in particular the National Planning Framework. In the preparation of Strategic Assessment Reports for public investment proposals, public bodies must ensure that strategic alignment with the NPF, and particularly regional, city and compact growth targets as appropriate, is addressed.
- Business cases for public investment proposals build upon the Strategic Assessment Reports and should provide more detail on strategic alignment, particularly with the NPF. The demand analysis and forecasts of future demand in business cases used should have regard to the forecast population change in the NPF.
- The National Investment Office will continue to develop better data on project/programme planning and delivery through the MyProjectIreland mapping tool and Investment Tracker and report to the Delivery Board on consistency and alignment within Project Ireland 2040.
- The National Investment Office will monitor strategy and investment alignment by region, city and compact growth on an annual basis in the Project Ireland 2040 Annual Report. The headline metrics used in this report will serve as the baseline which will be updated in the annual report to monitor progress. This may be developed and expanded to incorporate a wider spread of public investment.

Section 11:
PPP Review

11.1. Overview

As part of the NDP Review, DPER has undertaken a review of PPP policy, following consultation with the inter-Departmental PPP Steering Group. Broadly, the emerging conclusions of the Review find the PPP policy framework to be robust, and the current guidance (last updated on foot of a substantial review that concluded in 2018) to be fit for purpose with a track record of successful delivery. Hence, it remains an option for public procurement where this provides the best VFM.

11.2. Background

The total construction capital costs of the 30 PPP projects in operation/construction amounts to €5,425 million. The 2021 investment in the operational PPP projects will amount to approximately €350 million.

Significant infrastructure projects have been delivered on behalf of the State through the use of PPP procurement. The first such project was the construction of the Pilot Schools Bundle which was completed in 2002, thereafter followed the National Maritime College (2004), a number of major motorway projects from 2005 onwards, the Cork School of Music (2007), the Criminal Courts Complex (2009), the National Conference Centre (2010) and further Schools Bundles from 2010.

11.3. Current procurement pipeline

Phase 2 of the PPP stimulus programmes was announced as part of the 2015 Budget measures published in December 2014. The phase with a capital investment of €300 million was allocated for social housing. The programme has been split into 3 separate bundles, the first bundle consists of the construction of 534 houses across 6 sites, and the second bundle consists of 465 units across 8 sites. Bundle 1 has been substantially delivered, and Bundle 2 is under construction. The third social housing bundle is currently in pre-procurement.

The third PPP stimulus package phase was announced as part of Budget 2016 and was targeted at the Higher Education, Health and Justice sectors. The Higher Education and Health Bundles are currently at different stages of procurement, with the finalised Justice Bundle being prepared for procurement.

11.4. Key Messages

While largely Exchequer funded, the Public Capital Programme already draws on a number of different funding sources, including PPP and investments by commercial State bodies from their own resources. This diversification of sources is a strength.

The PPP framework is robust, and has a track record of successful delivery – including examples of successful risk transfer to the private partner, where challenges have occurred.

VFM should remain the main driver for PPP, with risk transfer forming an important element of that VFM as set out in the Completion of a Public Sector Benchmark guidance, available on the PPP.Gov.ie website.

The concepts involved in a shorter simpler model might be further investigated, in particular, in respect of Energy Performance Contracts.

The following measures will be developed further, assuming appetite to include a structured PPP component as part of the revised NDP.

- The feasibility of a specific initiative around Energy Performance Contracts will be further developed, as a method of financing improved energy efficiency of the public building stock where this can be funded by savings in energy budgets and on an off-balance sheet basis. The likely approach will be to structure a pilot bundle that can be evaluated to see if the outcomes achieved justify a wider application.
- Departments will continue to evaluate projects for suitability for PPP in line with the 2018 review, driven by the VFM of any specific project bundle.

11.5. What are EPCs

Energy Performance Contracts (EPCs) are a form of Public Private Partnership, but are significantly different from 'traditional' PPPs. Under an EPC, an Energy Service Company (ESCO) takes responsibility for undertaking the energy efficiency upgrade of a building.

The ESCO is responsible for ensuring that the works achieve a specified level of energy savings and the maintenance of any new equipment. In return, an agreed proportion of the resulting energy bill savings accrue to the ESCO rather than to the building owner. The capital costs associated with the upgrade can be met by the building owner, the ESCO or a combination of the two.

The National Development Plan committed to upgrading the energy efficiency of every building in the public sector to at least a "B" rating on the Building Energy Rating scale. On foot of this commitment, DPER, working with DECC and the EU Commission, commissioned a study on the indicative cost of this commitment. The NDP itself commits a total of €750m for public sector energy efficiency to 2027.

At the same time, clearly financing is only one piece in the mix; for EPCs to be worthwhile, it would need to be established that delivery capacity exists to actually achieve the desired volume of retrofit, in additional to all other NDP funded investments.

Section 12:
Reforming Oversight and Implementation

12.1. Overview

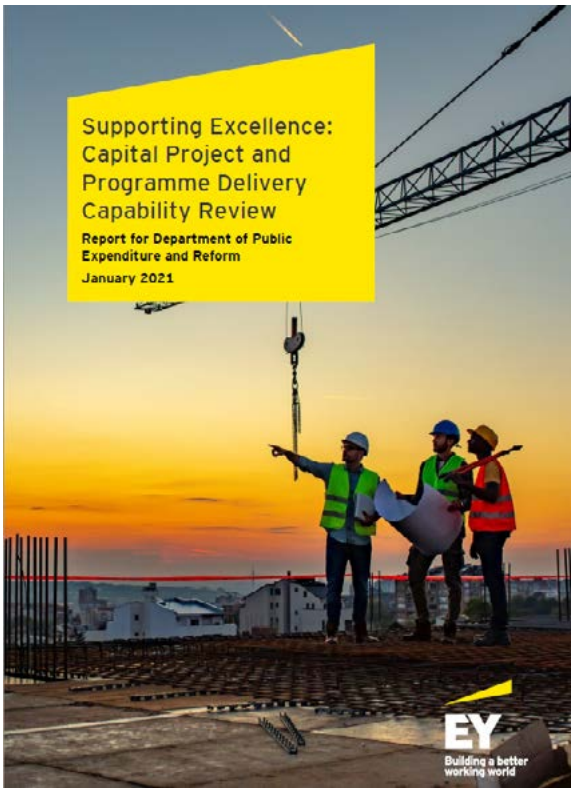
The current review of the National Development Plan provides an opportunity to reflect on and incorporate the lessons learned so far into the ongoing roll out of Project Ireland 2040. A key focus of the review of the NDP is on the capability and capacity of the public service to deliver the ambitious targets for investment that are set out in the plan. Building on recent reforms such as the update of the Public Spending Code, this chapter sets out a suite of reforms to strengthen the assurance arrangements and public sector capability to deliver Project Ireland 2040.

12.2. Report on *Capital Project and Programme Delivery Capability* in the Public Service

EY was commissioned in 2019 under the EU Commission's Structural Reform Support Programme (now the Technical Support Instrument) to undertake on behalf of DPER, a review of capital project and programme delivery capability in the public service. The report which has been finalised by EY provides a broad overview of the strengths and challenges in the public infrastructure system. It notes that there are pockets of advanced practice (e.g. Roads, Water infrastructure, HSE) but that some sectors, which will see a major ramp-up in capital investment over the NDP, require an upgrade in capacity. EY's proposed approach includes

1. greater preparation and planning before projects are approved;
2. enhanced policy supports and guidance from the centre, including from the National Investment Office (NIO) in DPER;
3. a specialist assurance function for major projects
4. development of the profession and the specialisms of public construction and project management;
5. promoting a culture of collaboration and peer learning across the sector and
6. a central research and advocacy function, building on the work to date of the NIO and Construction Sector Group.

The EY proposals are generally in line with the reform agenda already underway, including in relation to the external review assurance process also discussed in Section 9.3 below. Many of the report's recommendations are structural and medium-term in nature, and are consistent with the direction of reform being advanced by the Department of Public Expenditure and Reform in the context of the ongoing Review of the NDP, while certain recommendations – notably the establishment of an Action Team to develop a roadmap for implementation of certain aspects of the report – are intended for immediate action. A key recommendation in the report and in the context of the NDP Review, is that the NIO convene an Action Team comprising of relevant experts (including OPW, NDFA, OGP and the NIO) to set out a roadmap for implementation and also to configure the central infrastructure "backbone" of services that can more coherently support public sector construction and capacity development. An Action Team was established on 25th March 2021 and includes members from a small number of key line



12.3. 12.3 Strengthened Assurance Process for Major Public Investment Projects

Delivering greater value for money in the expenditure of public funds is a key element of all public investment policy. The majority of public investment projects are delivered on budget and on time and there is a high level of professionalism across the sectors.

The update of the Public Spending Code in 2019 combined with lessons learned from domestic projects and international best practice highlighted the need for more structured scrutiny of major public investment projects, particularly in the areas of planned delivery, costing and risk. This is to ensure that Government is making decisions with a full picture of the proposal, its costs, risks and benefits.

Major public investment projects are considered to be those with an estimated project cost in excess of €100 million. There are over 50 projects in this category in the Exchequer funded element of the NDP.

Domestic and international evidence consistently shows that the greatest impact on improving project outcomes comes from careful project preparation. External reviews from an independent party can be instrumental to enable good project and investment governance.

Detailed analysis by DPER's National Investment Office, supported by a cross sectoral working group,

has concluded that two new elements are needed to strengthen the assurance process for major public investment projects to provide more structured scrutiny. These two elements are:

The introduction of an independent external review of projects over €100m at two major decision gates in the project lifecycle (when the preferred delivery option to achieve the objective is chosen and before a decision is taken as to whether or not to approve a project to go to tender); and

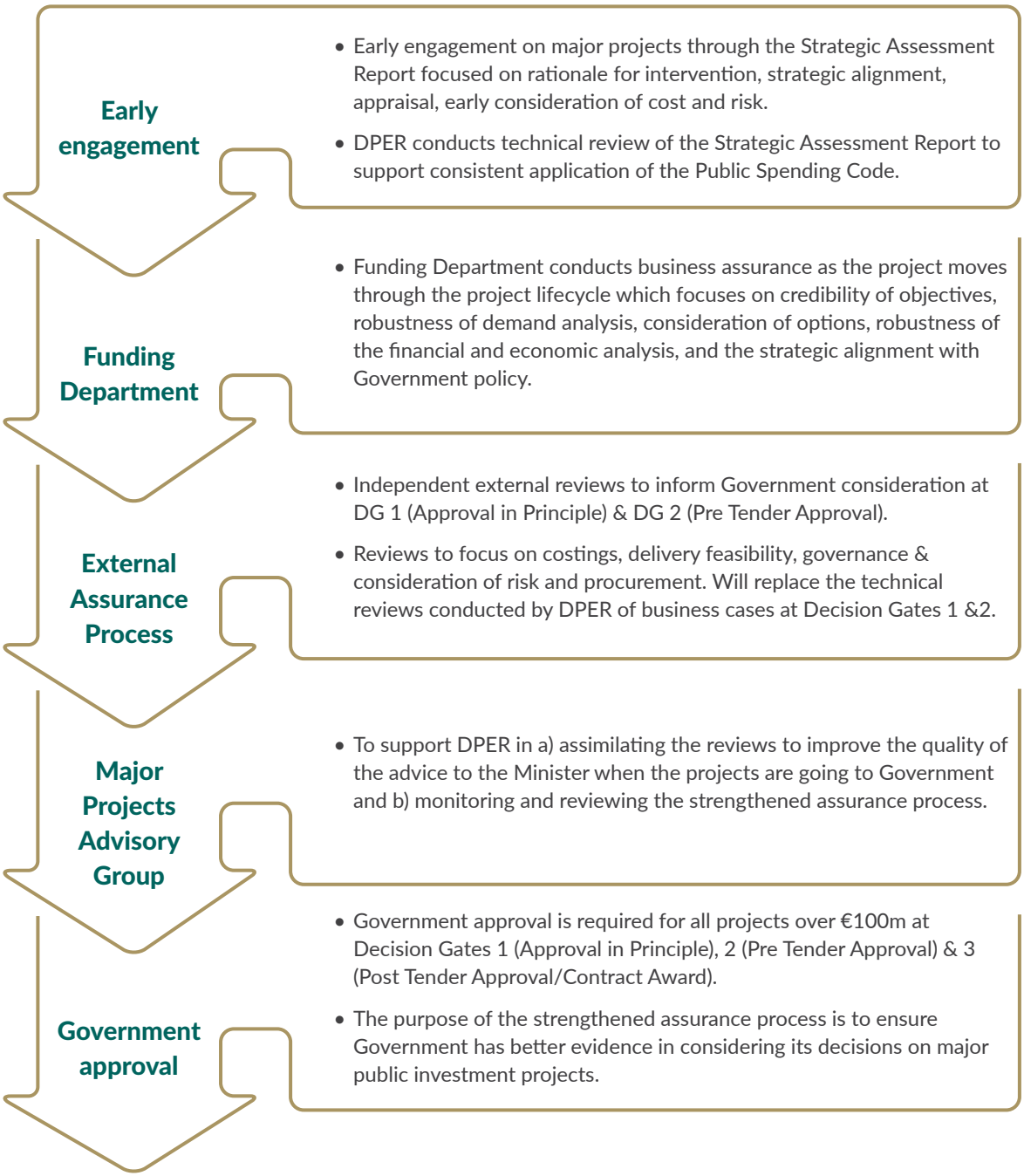
A Major Projects Advisory Group to support DPER in assimilating the outputs from the external reviews and support DPER in quality assuring the strengthened process.

The external peer reviews will be conducted by experts in infrastructure delivery. The reviews will consider key issues including:

- Robustness of planned delivery;
- Accuracy of cost forecasts;
- Consideration of risk; and
- Appropriateness of governance and procurement strategies.

DPER is developing a framework of appropriate external expertise that will be in place in early Q3 2021. A notifying circular will issue in advance to activate the process.

Figure 12.1: Strengthened Assurance Process for Major Public Investment Projects *(new elements in green)*



12.4. Refresh of Project Ireland 2040 Delivery Board

The Project Ireland 2040 Delivery Board made up of Secretaries General from the main capital spending Departments and one external member was established in 2018 and meets regularly to ensure effective leadership of the implementation of the Project Ireland 2040, which encompasses both the NDP and the National Planning Framework. Given the review of the National Development Plan currently underway, it is timely to re-consider and refresh the operations of the Delivery Board.

At present the Delivery Board is made up of ten Secretaries-General from the main capital spending Departments along with the Chair of OPW and one external independent member; and it is co-chaired by the Secretary General of DPER and the Secretary General of the Department of Housing, Local Government and Heritage. As a matter of good governance the Government decided on 2nd March 2021 to introduce up to four additional external members to bring additional expert knowledge, independent and regional perspectives, and an enhanced challenge function to bear within the deliberations of the Delivery Board; and to enhance its reporting functions via the Minister for PER and the Minister for Housing, Local Government and Heritage to the Government.

Expressions of interest are currently being sought for new members through the Public Appointment Service run State Boards website. The addition of external members with specific expertise in the delivery of infrastructure will bolster the operation of the Board and will improve the overall governance arrangements for Project Ireland 2040. Candidates will be sought with a good mix of experience in project delivery from both the public and private sectors perspectives, and with skills relevant to the themes underpinning the revised NDP including environmental aspects of investment, regional perspectives and the role of investment in supporting enterprise and innovation. It is also proposed that the chair of the proposed Major Projects Advisory Group will become an ex-officio member of the new Board and act as one of the new external members (see Section 9.3 above).

The Terms of Reference for the refreshed Delivery Board are in continuity with the existing ToR.

12.5. CWMF Review

The Office of Government Procurement Construction Policy Unit launched an ongoing review of procurement policy for public works projects in 2019. The review encompasses a significant body of work in a sector that generates considerable media attention. It will deliver significant changes to the Capital Works Management Framework (CWMF) over the coming years and will involve extensive engagement both with industry stakeholders and with the public bodies charged with the delivery of capital projects.

There are two distinct engagements on public works projects where procurement comes into play:

- Consultant technical professionals who advise public bodies on all aspects of project delivery including design; and
- Building and civil engineering contractors and their respective supply chains.

A 2014 report into the performance of the public works contracts highlighted poor project definition as a significant cause of cost overruns and delays on public works projects. The focus in the review will be on improving risk management and the standard of information produced throughout the different project delivery stages to address deficiencies in project definition.

Objectives and principles have been developed with the Government Contracts Committee for Construction (GCCC) to guide the review. Approved reforms will be implemented through the progressive refinement and enhancement of the CWMF.

The review is considering the many issues that are impacting on the successful delivery of public works projects, it involves consultation with public sector and industry bodies on solutions to the issues identified to ensure that sustainable assets are efficiently delivered within the available budget. The work will compliment and provide the means to implement many of the reforms currently being undertaken as part of the revised Public Spending Code. It will also explore the possibility of digital project delivery throughout the project lifecycle.

The first phase of the review of the CWMF will address the manner in which construction technical professionals (the architects, engineers, quantity surveyors, etc. who typically plan, design and oversee construction projects on behalf of public bodies) are engaged. By clarifying the terms of their engagement and the quality of their outputs significant improvements will be delivered in the construction phase. The engagement of contractors will form the second phase of the review.

In addition to reforming the manner in which we engage professionals and contractors there are a range of issues that are impacting successful outcomes that will also be addressed and implemented.

The work programme for 2021 includes the following:

- Risk Management – range of measures to be applied, for example, training, risk premiums, guidance;
- Managing price inflation pressures;
- Reflecting quality in the award of contracts;
- Liability, indemnity and insurance;
- Performance evaluation;
- Encouraging collaborative behavior; and,
- Adoption of BIM on public works projects.

In addition to the ongoing CWMF review, the OGP has established a Commercial Skills Academy to provide necessary commercial skills training for Public Service managers who are responsible for managing capital projects under the NDP, to enhance awareness and understanding of commercial skills and best practice approaches to apply throughout the entire project lifecycle.

Section 13:
A Shared Island

13.1. Policy Context

The National Development Plan and the National Planning Framework set out a positive vision for the future of the island of Ireland. The 2020 Programme for Government chapter on Shared Island represents a significant development of the Government's commitment to strategic cooperation and collaborative investment on the island. The review of the National Development Plan is a timely and important opportunity to provide that the Government's commitment to support regionally-balanced sustainable development, prosperity and societal connections across the island, which is central to the Shared Island initiative, is fully reflected in public investment strategy for the years ahead.

13.2. Background

The National Development Plan and National Planning Framework include a number of objectives and commitments to support sustainable development on the island, which centre on a cross-border partnership approach to coordinated planning and public investment.

The NPF sets out 9 National Policy Objectives in this respect across the areas of: working together for economic advantage; coordination of investment in infrastructure; and, managing our shared environment responsibly.

These objectives emphasise cooperation with Northern Ireland Executive Departments; supporting cross-border regional cooperation at Local Authority levels; working with the UK Government; and, harnessing the opportunities of our EU Membership to meet shared planning challenges on the island of Ireland. The NPF also explicitly recognises the importance of a cooperative approach in realising the full potential of the North-West, the Central Border region and the Dublin-Belfast corridor.

The objectives of the NPF will continue to guide the approach under the reviewed National Development Plan to planning and investment on a cooperative all-island basis.

The NDP set out a number of priority investment actions for a connected island, and recognised the need for planning and investment to address the challenges raised by Brexit. The indispensability of a strong all-island partnership approach, including through the North South Ministerial Council and the work of the North-South Implementation Bodies is also emphasised.

NDP priority actions include: developing North/South research and innovation capability; attracting new investment in Border regions; capital investment in support of cross-border sustainable transport, North-South energy networks and all-island tourism; and significant investment in connectivity on the island through improved roads and public transport as well as international access and supply chains through our ports and airports, and investment in the skills of our people through education and training institutions.

The Government's specific commitments to cross-border investment under the 2015 Fresh Start agreement were also affirmed in the NDP, as was the importance of successful implementation of the PEACE and INTERREG programmes, which reflect the European Union's continuing commitment to supporting peace and reconciliation on the island.

In 2020, the new Programme for Government set out a series of commitments and objectives for a Shared Island, including a number of new investment and planning priorities, and taking account of enhanced Government commitments to cross-border initiatives made as part of the New Decade, New Approach agreement in January 2020.

In Budget 2021, as part of the Shared Island initiative, the Government announced the establishment of the Shared Island Fund, with €500m in capital funding being made available over 2021-25, ring-fenced for investment in collaborative North/South projects.

This funding is being allocated to Government Departments and Agencies on the basis of approved collaborative North/South projects in line with Programme for Government commitments and priorities on Shared Island.

Allocations from the Shared Island Fund for approved projects will be made alongside funding from other public funding sources, and in collaborative investment approaches with the Northern Ireland Executive and UK Government.

The Shared Island Fund provides ring-fenced capital resourcing for a significant new pipeline of cross-border investments over the next five years, which is additional to existing capital and current funding provision by the Government in support of all-island cooperation and the Good Friday Agreement. The additionality of the Shared Island Fund to existing capital commitments will be essential to reflect in the review of the National Development Plan and capital allocations to Departments.

The [forthcoming] National Economic Recovery Plan sets the priorities and objectives for Ireland's medium-term economic recovery and takes account of the Government Shared Island commitments and objectives, including to grow and enhance the all-island economy as a driver of sustainable development and employment on a regionally-balanced basis.

Integration of Shared Island priorities and objectives across other key Government policy development processes will also be an important task, to be reflected in the reviewed and extended NDP.

13.3. Implementation

Since the launch of the NDP, over the last three years, there has been significant progress with the priority actions and objectives, including on:

- Brexit mitigation actions with over €1billion in resourcing since 2016, including the €340million allocated to Brexit measures as part of Budget 2021.
- Investment in road infrastructure improvements to support connectivity in border regions including on the N4 and N56 and development progress on the N13, N14 and N15.

- Completion of Phase 1 and launch of Phase 2 of the restoration of the Ulster Canal
- Agreement with the Executive to progress a strategic review of rail connectivity on the island, including the examination of feasibility of high-speed rail and improvements in journey times.
- Support for the North-West Strategic Growth Partnership between Donegal and Derry, including through the North West Development Fund.
- Ongoing support for cross-border health services and for the North South Implementation Bodies.
- Total funding of €566m has been awarded to projects to support the *successful implementation by the Special EU Programmes Body of the 2014-2020 PEACE IV and INTERREG VA programmes. This is comprised of co-funding from the EU, the Irish Government and the Northern Ireland Executive.*
- Development of the 2021-27 PEACE PLUS cross border EU programme, combining the existing PEACE and INTERREG EU funding strands, with a total value of €1 billion funded by the European Union and the UK Government, together with the Northern Ireland Executive and the Irish Government, to support peace and prosperity focussing on Northern Ireland and the border counties of Ireland.

The reviewed and extended National Development Plan will provide the strategic context for Government investment in a new generation of collaborative North/South projects in the years ahead, that can meet the level of ambition set by Government in the Shared Island initiative, to build a more connected, sustainable and prosperous island. This will be provided for over the April-June period including through cross-Departmental engagement on Shared Island priorities and projects; consultation with the Northern Ireland Executive on capital investment and planning priorities; and, engagement with cross-border Local Authority partnerships on strategic investment and planning priorities.

13.4. Programme for Government

The Programme for Government makes a range of commitments on a Shared Island which are related to public investment and will need to be reflected and developed in the reviewed and extended NDP, including those to:

- Work with the Northern Ireland Executive to deliver key cross-border infrastructure initiatives, including the A5, the Ulster Canal, the Narrow Water Bridge and cross-border greenways.
- Work with the Executive and UK Government to achieve greater connectivity on the island of Ireland.
- Work with the Executive and UK Government to commit to investment and development opportunities in the North West and Border communities.
- Support a North/South programme of research and innovation, including an all-island research hub.
- Enhance, develop and deepen all aspects of North/South cooperation and the all-island economy.
- Continue to deepen and strengthen North/South health links.
- Seek to adopt an all-island approach to national planning frameworks.
- Promote an all-island approach to land use planning and river basin management plans to stop cross-border pollution.
- Seek to develop an all-island strategy to tackle climate breakdown and the biodiversity crisis.
- Support delivery of the PEACE IV [an INTERREG VA] programmes and work with our EU partners and the UK Government to secure the necessary funding for an EU PEACE PLUS programme.
- other relevant commitments across the PfG.

Section 14:
Conclusions and Next Steps

14.1. Overview

The considerable work produced in the sections above and in the supporting papers provide the evidence base to underpin the prioritisation decisions to be taken in Phase 2 of the review of the National Development Plan. It is clear that there is a demand for infrastructure investment and this 10-year strategy will be required to support the social, economic, environmental and cultural objectives for Ireland in the coming decades. The evidence highlights areas where there are emerging and urgent infrastructure gaps which will need to be addressed as part of the 10-year strategy. However, there is also evidence to highlight the capability challenges that will need to be met by the public sector and the Irish construction sector. In making decisions as part of Phase 2 and in building for the future, it is important that investment in our economy is smart, well-planned, well-targeted and well-managed so that it delivers balanced regional growth. This focus on the delivery of efficient and cost-effective public infrastructure will need to be the key focus to ensure Ireland achieves the desired objectives of the National Development Plan.

Key findings are as follows:

- The review of the NDP provides an opportunity to reassess investment plans, particularly in light of the new Programme for Government and the ongoing impacts and recovery from Covid-19.
- There has been significant progress in delivering a range of infrastructure projects throughout the country, since the launch of Project Ireland 2040.
- The review of the NDP needs to be cognisant of the supply side capacity constraints which have been evident in recent years alongside the strong demand for investment. A range of measures are being taken by industry and government to increase supply capacity.
- Any increase in public investment to meet demand needs to be sustainable over the lifetime of the ten year plan in order to reduce risks of over-heating and poor value for money.
- In terms of demands, historical trends in public capital investment indicate that most investment has been contained within four sectors; Housing, Transport, Education and Health.
- However, while there are demand pressures across all sectors examined, the evidence suggests that housing and climate action are the areas where demand for investment is most acute.
- While the majority of public investment is focused on infrastructure the NDP needs also to include investments required for a strong knowledge economy in areas such as enterprise development and R&D. Investment in culture and heritage can also play an important role in regeneration and tourism investment can contribute to Ireland's economic recovery.
- On Climate Action, a number of steps will be followed in the incorporation of climate and wider environmental considerations into the new NDP. This will include an assessment of sectoral spending proposals against a range of environmental outcomes to ensure their investment priorities are aligned Ireland's climate and environmental objectives.
- On Housing and the need for balanced regional development, delivering the right kind of housing in the right locations is critical to the successful delivery of Project Ireland 2040 and thereby underpins the entire plan. NESC analysis and sectoral commitments to ensure alignment with the National Planning Framework will strengthen the commitment to develop regional cities and towns.
- The demands set out as part of the public consultation and early engagement with each of the Government Departments will underpin decisions that will need to be taken in phase 2 of the review of the NDP before setting out sectoral allocations for the upcoming 10-years.
- Ensuring the correct balance of prioritisation and sectoral allocations is only one component of the new NDP. Given the capacity challenges and the need to achieve significant structural reform with the resources permitted, there needs to be a renewed focus on delivery through reforms on governance, oversight and implementation.
- The recently published *Supporting Excellence: Capital Project and Programme Review Delivery* (EY; commissioned by the EU Commission's Structural Reform Support Programme) will assist in providing a framework to allow more coherent support for public sector construction and capacity development across all sectors.
- Allied to this, an independent external review of projects over €100m will be introduced at two major decision gates in the project lifecycle (when the preferred delivery option to achieve the objective is chosen and before a decision is taken as to whether or not to approve a project to go to tender).
- In conclusion, the evidence highlights areas where there are emerging and urgent infrastructure gaps which will need to be addressed as part of the 10-year strategy. However, in making decisions as part of Phase 2 and in building for the future, it is important that investment in our economy is well-planned, well-targeted and well-delivered. This focus on the delivery of efficient and cost-effective public infrastructure will need to be the key focus to ensure Ireland achieves the desired objectives of Project Ireland 2040.

The Key Next Steps for the NDP:

- The work carried out as part of Phase 1 will underpin the decisions to be taken in Phase 2 of the NDP.
- As part of Phase 2 there will be further engagement between DPER and Departments, and input from the Project Ireland 2040 Delivery Board.
- The upcoming Stability Programme Update, due by end-April, will set the context for finalising the aggregate medium term capital ceilings. This will then allow for further engagement with Departments to agree 5 year capital allocations for approval by Government.

- The Irish National Recovery and Resilience Plan is due to be finalised and submitted to the EU by end-April. This will complement the commitments and high-level priorities that will be reflected in Phase 2 of the NDP.
- The climate impact methodology to be applied to indicative priority projects will be finalised and Departments will be asked to assess the impact of their priorities on the achievement of Ireland's climate targets.
- In relation to governance and oversight, the Action Team for Supporting Excellence will be established in the spring and a roadmap for implementation of the recommendations will be completed as part of Phase 2. This roadmap will configure the central infrastructure "backbone" of services that can be utilised to more coherently support public sector construction and capacity development.
- The development of an External Assurance Process will be further developed, with a view to establishing a framework of expertise by end-summer 2021.
- The reviewed and extended National Development Plan will provide the strategic context for Government investment in a new generation of collaborative North/South projects in the years ahead, that can meet the level of ambition set by Government in the Shared Island initiative, to build a more connected, sustainable and prosperous island. This will be provided for over the April-June period including through cross-Departmental engagement on Shared Island priorities and projects; consultation with the Northern Ireland Executive on capital investment and planning priorities; and, engagement with cross-border Local Authority partnerships on strategic investment and planning priorities.
- Finally, the new NDP will set out revised sectoral capital allocations for the upcoming 10-year period, including non-Exchequer investment, as well as providing a renewed focus on delivery of efficient and cost-effective public infrastructure.

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Prepared by the Department of
Public Expenditure and Reform

Rialtas na hÉireann
Government of Ireland