



Rialtas na hÉireann
Government of Ireland

Response to Ireland's Competitiveness Challenge 2021

Publication of the Government's response
to the National Competitiveness and
Productivity Council report

30th November 2021

Government Response to Ireland's Competitiveness Challenge 2021

This is the second formal response issued by Government to the Competitiveness Challenge Report published by the National Competitiveness and Productivity Council (NCPC).

Ireland's Competitiveness Challenge 2021 was published on 21 September 2021 and since then the recommendations of the report have been given careful consideration by Government. The Government firmly recognises the importance and value of the Council's work in assessing Ireland's competitiveness and is committed to addressing the Council's recommendations.

Ireland's Competitiveness Challenge 2021 continues to be framed by the economic impact that COVID-19 has brought Ireland. In this context, the Council has identified five key areas that address both immediate competitiveness issues, and more medium-term challenges, aimed at enhancing Ireland's competitiveness and productivity performance.

These five areas are to address:

- Immediate Issues Facing the Irish Economy;
- Dynamic Business Environments;
- Boosting Productivity;
- Infrastructure for a New Way of Living; and
- A Sustainable and Inclusive Economy.

Across these priority areas, a set of twenty actions are proposed by the NCPC for consideration by Government. The Government welcomes the focus of the NCPC on these priority areas and agrees both on their importance and relevance to Ireland's continued competitiveness.

The following response outlines how the Government is responding or will respond to the priority areas and actions proposed by the NCPC.

Immediate Issues Facing the Irish Economy

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

Responsibility: Department of Enterprise, Trade and Employment

As the country transitions into the next phase of its pandemic response, small and micro companies will need to have access to a restructuring framework which provides fundamentally viable businesses with a genuine opportunity to restructure. The Companies (Rescue Process for Small and Micro Companies) Act 2021 is part of a suite of measures adopted by Government to provide a sustainable regulatory response to the challenges currently facing small and micro businesses across the country.

In addition to SCARP, work is at an advance staged on information materials for business, creditors, and employees, which will be made available in advance of the Act's commencement, scheduled for November 2021.

Information provided will be user-friendly and explain the technical detail of the process in accessible language. Topics covered in the material will include:

- An overview of the provisions of the Act
- Eligibility criteria
- Explanation of technical terms
- Creditors' rights
- Employees' rights

While it is anticipated that the Small Company Administrative Rescue Process (SCARP) will be a positive addition to the country's insolvency regime, at this stage it is difficult to anticipate the initial level of uptake of the process. Government will continue to monitor developments in this area closely in the period ahead.

Dynamic Business Environment

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

Responsibility: Department of Justice

The recently completed Review of the Administration of Civil Justice put forward two options reflective of the majority and minority positions of the Review Group. The majority view proposed non-binding guidelines, which would help to improve certainty and transparency of the legal costs. The minority view suggested a table of maximum costs, with suitable safeguards to deal with exceptional circumstances.

In response to this, a request for tender was issued for the undertaking of cost-benefit modelling and analysis of both options, along with identifying any other potential options that may serve to reduce legal costs. It is expected that a contract will be awarded shortly and this work can commence, with an expected end date of H1 2022. Subject to legal assessment, these outputs will inform the development of policy and legislative proposals.

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

Responsibility: Department of Justice

Following their development and submission in December 2020, the Judicial Council adopted the Personal Injuries Guidelines on 6 March 2021 and came into effect on 24 April 2021. The Government's Action Plan on Insurance Reform commits to review the early impact of the Guidelines on damages awards by December 2021. Identifying the early impact of the Guidelines will require sourcing and examination of data from areas where the level of case resolution is highest, within the period April-October/November 2021. Work on sourcing this data is underway.

Evidence from the Personal Injuries Assessment Board (PIAB) published in October 2021 notes that, since it has applied the guidelines average awards are 40% lower than the average 2020 award. Regarding the value of the awards, 48% are €10,000 or below under the Guidelines, compared to only 12% in 2020.

Reporting of the impact of the Guidelines will require ongoing inputs from the PIAB and the National Claims Information Database in the short-term, as well as the Courts when and if the small number of cases being assessed via that method reach that point for final adjudication.

The Government will continue to monitor closely developments following the introduction of the Personal Injury Guidelines as part of its Action Plan on Insurance Reform, being led by the Department of Enterprise, Trade and Employment, and the Department of Finance.

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

Responsibility: Department of Finance

The Government welcomes the focus of the NCPC on the Irish banking sector.

In light of the changes currently taking place in the Irish retail banking sector, which reflect the wider challenges banking is facing globally, it is intended that a broad-ranging review of the retail banking sector will take place.

This review will look at expectations of the sector, competition, consumer protection and choice, the sector's role in the provision of sustainable credit, the availability of credit to SMEs from both banks and non-banks, and options to further develop the mortgage market. The structure and delivery channels of the retail banking sector will also be assessed as part of this review.

The Terms of Reference for the Review were published on 23 November 2021. Recommendations from the Review will be subject to Government approval and implemented in accordance with such approval.

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

Responsibility: Department of Enterprise, Trade and Employment

The Future Growth Loan Scheme provides low-cost lending for SMEs and small mid-caps, for terms of between seven and ten years. The Scheme was launched in 2019 with a tranche of €300 million. To accommodate the significant unmet demand, the Scheme was expanded by a further €500 million in lending in July 2020, and the majority of this additional lending has either been approved or is in the lenders' pipeline for approval.

While it is early in the lifecycle of the Scheme for a full economic evaluation, the importance of developing insights as to the effectiveness of the scheme as early as possible is recognised. The terms of reference for a "Review of the Future Growth Loan Scheme" have been developed and a Steering Group established to oversee and direct this work. A public procurement process has been completed and, October 2021, a consultant has been appointed in to undertake the research. It is expected that this work will be completed in Q3 2022 and the findings will be used to inform the design of any further long-term investment loan scheme that may be developed.

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

Responsibility: Department of Enterprise, Trade and Employment

Work on progressing the proposed Sick Leave Bill 2021 is being prioritized by the Government, and it is intended to have legislation in place for 2022.

In the first instance, the proposed legislation will provide for a replacement rate of 70% of gross salary for a duration of 3 working days in a calendar year. Coupled with the 70% rate of pay, the application of a daily earning cut-off point of €110 will ensure that employers do not face excessive costs.

The Bill is primarily intended to provide a minimum level of protection to low paid employees, who may have no entitlement to company sick pay schemes and this legislation will not prevent employers offering better sick pay terms or unions negotiating for more through a collective agreement.

Boosting Productivity

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

Responsibility: Department of Enterprise, Trade and Employment

The Government's Economic Recovery Plan sets out, through its four pillars, how the Government will navigate the immediate recovery, and also the accelerating challenges and opportunities the country faces. The plan will help build resilient, productive, and profitable businesses that attract investment and create employment.

The Government, through the Department of Enterprise, Trade and Employment, has signed an agreement with the Economic and Social Research Institute (ERSI) to put in place a joint research programme. The focus of this programme will be to develop our understanding of the factors explaining productivity levels and differentials particularly in the SME sector with a view to informing enterprise policy and the design of enterprise programmes.

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

Responsibility: Department of Enterprise, Trade and Employment

The right to request remote work is part of a broader Government vision to make remote working a permanent feature of Ireland's workforce in a way that can benefit all. The commitment to introduce legislation to underpin employees' right to request remote work was made in the national Remote Work Strategy published in January 2021. The proposed Bill will set out a clear framework to facilitate remote and blended work options, in so far as possible. It will ensure that when an employer declines a request, there are stated reasons for doing so.

Informed by the submissions to a 5-week public consultation and a review of international best practice, the drafting of the general scheme of the Bill has commenced and Cabinet approval for the drafting of the heads of the Bill will be sought shortly.

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

Responsibility: Department of Finance

As part of the national remote working strategy: 'Making Remote Work', the Tax Strategy Group (TSG) reviewed the current tax arrangements for remote working in respect of both employees and employers. The TSG paper outlines the effects of COVID-19 on remote working in Ireland, provides an international comparison of remote working tax rules, sets out options for consideration with regard to enhancing the tax arrangements for both employers and employees in respect of remote work.

It was announced in Budget 2022 that current tax arrangements would be enhanced and formalised, so that an income tax deduction at the taxpayer's marginal tax rate, amounting to 30% of the cost of vouched expenses for heat, electricity and internet services in respect of those incurred while working from home, can be claimed.

This measure is being legislated for in Finance Bill 2021 and it will apply with effect from 1 January 2022. Claims for the Remote Working Relief will be submitted through Revenue's online system which will enable individuals to claim tax relief in real time throughout the year.

The existing administrative practice, whereby Revenue allows an employer to make payments of up to €3.20 per day to employees, subject to certain conditions, without deducting PAYE, PRSI or USC will remain in place.

Revenue also allow for the provision of equipment, such as computers, printers, scanners, and office furniture by the employer to enable the employee work from home without attracting a benefit-in-kind charge, where the equipment is provided primarily for business use.

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

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

The National Broadband Plan (NBP) State led intervention is being delivered by National Broadband Ireland (NBI) under a contract which was signed on 19 November 2020, providing that a future proofed high-speed broadband network will be deployed by NBI.

Over the 25-year project, it is expected that over 600,000 premises will be connected including new builds. NBI commenced connections to the new fibre network in January of this year. Almost 17,000 premises have been passed and are available for connection in Counties Cork, Cavan, Galway, Limerick and Monaghan. In addition, over 10,000 premises are available for pre order which means that they will be connected in the coming months.

Broadband Connection Points (BCPs) are among the first premises for delivery under the National Broadband Plan. They are publicly accessible sites that serve areas without reliable high-speed broadband, including isolated communities in rural areas and on many of our offshore islands. As of 1 October, 379 BCP sites have been installed by National Broadband Ireland (NBI) and Vodafone Ireland. An additional 16 ‘Remote Work BCPs’ are planned for connections by end Q1 2022. Government and NBI have also recently agreed to accelerate the rollout of high-speed broadband to some 679 primary schools across the State by the end of 2022.

The Department of the Environment, Climate and Communications has worked closely with NBI to put in place a remedial plan under the Contract. This plan addresses delays experienced by NBI, primarily arising as a result of the COVID-19 pandemic, and re-baselines milestones for 2021. Work is underway to re-baseline milestones for 2022 and beyond. The Department also continues to engage with NBI to explore the feasibility of

accelerating aspects of the NBP rollout to explore possibly bringing forward premises which are currently scheduled in years 6 and 7 of the current plan to an earlier date.

A governance structure has been established within the Department to monitor contract compliance and includes a NBP Senior Management Team and a number of NBI Engagement Groups.

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

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

The Government's Economic Recovery Plan commits to a higher and further education model centred on apprenticeships, transferrable skills and flexible education through:

- Reinvigorating Ireland's Skills Framework and architecture to minimise skills mismatches and ensure a skills approach routed in the digital and green transition.
- Expanding and streamlining lifelong pathways to achieve the target on lifelong learning of 18% by 2025.
- The new Action Plan for Apprenticeship 2021-2025, which will be rigorously implemented, to grow new apprentice registration to 10,000 per annum by 2025.

In addition, a €225 million investment for further and higher education and research under the National Recovery and Resilience Plan (NRRP) which will include:

- A significant skills package for upskilling and reskilling aimed at equipping workers whose jobs are unlikely to return, including a focus on digital skills transition and a new Green Skills Action programme;
- €40 million investment in the Transformation Fund for Technological Universities (TUs) to drive reforms in regional skills development and enterprise engagement, digital infrastructure and support staff development;
- €71.6 million investment in a research and innovation National Grand Challenges Programme which will focus on the need for a transition to a climate neutral and clean economy as well as the challenges of digital transition

Budget 2022 includes the provision of upskilling and reskilling opportunities for those in employment and for unemployed people, as well as the continued development and support of apprenticeship programmes. The 2022 allocation will:

- Provide 7,600 Further Education and Training places in key skills areas of the economy
- Provide training to support jobseekers and address climate and low carbon initiatives including through the NRRP that was announced in June 2021 with 8,900 places on skills to compete, 35,000 learners to avail of green skills modules and additional places on Retrofit and NZEB expansion;
- Continue to support and develop apprenticeships through off-the-job training places for 7,000 apprentices impacted by COVID, additional 3,000 payments to employers under the Apprenticeship Incentivisation Scheme and a new employer grant for apprentices will be introduced from January 2022

Government is committed to delivering on these commitments and is confident that these of initiatives will help enable flexible learning keep pace with future change and to ensure people return to sustainable jobs. The areas of influence encompass those struggling with basic literacy, to researchers working at the highest level on the global stage, and the policies committed to in Budget 2022 underpin those already underway through the Government's Economic Recovery Plan and NRRP.

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

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

A report on Management Skills and Practices in SMEs, entitled Leading the Way, was published by the Expert Group on Future Skills Needs in October 2020. The report highlights how essential management skills are to business productivity, resilience, and survival. Research has shown that firms who invest in management development grow faster, survive longer, and innovate more effectively. Improving management skills is seen by the OECD as a key lever in improving Irish SMEs' productivity performance.

Some of the report's key messages are that:

- Investment in Management Development must be recognised as a Commitment to the Future of each SME in Ireland.

- SMEs should value external sources of information, like Customers, Suppliers, Competitors, Universities, external Data Sources and Networks.
- SMEs need to focus more on HRM and Talent Management if they are to match international good practice.
- Better use of data, including Monthly Accounts, will lead to better Business Decisions.

An Implementation Group has been established to address the report's recommendations forward. The members are relevant Departments, agencies and representative groups, with an annually revolving Chairperson. The work of the Implementation Group is underway and the Group will report on progress with the recommendations actioned each year at its December meeting.

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

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

The development of a new national strategy for research and innovation (R&I) has been committed to in the Government's Economic Recovery Plan. Becoming a Global Innovation Leader and increasing public and private investment in R&I remain key objectives and the new strategy will identify actions to achieve these goals.

The public consultation on the strategy was held in June & July earlier this year. In total, over 115 submissions were received from a range of stakeholders. In late June, the Department held an online stakeholder event to discuss the issues raised in the consultation paper and inform the strategy. Further bilateral meetings with key groups of stakeholders have been held following the public consultation.

A number of key areas to the next strategy have emerged from this consultation, including thematic challenges such as climate change, digitalisation and public health. Discussion has also centred around the many cross-cutting issues that are essential for a well- functioning, fit for purpose research and innovation system, such as moving to an open research environment, addressing research infrastructure deficits, better coordination, and improving the capacity to maximise funding opportunities.

Development is ongoing, with the intention that the next strategy will set ambitious national strategic goals and objectives out to 2027. It is expected that the draft strategy will be submitted to Cabinet Committee and Cabinet before being published later this year.

Infrastructure for a New Way of Living

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

Responsibility: Department of Housing, Local Government and Heritage

Housing for All is a whole-of-Government plan, encompassing numerous policy areas, that will require a deep level of collaboration across Government with a strong focus on implementation throughout its lifetime.

The Plan includes a detailed set of actions, setting out the measures required to make progress towards the headline targets of the Plan. Each action has an agreed delivery timeframe and is assigned a lead actor with responsibility for implementation.

A Secretary General Delivery Group has been established and is responsible for ensuring the delivery of all aspects of Housing for All. There are three dedicated work streams under this group, chaired by relevant Department Secretaries General, on: Investment; Industry Capability; and Public Service Delivery. All groups are meeting monthly and have agreed work programmes for the period ahead.

The Housing for All Secretariat in the Department of the Taoiseach is responsible for the preparation of quarterly progress reports, which set out performance against the targets and actions set out in the Plan in a clear and comprehensible way. The first of these progress reports was considered by Government and published in October 2021, with the next report due in January 2022.

A Programme Delivery Office has also been established within the Department of Housing, Local, Government and Heritage to support implementation of the Plan across the Department, as well as Local Authorities and Approved Housing Bodies.

There will be strong ongoing engagement and consultation with stakeholders as the Plan is implemented.

In addition, the actions in Housing for All will be reviewed and updated on an annual basis, including timeline, and responsibilities, to sustain momentum on delivery during the lifetime of the Plan.

An implementation fund of €7 million annually has been established to ensure that sufficient targeted resources and expertise are in place across Governments Departments to expedite delivery of the Plan.

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

Responsibility: Department of Housing, Local Government and Heritage

Housing for All implementation processes include the publication of quarterly progress reports which set out performance against the targets and actions set out in the Plan in a clear and comprehensible way.

The first progress report, covering Q3 2021 actions, was published on 20 October 2021. Reporting on Q4 2021 actions is underway and will be published in mid-January 2022.

Updates on ‘ongoing’ actions will be reported bi-annually in Q2 and Q4 each year to ensure effective implementation of these actions. The first report on ongoing actions will be in Q4 2021.

Given the size, scale and ambition of the Housing for All plan, a data analytics stream has also been established to support the delivery of its objectives.

Building on the lessons from management of the COVID-19 pandemic, specifically the value of having timely data and information to make decisions/take action, this stream will comprise expertise in the area of data analytics/insight generation and monitoring.

This will support the measurement of progress and the early identification of issues/blockages, allowing corrective action to be taken.

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

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

The Department of Housing, Local Government and Heritage is committed to ensuring that planning authorities are appropriately resourced to meet the demands of Housing for All and the National Development Plan. For that reason, Housing for All, refers to the need in Action 24.1 to ensure that there is sufficient resourcing to meet the scale of ambition in the plan. In particular, reference is made to the need for planning resources

to deliver an average of 33,000 units per annum, as well as the skills and resources necessary to deliver on urban regeneration and town centre first, which relate to both Planning and Economic Departments of local authorities.

Engagement on this Action has taken place at a meeting of Chief Executives of local authorities in September. An in-depth review of the appropriate resourcing of local authority planning offices, including necessary technical planning expertise, is currently being undertaken by the Local Government Management Agency and the Department of Housing, Local Government and Heritage.

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

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

Ensuring the provision of accessible, affordable, high-quality, and sustainable Early Learning and Care (ELC) and School-Age Childcare (SAC) is a Government priority. The Government's First 5 strategy commits to at least doubling investment in ELC and SAC by 2028 (from the baseline of €485 million in 2018 to at least €970 million by 2028). The Expert Group, convened in 2019, has been tasked with examining the current model of funding ELC and SAC, its effectiveness in delivering quality, affordable, sustainable and inclusive services and considering how additional resourcing committed to in First 5 could be delivered for the sector to achieve these objectives, drawing on international practice in this area

The report of the Expert Group is currently being finalised and is on track to be submitted to the Minister for Children, Equality, Disability, Integration and Youth in November. The work of the Expert Group has significantly informed the developments being introduced in Budget 2022.

Budget 2022 introduces a ground-breaking package of measures for the ELC and SAC sector, designed to deliver quality for children, affordability for parents, stability for providers, and support employers to improve pay and conditions for staff. This includes a new Core Funding stream to deliver quality and sustainable services, without increasing costs to parents. Importantly, it allows for a condition of no fee increases to be introduced through the contract for this new core funding stream. Budget 2022 also includes a number of reforms to the National Childcare Scheme to increase eligibility for and value of subsidies. This package marks the beginning of a transformative multi-annual investment programme for the ELC and SAC sector, which will be guided by the Expert

Group's recommendations. It achieves significant progress on the First 5 commitment to increase spending to at least €970 million by 2028.

A Sustainable and Inclusive Economy

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

Responsibility: Department of Enterprise, Trade and Employment

The Government has committed to building a sustainable future for Ireland, with a legally binding plan in place to reach net-zero emissions no later than 2050, and a 51% reduction in emissions by the end of this decade. The Climate Action Plan 2021, published on 4 November 2021, is Ireland's guide towards becoming a climate neutral economy and resilient society by 2050.

Climate change is an area in which the joint research programme between the Department of Enterprise, Trade and Employment and the ESRI (see Recommendation 3.1 above) will examine. This collaboration will help deepen our understanding of the impacts of national and EU climate change policies on firms in Ireland. Such research will inform policies and programmes aimed at enhancing Ireland's competitiveness and productivity in a way that helps Irish firms navigate, and contribute to, the decarbonisation of the economy and exploit the opportunities that the transition to a low-carbon future will present.

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

Responsibility: All Government Departments

The Climate Action Plan 2021 includes a suite of governance measures designed to ensure that the focus remains on delivering on our climate commitments.

The strengthened governance structures are underpinned by the Climate Action and Low Carbon Development (Amendment) Act 2021, which sets out legally binding targets, a process for adoption of carbon budgets, sectoral emissions ceilings and an annual update to the Climate Action Plan. It also provides for greater accountability and oversight in relation to our climate action plans and targets.

Each year, Ministers will be required to give account to an Oireachtas Committee on performance both in implementing Climate Action Plan actions and in adhering to their

sector's emission ceiling under the carbon budget period. Where Ministers are not in compliance with the targets, they will need to outline what corrective measures are envisaged. Ministers will have to respond to any recommendations made by the Committee within 3 months.

The Climate Action Delivery Board will ensure that each Department is held to account for the delivery of actions set out in the Climate Action Plan. The Board will also review key strategic projects and areas of work and a report will be provided to the Cabinet Committee on the Environment and Climate Change and the Cabinet each quarter ahead of its publication.

As with the Climate Action Plan 2019 and Interim Climate Actions 2021, the Department of the Taoiseach will publish quarterly progress reports on the implementation of actions set out in the Plan.

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

Responsibility: Department of Finance; Department of Social Protection

The Commission on Taxation and Welfare was established in April 2021 with a broad remit requiring it to take a long term, strategic view of the taxation and welfare framework necessary for Ireland as we recover post-COVID and beyond.

The Commission, in its Terms of Reference, has been explicitly tasked with taking account of issues such as aging demographics, a sustainable labour market, digital disruption and automation and the long-term strategic commitments of Government regarding health, housing, and climate.

The Commission will also consider how best to reform our approach to taxation and welfare policy in order to address these challenges and support continued economic prosperity, greater social inclusivity and a fairer society and economy into the future.

The Commission recently launched an in-depth public consultation which will run until January 2022 and a stakeholder engagement exercise will follow later in Q1 2022. This engagement will provide the National Competitiveness and Productivity Council and others with a number of opportunities to engage with the work of the Commission.

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