



# IRELAND

## National Development Plan 2007-2013

### TRANSFORMING IRELAND

*A Better Quality of Life for All*

BAILE ÁTHA CLIATH  
ARNA FHOILSIÚ AG OIFIG AN tSOLÁTHAIR  
Le ceannach díreach ón  
OIFIG DHÍOLTA FOILSEACHÁN RIALTAIS,  
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## Foreword by an Taoiseach, Bertie Ahern, T.D.

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The past decade has seen tremendous economic and social progress in Ireland. We have put in place the foundations of a truly modern, forward looking, internationalised society. The greatest challenge we now face is to consolidate and sustain this remarkable achievement to ensure that we provide a better quality of life for all.

Improved living standards, understandably, give rise to heightened expectations. Furthermore, the progress achieved over the past decade does not constitute an end in itself. Rather, it provides us with the resources to continue with the task of making this a superb country in which to live, learn, work and play; a country where opportunities for self-development, wealth and job creation and innovation abound, but where, equally, the more vulnerable in society are cherished and cared for.

Consequently, this National Development Plan encompasses investment of €184 billion over the next seven years. This is a scale of funding which until recently was unimaginable. With these resources comes responsibility: responsibility to ensure that they are deployed intelligently, in an optimal manner that secures and delivers real value for money.

A number of key themes are critical to the successful implementation of this plan and the realisation of meaningful improvements in quality of life:

- We will continue to build on the substantial progress made recently to eliminate major infrastructure deficits;
- We will ensure that our enterprise sector stays at the leading edge globally, by continuing to attract key inward investment, by further stimulating the indigenous sector, by renewed emphasis on worker training and skills and above all by expansion of our science, technology and innovation capacity;
- Recognising that economic and social progress are inter-dependent, almost half of the total funding commitment under this plan is destined for social infrastructure and social inclusion priorities;
- By ensuring that the National Spatial Strategy is fully reflected in implementation of this plan, we will achieve balanced regional development, which is crucial to our ability to absorb the huge population growth predicted over the next twenty years;
- Protection, preservation and improvement of our natural environment will be a priority, with long-term sustainable development underpinning policy planning and implementation; and
- Innovative and integrated or “whole-of-Government” policy development and ensuring value for money for the taxpayer will permeate the implementation of this plan.

The experience of the past ten years shows the need for, and benefits of, longer-term policy planning to ensure that we rise to the challenges and maximise the opportunities facing us. In the new national agreement, *Towards 2016*, the Social Partners recognised the case for longer term planning, by agreeing

for the first time to a ten-year framework for social partnership. This new National Development Plan sets out the resourcing commitments necessary to give effect to major policy developments over the medium term, including many which are put forward or endorsed in *Towards 2016*. Recognising this close synergy, Social Partnership will continue to play an important role throughout the implementation of this plan.

For example, the investment under this plan will give substantial effect to the life cycle approach outlined in *Towards 2016*, which orientates public services around the needs of people at different stages of their lives — children, young adults, people of working age, older people and people with a disability. In particular, it will help deliver the goals for each stage of the life cycle as set out in the National Action Plan on Social Inclusion.

The life cycle approach demonstrates the need for, and willingness to engage in, more flexible and innovative approaches to implementation of policy as befits a modern society in the rapidly changing world of the 21<sup>st</sup> century. Efficient and effective delivery of this Plan will be a major challenge for the public service — one I know it is capable of meeting in partnership with key stakeholders.

This Plan will also reinforce Ireland's position on the global stage. International developments such as the continued expansion of the European Union, globalisation and the rise of major new economies mean that we must constantly pay attention to the international competitiveness of our economy and indeed to the high regard in which this country is held by many other nations. Many of the measures envisaged under this Plan will be critical to maintaining and improving Ireland's position as a well respected, openly trading, economy and society.

Equally, the launch of this plan is especially timely in relation to North/South co-operation. Since the Good Friday Agreement, we have seen an unprecedented period of peace, prosperity and a better society. There is great scope to build on this progress. This Plan provides a comprehensive overview of North/South co-operation, it sets out proposals for significant investment in new North/South projects that will benefit every single person living on this island, and it brings North/South co-operation firmly into the mainstream of policy-making. I look forward to working together, on a basis of mutual respect and for mutual benefit, with democratically elected representatives of all traditions on this island in building a better future for the people we represent.

In conclusion, I commend to our people this new National Development Plan, with its massive €184 billion investment, as a hugely important further step in transforming Ireland and ensuring a better quality of life for all of its people.

Bertie Ahern, T.D.  
Taoiseach

## Foreword by an Tánaiste, Michael McDowell T.D.

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Ireland has experienced a level of growth in the last decade that has resulted in our achieving one of the highest levels of economic and social development in the world. As a nation, we can feel truly proud of this achievement. However, there are major challenges to be met, particularly in the areas of infrastructure, innovation and social inclusion. This Plan will allow us to continue to improve our quality of life in a sustainable manner, while remaining internationally competitive.

The National Development Plan 2007-2013 sets out a programme of integrated investments that will underpin our ability to grow in a manner that is economically, socially and environmentally sustainable — not just for this generation but for our children and grandchildren.

As well as providing the physical infrastructure to support progress, a major focus of the plan is on investment in education, science, technology and innovation. This remains the key to Ireland's future development. Only a society that is committed to growth based on education, innovation and a spirit of enterprise can successfully meet its social and environmental challenges.

Meeting these challenges also requires the full participation of all our citizens in society. Recent growth has given us the resources to provide greater support than ever before to the less well off. The measures in this Plan will strengthen the National Action Plan for Social Inclusion focus on ensuring that people have the supports necessary to achieve their full potential at all stages of their life.

While it is a measure of the country's success that we can fund this ambitious programme of investment almost exclusively from domestic resources, this in no way obviates the need to ensure that we achieve value for money. The Plan therefore sets out comprehensive measures to ensure that we get full value for your money both in procuring projects and in ensuring their efficient use.

The implementation of this ambitious, considered and appropriate Plan will require the co-operation of all sections of society and I look forward to working with them to ensure its success.



## Foreword by the Minister for Finance, Brian Cowen, T.D.

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This Plan is called 'Transforming Ireland — A Better Quality of Life for All'. In the past decade Ireland has enjoyed unprecedented economic success, employment growth and a dramatic rise in general income levels and standards of living across all sectors of our society. This is a country already transformed, a country that has, without exaggeration, reversed its own history.

Over the next seven years we will face many challenges; some new and unpredictable; others posed by the fruits of our success in the past decade. As a people we have always shown resilience in the face of so-called 'external shocks' in the macro-economic sphere. We have been flexible, adaptable and patient in circumstances that might otherwise have overwhelmed us.

In my view, the most predictable challenge we now face is the consolidation of the progress we have made. The previous NDP was about expanding our economy and employment and providing the physical and social infrastructure to facilitate that. In overall terms the NDP 2000-2006 has been successful in fulfilling the overriding objective of economic growth within a broadly sustainable framework.

As a direct consequence of our success the population of our country has increased by 17% over the past ten years to 4.2 million. By 2021 our population may well be in excess of five million people. This Plan addresses these demographic challenges.

How we use land — our spatial strategy — and the infrastructure we develop to service the planned growth and development of our urban centres and their rural hinterlands is crucial to managing the challenges of the future and harnessing the potential for future growth and development provided by the expansion in our population. In this new NDP, spatial objectives are integrated within the goals of economic, social and environmental sustainability and our national and international responsibilities under these headings.

Our young people are now, more than any previous generation, "Citizens of the World", connected by the internet, travel, music and education to a wider world of ideas and influences as part of their normal daily existence. The privations of our own national past, including the difficulties of the decade in which many of them were born, the 1980s, are alien to them. This generation of young Irish people are highly politicised: Globalisation, Climate Change and World Poverty are issues of deep and genuine concern to them. They are wholly conscious of the interdependence of the political, economic and environmental fragilities of a shared world and of the place and role of our own island country within that world.

This National Development Plan is about the future of those young people, their parents, and their grandparents. It establishes a blueprint for the economic and social development of this island for future generations.

In this Plan, we have a unique window of opportunity to get it right: in terms of spatial planning, support infrastructure, environmental sustainability and economic growth.

At the end of this Plan, wherever you live in Ireland, in Dublin, in a Gateway urban centre, in a county town or a rural area, you, your children, your parents, your grandchildren can look forward to a better quality of life in a sustainable environment within a progressive and dynamic economy and society.

You can also look forward to a peaceful future.

Building on the historic achievements since the Good Friday Agreement, this Plan sets out a comprehensive statement of future Government policy on North/South co-operation. It also includes, for the first time, proposals for Irish Government investment in North/South projects and initiatives for mutual benefit. The Government wishes to agree and implement these with the British Government and a restored Northern Ireland Executive in the period 2007-2013. These projects and initiatives will benefit all communities and the entire island of Ireland.

This is an ambitious Plan. Nothing on this scale has ever been attempted before in our history. We are talking about a total investment commitment of €184 billion of, in the main, taxpayers' money over the next seven years to secure the further transformation of our country, socially and economically, within an environmentally sustainable framework. This level of investment is also necessary to secure our future.

Value for money is a prerequisite. It calls for a consistently prudent approach to budgetary policy in the coming years. It demands rigorous monitoring of all the programmes set out in the Plan and a commitment to flexibility by all Governments in determining priorities in accordance with the economic circumstances of the day.

The new NDP has been arrived at following an extensive period of consultation with all interest groups and reflects their input, including the strategy agreed with the social partners in *Towards 2016*. Its investment parameters will enable us, economically and socially, to effectively confront the challenges we face over the next seven years.

As Minister for Finance, I feel especially privileged to present this National Development Plan — 'Transforming Ireland — A Better Quality of Life for All' — to the Irish people. It is a roadmap for sustainable economic expansion, social justice and a better quality of life for all our citizens over the next seven years and beyond. Ireland will be again transformed and, in transforming Ireland, we will deliver a better quality of life for all.

Brian Cowen TD,  
Minister for Finance

January 2007

## OVERVIEW SUMMARY

# Transforming Ireland — A Better Quality of Life for All

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### Introduction

The National Development Plan *Transforming Ireland — A Better Quality of Life for All* sets out the roadmap to Ireland's future. Within the next seven years, our economy and our society will undergo a transformation almost as radical as the changes we have experienced in the past decade of growth and development. That transformation will be driven largely by the continuing increase in our population, projected to reach over five million people by 2021.

We will experience a change in our economic base, as we move towards more high value added economic activities and industries, both foreign-owned and indigenous. To optimise our choices for a better long-term future we need a roadmap, clearly marking out the landmark challenges we face such as:

- removing the remaining infrastructure bottlenecks that constrain our economic development and inhibit balanced regional development and environmental sustainability;
- further equipping our children and youth with the skills and education to grasp the opportunities presented to us;
- creating and sustaining high value employment opportunities; and
- redistributing the product of wealth to foster an inclusive society, including adequately catering for those who have already contributed to Ireland's success over previous decades.

This National Development Plan integrates strategic development frameworks for regional development, for rural communities, for all-island co-operation, and for protection of the environment with common economic and social goals.

Funding of its investment relies almost completely on our own domestic resources, produced by the taxpayer and invested in priorities that will generate a real economic return, increasing overall wealth in our society and raising standards of living beyond what they might otherwise be.

Securing value for money for the Plan investment and monitoring its implementation will be a key priority and essential to its success in transforming Ireland.

The priorities and approach set out in the Plan are consistent with the ten year social partnership framework agreement — *Towards 2016* — concluded in 2006.

## 1. Investing in the Future

### A €184 billion Investment Framework

Over the next seven years, the National Development Plan 2007-2013 proposes investment of some €184 billion in our economic and social infrastructure, the enterprise, science and agriculture sectors, the education, training and skills base of our people, environmental services and in the social fabric of our

society that, within a strong and vibrant economy geared to meet the challenges of the future, will deliver a better quality of life for all.

The five Investment Priorities of the Plan are:

	€ billion Investment (Current Prices)
Economic Infrastructure	54.7
Enterprise, Science and Innovation	20.0
Human Capital	25.8
Social Infrastructure	33.6
Social Inclusion	49.6
<b>Total</b>	<b>183.7</b>

## Funding

Since 1988 National Development Plans have involved a significant contribution from EU Funds, although this contribution had lessened significantly in the 2000-2006 Plan. This new Plan is almost completely funded from domestic sources, the vast bulk of it by the Central Exchequer. The Plan also encompasses new areas as compared with previous Plans such as capital investment by key Commercial State Bodies and certain Social Inclusion schemes. These latter schemes are part of an unprecedented multi-annual level of commitment to investment in Social Inclusion that will benefit people at all stages of their life cycle, from childhood to old age, and promote Social Inclusion of disadvantaged groups.

## EU Funding

It is estimated that some €3 billion in EU rural development and structural funding will be made available over the period 2007-2013. The drawdown of this funding will be the subject of separate programmes to be agreed between Ireland and the European Commission. This funding is provided for in the Plan's overall financial envelope.

## Infrastructure

The Plan will decisively tackle economic and social infrastructure deficits in areas such as Transport, Energy, Housing, Water, Education and Health. This will be mainly funded by a significantly enhanced 7-year Central Government Capital Envelope of almost €80 billion.

## Supported by Prudent Budgetary and Fiscal Strategy

Ability to fund the investment priorities will require economic and budgetary policies that deliver sustainable growth and provide the requisite levels of resources to meet the commitments in this Plan. A prudent budgetary policy, fully consistent with the EU Stability and Growth Pact, that does not add to inflationary pressures within the economy and as endorsed in the National Partnership Agreement *Towards 2016*, will therefore be pursued throughout the Plan period. In this context growth in day to day spending must remain in line with economic growth. There will be an inbuilt flexibility to allow for reallocation as necessary depending on evolving priorities and the economic and budgetary situation.

## Necessary and affordable

A solid foundation for the next phase of development of our economy and society has been laid through the economic performance of the past decade and the successful delivery of the previous NDP. Our population has already increased by 8% since 2002 and is expected to grow by a further 12% in the next ten years. 100,000 extra children will enter the education system over the Plan period and this, combined



with other demographic factors, will increase pressure on public and social services and on other infrastructure.

The investment envisaged under this new NDP is therefore necessary to generate and maintain economic growth and employment and fulfil the expectations of our growing population for a better quality of life.

Investment in infrastructure and services under this Plan will generate a long-term rate of return as well as contributing to sustainable economic growth. On the assumption of a broadly favourable international economic climate, the Irish economy is expected to expand at an average rate of around 4 – 4½% per annum over the period 2007-2013. The Plan is affordable on this basis. In fact the period to 2013 provides a major “window of opportunity” in resource terms to invest for future sustainable economic and social development.

## Reflecting consensus on priority areas

The investment priorities in this Plan reflect policies agreed under *Towards 2016*, and priorities identified through an extensive consultation process with a wide range of organisations, interest groups and communities. The investment priorities were also independently evaluated by the ESRI. The new NDP in general accords with the infrastructure investment prioritisation proposed by the ESRI but provides for significantly enhanced levels of investment over that proposed by the ESRI.

## Value for Money and Implementation

Value for Money in Plan implementation will be central to ensure maximum output and impact for the investment of taxpayers' money and will build on the recent experience whereby most major capital projects are being completed on time and within budget. All programmes and projects will be appraised and implemented within the enhanced VFM framework now in place. Robust implementation and monitoring procedures including measurement of performance by reference to target outputs and inputs will be put in place. Progress will be overseen by a Monitoring Committee representative of social partners, regional and other interests. There will also be an Annual Report on Plan progress submitted to the Oireachtas.

## 2. Meeting the Challenges — General Goals

Improving the quality of life for all requires integrated development and progressing of social and economic policies. Maintenance of a productive and competitive economy, the availability of rewarding employment opportunities and the generation of sufficient resources to ensure provision of comprehensive social and recreational facilities and services are all inherently bound together in the context of improving quality of life. Many of the key elements of this Plan underpin these common, and interlinked, objectives.

- **Decisively tackle structural infrastructure deficits** that continue to impact on competitiveness, regional development and general quality of life and to meet the demands of the increasing population;
- **Greatly enhance enterprise development, Science, Technology and Innovation, working age training and skills provision** to improve economic performance, competitiveness and our capacity to generate new enterprise ‘winners’ from the indigenous sector as well as continue to attract high added value foreign direct investment;
- **Integrate regional development within the National Spatial Strategy framework** of Gateway cities and Hub towns to achieve the goals of economic growth in the regions and provide for major investment in the rural economy;
- **Invest in long-term environmental sustainability** to achieve our national goal of preserving the integrity of our natural environment for future generations as well as meeting our international

responsibilities and Climate Change obligations; this also involves a more balanced, efficient and sustainable use of our land resources;

- **Realise the opportunities of strengthened all-island collaboration in areas of mutual interest** to build up the island's competitive strengths particularly in the areas of infrastructure, R&D, skills and innovation and to enhance the provision of public services on the island;
- **Deliver a multi-faceted programme for Social Inclusion** and improvements in the quality of life across all age groups and among all population cohorts; and
- **Provide Value for Taxpayers' Money** through robust and transparent appraisal, management and monitoring systems for NDP investment.

### 3. Investment Plan — Priority Spending Areas

#### Priority I: Economic Infrastructure

Dealing with infrastructure deficits is crucial to our future economic growth, regional development and environmental sustainability.

Total investment by sector under this Priority is as follows;

**Economic Infrastructure Priority €m Current Prices 2007-2013**

Programme	Total
Transport	32,914
Energy	8,526
Environmental Services	5,772
Communications and Broadband	435
Govt. Infrastructure	1,413
Local Authority Development Contributions	2,100
Unallocated Capital Reserve	3,500
<b>Economic Infrastructure Total</b>	<b>54,660</b>

#### Transport

Investment in transport infrastructure over the Plan period will total nearly €33 billion of which:

- €13.3 billion will be invested in upgrading and building new national roads;
- €4.3 billion will be invested in non-national roads, funded by the Exchequer and the Local Government Fund;
- €12.9 billion will be invested in public transport, particularly in the Greater Dublin Area, this investment is a quadrupling of that allocated in the previous Plan;
- €90 million will be invested in the Rural Transport Initiative;
- €1.8 billion will be invested in improving air transport facilities at the country's three national airports; and €96 million for investment in the six regional airports and City of Derry Airport; and
- €480 million will be invested in upgrading strategic ports facilities and regional harbours.

#### Energy

Security of supply, competitively priced energy and environmental sustainability underpin the €8.5 billion investment in Energy over the Plan period. Major capital investments will be undertaken by the ESB, Bord

Gáis Éireann, Bord na Móna and EirGrid. There will also be investment in key strategic energy infrastructure projects including the East/West and North/South interconnectors and ongoing investment in sustainable energy with a view to meeting the target of 15% of electricity production from renewable sources by 2010.

## Environmental Services

Environmental Services priority investment, totalling € 5.8 billion includes:

- €4.75 billion for Water Services;
- Over €750 million for Waste Management, including dealing with the legacy of old landfill sites; and
- €270 million for Climate Change trading allowances purchase.

## Communications and Broadband Programme

- €435 million under the Programme to support regional economic development and to address market failures in the provision of broadband in certain parts of the country.

## Government Buildings Infrastructure

- €580 million for sites and buildings; and
- €830 million for the Decentralisation programme up to 2011

## Priority II: Enterprise, Science and Innovation

Total investment under this Priority is as follows:

### Enterprise, Science and Innovation Priority 2007-2013 €m Current Prices

Programme	Total
Science, Technology & Innovation	6,112
Enterprise Development	3,323
Tourism Development	800
Agriculture & Food Development	8,028
Rural Social & Economic Development	844
Gaeltacht & Islands Devopment	457
Marine and Coastal Communities	442
<b>Enterprise, Science &amp; Innovation Total</b>	<b>20,006</b>

Total proposed investment in Enterprise, Science and Innovation of €20 billion is essential to Ireland's attractiveness to high-quality Foreign Direct Investment and the development of our own indigenous companies, including those capable of becoming world leaders in product areas as well as niche companies making specialised products based on our natural resources. The investment will also underpin the modernisation of the agriculture sector, development of the tourism industry and support the rural economy. The breakdown of investment under this priority is in the order of:

- €6.1 billion in Science, Technology and Innovation;
- €3.3 billion in Enterprise development;
- €800 million on Tourism marketing, product development and training programmes;

- €8 billion to modernise and develop Agriculture and Food, in line with the strategy set out in the Agri-Vision 2015 Action Plan;
- €844 million on Rural Social and Economic Development programmes;
- Over €455 million on the Gaeltacht and Islands; and
- Over €440 million for Seafood Development, Fisheries and Coastal Infrastructure and Coastal Protection.

## Priority III: Human Capital

Total investment under this Priority is as follows;

### Human Capital Priority 2007-2013 €m Current Prices

Programme	Total
Training & Skills Development	7,718
Higher Education	13,017
Schools Modernisation & Development	5,061
<b>Human Capital Total</b>	<b>25,796</b>

Ireland's track record in education investment has been fundamental to generating our economic success. The main objective of the proposed investment of €25.8 billion over the Plan period is to maintain access to the highest standards of education for all in our society, to meet the labour skills requirement of the future and to focus investment in particular on developing the key Third Level Sector. Key features are:

- Over €2.8 billion will be invested in training and skills development programmes, including employment training, apprenticeships, new skills training for adult workers and programmes for school leavers;
- Nearly €4.9 billion in training and development programmes for a wide range of groups, including lone parents, people with disabilities, Travellers, ex-offenders and other categories requiring special interventions (this will also support the goals in the social inclusion priority);
- €13 billion for Third-Level Infrastructure and for ongoing costs of the sector in the context of the promotion of strategic and structural development; and
- €5 billion in First and Second Level schools modernisation and development

## Priority IV: Social Infrastructure

Total investment under this Priority is as follows;

### Social Infrastructure Priority 2007-2013 €m Current Prices

Programme	Total
Housing	21,214
Health Infrastructure	4,970
Justice	2,346
Sports, Culture, Heritage & Community Infrastructure	3,631
Unallocated Capital Reserve	1,450
<b>Social Infrastructure Total</b>	<b>33,612</b>

Investment in social infrastructure underlines the commitment to the fair and equitable redistribution of the fruits of economic success among all sections of our community. The total investment in this priority area of over €33 billion will complement the investment in Social Inclusion under Priority V to greatly enhance social development. The investment consists of:

- Over €21 billion in housing, delivering assistance through social, affordable and voluntary housing schemes to over 140,000 households over the Plan period, including 100,000 new social and affordable units and delivering support under the rent supplement scheme to other households;
- Just under €5 billion investment on health infrastructure, including acute hospitals and primary community and continuing care facilities;
- €2.3 billion to deliver a modernised prison infrastructure, new criminal courts complex and improvements to Garda Stations and Garda infrastructure generally; and
- Over €3.6 billion for sports, culture and heritage infrastructure, including the first phase of the Abbotstown sports complex, the Lansdowne Road stadium, many cultural facilities and a range of programmes to ensure the preservation, protection and display of our natural, cultural, architectural and archaeological heritage.

## Priority V: Social Inclusion

Total investment under this Priority is as follows;

### Social Inclusion Priority 2007-2013 €m Current Prices

Programme	Total
Children Programme	12,290
Working Age — Education	4,201
Working Age — Social & Econ. Particip.	1,160
Working age — Justice	300
Older People	9,725
People with Disabilities	19,250
Local & Community Development	1,862
Horizontal Programme	848
<b>Social Inclusion Total</b>	<b>49,636</b>

Investment in social priorities is central to this National Development Plan as reflected in the major investment of €49.6 billion in related programmes and policies over the next seven years. This does not encompass social welfare payments which will be addressed in each Budget over the period of the Plan. Key features are:

- €12 billion Children's Programme to provide childcare services, child protection and recreational facilities for children, and educational help for children from disadvantaged communities and those with special needs;
- Over €4 billion in Working Age Education Support programmes to support further education, student support and third level access;
- €9.7 billion to help older people live independently at home and to provide investment in quality residential care facilities for older people who are no longer able to live at home;
- €19 billion to support the provision of programmes and services for people with disabilities;
- The RAPID programme, which prioritises investment on 46 of the most disadvantaged urban areas and provincial towns, will be strengthened and enhanced;

- €1.9 billion to support the development of our increasingly diverse communities, including voluntary community bodies, and implementation of the National Drugs Strategy; and
- €848 million to support immigrant integration, language support, the social and economic advancement of members of the Traveller Community, the National Action Plan Against Racism and programmes and measures to combat gender inequality in Ireland.

These measures will support the achievement of the objectives of the National Action Plan for Social Inclusion (see High Level Goals of Social Inclusion).

## 4. Integration of National Development Goals and Investment Strategies

Under the Plan, investment priorities are influenced by strategic policy goals specifically in the following areas:

- Regional Development;
- Rural Economy;
- All-Island Co-operation;
- Environmental Sustainability; and
- Social Inclusion.

### Regional Development

The Plan sets out a strong framework for the promotion of regional development with a particular focus on investment in the National Spatial Strategy (NSS) Gateway centres. Strong urban centres are directly related to regional growth and development, affecting employment, incomes and quality of life throughout the regions.

The key to regional development will be efficient utilisation of Plan investment, especially in infrastructure. To further assist the process a Gateways Innovation Fund will be established. The Fund will initially operate on a pilot basis between 2008 and 2010. The Exchequer will provide an initial €300 million and this will be designed to attract significant matching funding — public or private or a combination of both. Lead local authorities within Gateway centres will be able to advance bids for local economic infrastructure not already part of mainstream Plan investment or local capital programmes, such as urban regeneration projects, transport initiatives (in addition to those under *Transport 21*) and Quality of Life projects.

### Gateway Area Challenges

Each Regional/Gateway Area faces specific development challenges and opportunities of their own, providing a focus for targeted investments throughout the Plan period. Key projects and programmes for implementation over the Plan period in each NSS Gateway area are set out in Chapter 3.

### Rural Economy

About 40% of Ireland's population live in rural areas, a high proportion by European standards. Rural areas present different experiences, economically and socially. A key task is to support diversification in the rural economy as traditional sectors, whilst still important, make a lesser contribution. All rural communities

require proper access to the wider national economy through physical infrastructure and services. The Plan envisages promoting the partnership between urban and rural areas through complementary developments in infrastructure and services.

Rollout of broadband in rural areas and towns is acknowledged as of central importance to the future economic development of rural Ireland, as is investment in micro-enterprises, tourism and the natural resource industries of agriculture, fisheries and forestry, all provided for under the Plan's Investment Priorities.

Other examples of specific initiatives that will benefit the rural economy include the Rural Transport Initiative, made permanent from the beginning of 2007, with priority assigned to areas that have no public transport services; major investments in Non-national roads and rural water and in the reopening of the Western rail corridor.

## **All-Island Co-Operation**

The NDP sets out in detail the full range of current and planned initiatives for North/South co-operation. For the first time, this Plan also contains proposals for significant Irish Government investment in North/South projects and initiatives for mutual benefit. The Government wishes to agree and implement these with the British Government and a restored Northern Ireland Executive in the period 2007-2013. These projects and initiatives will benefit the entire island of Ireland. Importantly, the proposals are designed to benefit the entire community in Northern Ireland on the basis of sound economic principles and equality. The proposed investment, to be funded from the overall Plan funding envelope, is additional to current planned investment and projects. This Plan therefore includes a comprehensive statement of future Government policy on North/South co-operation. Any new proposals are of course subject to discussion and agreement with the Northern Ireland authorities.

The proposed new investment package includes two new, innovative elements:

- Joint investment in new strategic projects to benefit North and South; and
- The opening up of access to existing development funding on an all-island basis, and/or the introduction of new, agreed joint funding measures with the British Government (and Northern Ireland Executive on restoration).

## **New Strategic Projects**

The Government's priorities for agreement on joint projects with Northern Ireland include:

- The completion by 2013 of a high quality road network on the inter-urban routes linking the major population centres of Dublin, Belfast and the North West (especially the Letterkenny-Derry Gateway);
- The future development of the Dublin-Belfast rail line as part of an integrated rail network serving other major population centres, North and South;
- Improved access for tourism and other opportunities along the Eastern corridor, including better links between Co Louth and Co Down in Northern Ireland;
- A significant upgrading of higher education capacity in the North West and the border region through strategic alliances between the educational institutions, North and South;

- New schemes to promote graduate mobility, graduate retention and access for people from disadvantaged areas to higher education;
- Comprehensive studies on health and education co-operation to be overseen by the responsible Departments and agencies, North and South;
- Maximising the potential for cross-border cancer services, building on the project to provide services for Co Donegal; and
- Examining the possibility of restoring the Ulster Canal.

## Development Funding

The Government proposes to develop all-island funding, subject to agreement with the British Government (and the Northern Ireland Executive on restoration) in the following areas: education, skills, science and innovation; energy research, including renewable and sustainable energy; regional development; tourism development; and poverty, social inclusion and community infrastructure.

These areas address the long-term challenges that both Governments agree need to be tackled in the modern, global economy. Funding will be awarded on a competitive basis, thereby rewarding innovation and collaboration and ensuring funds are allocated to the best projects.

## Cost

In some cases, these proposals involve more effective use of existing funding on an all-island basis. Other projects will involve a significant investment by the Irish Government. The Government is providing sufficient funding within the overall NDP expenditure allocation to provide for that investment.

The details will be finalised in discussion with the British Government and the Northern Ireland Executive on restoration.

In addition, the Plan sets out important work on North/South co-operation in the full range of policy areas, including:

- infrastructure provision;
- science, technology and innovation projects;
- enterprise and training;
- tourism;
- health services;
- education;
- environment;
- energy;
- agriculture and fisheries;
- culture and heritage;
- social inclusion; and
- reconciliation projects.



## **Environmental Sustainability**

This Plan provides for a direct investment of some €25 billion in Environmental Sustainability. This investment will be complemented by the strategy for balanced regional development and land use as envisaged in this Plan, based on the National Spatial Strategy model for compact and sustainable urban development. This robust framework can accommodate the anticipated rapid growth in our population and concomitant economic growth while maintaining the quality of our natural environment.

Measures such as promoting the switch from car to public transport, especially in Dublin and the other major urban centres, will have a substantial impact on environmental sustainability over the longer term and on our potential to meet international commitments relating to climate change.

Other areas in which this NDP will benefit our environment, whether in terms of reducing damage to the environment by curtailing harmful emissions or discharges or in the protection of our environmental heritage for future generations, include the investment priorities for:

- Environment Services and Waste Management Investment;
- Climate Change Strategy — through investment in public transport, for example;
- Promotion of renewable energy, with a 15% commitment to use of renewables in electricity production by 2010;
- Agriculture;
- Built and Natural Heritage preservation; and
- Environmental Research.

## **High Level Goals for Social Inclusion**

The Government is committed to a coherent strategy for social inclusion based on the life cycle approach set out in *Towards 2016*, with implementation supported by the NDP and the National Action Plan for Social Inclusion. While both Plans identify a wide range of targets and interventions, the Government has also identified a number of high level social inclusion goals to achieve the overall objective of reducing consistent poverty. Based on the life cycle approach, these goals aim to:

### **Children**

- Ensure that targeted pre-school education is provided to children from urban primary school communities covered by the DEIS action plan;
- Reduce the proportion of pupils with serious literacy difficulties in primary schools serving disadvantaged communities. The target is to halve the proportion from the current 27%-30% to less than 15% by 2016; and
- Work to ensure that the proportion of the population aged 20-24 completing upper Second Level education or equivalent will exceed 90% by 2013.

### **People of Working Age**

- Introduce an active case management approach that will support those on long term social welfare into education, training and employment. The target is to support 50,000 such people, including lone parents and the long term unemployed, with an overall aim of reducing by 20% the number of those whose total income is derived from long term social welfare payments by 2016. This target will be reviewed in the light of experience.

## Older People

- Continue to increase investment in community care services for older people, including home care packages and enhanced day care services to support them to live independently in the community for as long as possible.

## People with Disabilities

- Increase the employment of people with disabilities who do not have a difficulty in retaining a job. The immediate objective is to have an additional 7,000 of that cohort in employment by 2010. The longer term target is to raise the employment rate of people with disabilities from 37% to 45% by 2016 as measured by the Quarterly National Household Survey (QNHS). The overall participation rate in education, training and employment will be increased to 50% by 2016. These targets will be reviewed in the light of experience and the availability of better data.

## Communities

### Housing

- Deliver high quality housing for those who cannot afford to meet their own housing needs and to underpin the building of sustainable communities. An important element will be the enhanced housing output reflected in *Towards 2016*, which will result in the accommodation needs of some 60,000 new households being addressed over the period 2007 to 2009. This will embrace meeting special housing needs (the homeless, travellers, older people and people with disabilities).

### Health

- Develop 500 primary care teams by 2011 which will improve access to services in the community with particular emphasis on meeting the needs of holders of medical cards.

## Integration of Migrants

- Develop a strategy aimed at achieving the integration of newcomers in our society. As an initial action, resources for the provision of 550 teachers for language supports in the education sector will be provided by 2009 and access to other public services through translation of information and supports will be improved.

## CHAPTER 1

# National Investment Priorities 2007-2013 — A Better Quality of Life for All

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### Introduction

This National Development Plan 2007-2013 sets out the economic and social investment priorities needed to realise the vision of a better quality of life for all. This better quality of life will be achieved by supporting the continued development of a dynamic and internationalised economy and society with a high commitment to international competitiveness, social justice and environmental sustainability.

This, in turn, will be characterised by:

- A strong, competitive economy, delivering quality, sustainable employment in a more regionally balanced manner;
- Affordable, quality housing, complemented by efficient access to facilities and services for work, education, healthcare, childcare, sports, recreation and culture;
- A sustainable, high quality environment; and
- A greater level of participation in society by all.

There is a strong consensus on the need for and achievability of this better quality of life. The sustained economic performance of the past decade, coupled with the high level of investment already made under the National Development Plan 2000-2006, provides a solid foundation for the next phase of development.

Furthermore, for the first time, the Government and the social partners have agreed to take a longer term approach to their relationship and to their approach to consensus-based policy evolution. They have concluded a ten year Framework Social Partnership Agreement — *Towards 2016* — which also has as its overarching goal the achievement of a better quality of life in Ireland. This agreement includes explicit acknowledgement of the importance of the National Development Plan 2007-2013 as one of the key policy instruments in achieving this goal, and in clear demonstration of the synergies between the two documents, confirms that the National Development Plan 2007-2013 will take account of the high level framework set out in *Towards 2016*.

### High Level Objectives

Consistent with this framework, a number of high level objectives will guide the investment priorities and allocations under this Plan. These are:

- Macroeconomic and budgetary stability;
- Balanced regional development with regions achieving their full potential;
- Addressing economic and social infrastructure deficits;
- Supporting enterprise, innovation and productivity;

- Supporting agriculture and the rural economy;
- Promotion of Social inclusion;
- All-island economic and sectoral co-operation;
- Environmental sustainability; and
- Value for money in delivery.

## Total Investment

The NDP provides for a total investment over the period 2007-2013 of some €183.7 billion at current prices. This is broken down under the following Priority headings:

- Economic Infrastructure;
- Enterprise, Science and Innovation;
- Human Capital;
- Social Infrastructure; and
- Social Inclusion.

## Macroeconomic and Budgetary Stability

The central policy focus and priority, in pursuit of sustainable increases in living standards that will support a better quality of life for all citizens, is to provide the macroeconomic and budgetary stability necessary to underpin the ambitious level of investment set out in this NDP. The EU Stability and Growth Pact (SGP) is the overriding framework for Irish budgetary policy. Under that Pact, the public finances, as measured by the General Government Balance, must be kept close to balance or in surplus in normal economic circumstances.

The key objective of fiscal policy during the period 2007-2013 will be to ensure that the budgetary position is maintained on a sustainable basis in order to support economic growth. This will create the resources necessary to fund the investment programmes of this Plan, thereby generating future economic and social development. The investment in the Plan is affordable on the basis of certain assumptions set out in Chapter 2. In summary this requires that a prudent budgetary policy be implemented over the period of the Plan, fully compliant with the Stability and Growth Pact, which will not add to inflationary pressures in the economy and which will leave flexibility for budgetary manoeuvre should an economic slowdown occur. Separate provision will also continue to be made for the challenge that an ageing population will pose in due course, notably through the annual transfer of 1% of GNP to the National Pensions Reserve Fund. This macro-economic context and approach is also consistent with that outlined by the Social Partners in *Towards 2016*.

Overall, the ambitious level of investment provided for in the Plan reflects the view that the next seven years provides a major “window of opportunity” in resource terms to tackle key infrastructure deficits and to further promote sustainable economic and social progress. The vast bulk of the Plan investment will be directly funded by the Exchequer. The seven year investment amounts set out in this NDP represent a strong commitment to a major level of investment in the various Priorities and Programmes over the period. Given that the investment covers a seven year period the amounts are indicative in nature and there will be flexibility for reallocation if and as the evolving situation requires it. Statutory approval for Exchequer NDP expenditure will be conveyed each year through approval by the Dáil of the annual Estimates.

## Basis of Investment Prioritisation

The investment priorities set out in Chapters 7 to 11 of the Plan will contribute to the achievement of the high level objectives referred to above. The relevant indicative financial allocations provided under each

investment priority also reflects the relative weight accorded to the various investment headings. The latter must also take account of the fact that certain key interventions by Government are not encompassed by the Plan. These include social welfare payments, which are vital to the promotion of social inclusion, and taxation policy which can have a key macroeconomic and sectoral impact.

In deciding on the Investment Priorities and the weight to be attached to the various Programmes in the Priorities, the Government's consideration was informed by the assessment of the key strengths and weaknesses of the economy as follows:

## Strengths

- Macroeconomic stability underpinned by sound public finances reflected in a very low debt and general Government surpluses for 9 of the last 10 years;
- High quality education system at all levels delivering a skilled and flexible labour force which has underpinned employment growth from 1.1 million in 1991 to over 2 million in 2006;
- Positive short to medium term demographic situation boosted by recent high levels of comparatively well-skilled immigrants;
- Taxation and regulatory regime generally conducive to productive investment, including inward Foreign Direct Investment;
- Membership of the European Union with access to a single market of 494 million persons which has also generated massive financial transfers to Ireland to underpin sectoral development including in the area of agriculture; and
- Broadly based consensus on economic and social policy as reflected in successive National Partnership agreements.

## Weaknesses

- Significant infrastructural deficits which continue to have an impact on competitiveness, regional development and the general quality of life, notwithstanding a major enhancement of economic and social infrastructure stock under NDP 2000-2006;
- Continuing imbalance in regional development, although all regions have achieved significant economic and population growth in recent years;
- Major environmental challenges which must inform investment and land use decisions;
- Housing affordability problems, especially in urban areas;
- Signs of declining competitiveness with some costs rising at levels higher than global competitors with particular pressure on manufacturing and indigenous enterprises;
- Under-development in Science, Technology and Innovation at both business and academic levels; and
- Concentrations of deprivation and lack of opportunities in certain areas, both urban and rural.

The National Development Plan 2007-2013 has been structured to:

- Achieve the high level objectives outlined earlier; and
- Reinforce the strengths and address the weaknesses referred to above.

Accordingly, the Plan provides for investment spread across the key Priority Investment areas as follows:

	<b>€billion (Current Prices)</b>
	<b>Total 7 year Investment</b>
<b><i>Economic Infrastructure Priority</i></b>	<b>54.7</b>
Transport Programme	32.9
Energy Programme	8.5
Environmental Services Programme	5.8
Communications and Broadband Programme	0.4
Government Infrastructure Programme	1.4
Local Authority Development Contributions Programme	2.1
Unallocated Reserve	3.5
<b><i>Enterprise, Science and Innovation Priority</i></b>	<b>20.0</b>
Science Technology and Innovation Programme	6.1
Enterprise Development Programme	3.3
Tourism Development Programme	0.8
Agriculture and Food Development Programme	8.0
Rural Social and Economic Development Programme	0.8
Gaeltacht and Islands Development Programme	0.5
Marine and Coastal Communities Programme	0.4
<b><i>Human Capital Priority</i></b>	<b>25.8</b>
Training and Skills Development Programme	7.7
Schools Modernisation Programme	5.1
Higher Education Programme	13.0
<b><i>Social Infrastructure Priority</i></b>	<b>33.6</b>
Housing Programme	21.2
Health Infrastructure Programme	5.0
Justice Programme	2.3
Sports, Culture, Heritage and Community Infrastructure Programme	3.6
Unallocated Reserve	1.5
<b><i>Social Inclusion Priority</i></b>	<b>49.6</b>
Children Programme	12.3
Working Age — Education Programme	4.2
Working Age — Social and Economic Participation	1.2
Working Age — Justice Programme	0.3
Older People Programme	9.7
People with Disabilities Programme	19.2
Local & Community Development Programme	1.9
Horizontal Programme	0.8
<b><i>Total Investment</i></b>	<b>183.7</b>

## Horizontal Chapters

In addition to the Investment Priority Chapters, the NDP includes several Chapters which address in a substantive way a number of key horizontal themes which will impact greatly on the achievement of the NDP's high level objectives. These cross-cutting Chapters synthesise the impact of interventions in the various sectoral Chapters on foot of a specific horizontal theme. Accordingly, the Plan contains Chapters on:

- Regional Development;
- Development of the Rural Economy;

- Environmental Sustainability; and
- All Island Co-operation.

## Consultation Process

To assist consideration of the appropriate investment strategy for the National Development Plan 2007-2013 the Government engaged in a comprehensive consultation process and commissioned an ex-ante study by the Economic and Social Research Institute (ESRI) of their recommended investment priorities for the Plan.

A widespread and extensive consultation process was undertaken with the social partners, regional bodies and other interested bodies. Some 77 submissions have been received (a list of submissions received is indicated at Appendix 3). Meetings were also held with social partners and regional interests. In addition, the Minister for Finance hosted two consultation Seminars on the priorities for the Plan, which attracted widely representative audiences; one took place in Dublin in July 2006 and a second took place in Tullamore in September 2006. The Minister for Finance also appeared before the Joint Oireachtas Committee on Finance and the Public Service in June 2006 to discuss the proposed Plan.

From this wide-ranging consultation, a number of common themes and priorities emerged including:

- The importance of promoting balanced regional development through implementation of the National Spatial Strategy;
- The need to tackle infrastructure deficits in the areas of Transport, Broadband and Waste Disposal;
- The increasing importance of ensuring sufficient capacity, security, cost competitiveness and environmental sustainability in the area of Energy;
- The promotion of environmental sustainability generally;
- Greater investment in social and affordable housing;
- Investment in education at all levels;
- Investment in Science, Technology and Innovation;
- Promotion of social inclusion in deprived urban and rural areas;
- Investment in the enterprise sector, including indigenous industry, agriculture, tourism and the marine sector;
- Need to address quality of life issues not just through investment but through integration of investment and land use decisions; and
- Value for Money for all investment with a particular focus on completion of projects on time and within budget and on outputs rather than financial inputs

The Plan has also been informed by a number of other relevant recent publications including the 2004 report of the Enterprise Strategy Group '*Ahead of the Curve*' and the Annual Reports on Competitiveness produced by the National Competitiveness Council (NCC). The NCC defines national competitiveness as '*all those factors that impact on the ability of firms in Ireland to compete in international markets in a way that provides Ireland's people with the opportunity to improve their quality of life*'. They further state that this definition '*recognises that over the longer run, competitiveness is about all those factors that contribute to better business performance, such as good physical infrastructure, high levels of education, training and research, and a regulatory and tax environment that encourages enterprise, competition and innovation*'. Whilst the regulatory and tax environment is outside the scope of the NDP, the investment programme set out in the Plan addresses in an ambitious way the other factors referred to by the NCC.

## ESRI Evaluation of Investment Priorities for the NDP 2007-2013

In line with good practice in relation to previous Plans an independent evaluation of investment priorities for the next Plan was commissioned. Following a competitive tendering process the Economic and Social Research Institute (ESRI) was selected to undertake this study. The ESRI published a comprehensive report in October 2006. The report fully endorsed the concept of a further National Development Plan. It noted that the three NDPs over the period 1988-2006 have made an essential contribution to the transformation of the Irish economy and society. The ESRI concluded that, without the investment made by successive NDPs, the Irish economy would have choked from lack of infrastructure, unemployment would have continued to pose a serious social challenge and the environment would have been under much more pressure than is currently the case. The ESRI also found that the previous NDP 2000-2006 has greatly enhanced the economic and social infrastructure of the State with major benefits for economic development throughout all regions in the country.

## ESRI Investment Proposals

The ESRI recommended central Government investment of some €86 billion (current prices) over the period of the Plan of which €21 billion is current and €65 billion is capital. The actual proposed Plan investment is some €183.7 billion, but this cannot be compared with the ESRI recommendation as it includes projected capital investment of Commercial State Bodies and also includes significant additional current expenditure items, notably in the areas of third level education and social inclusion, not encompassed by the ESRI report.

## Central Government Capital Investment

In the key area of Central Government Capital Investment the ESRI recommended total spend of €65.2 billion as compared to €79.5 billion provided for in the Plan<sup>1</sup>, including Local Government funded roads expenditure and toll funded roads. The ESRI proposed increases over 2006 levels in capital investment in Transport, Health, Education and Research and Development and reductions in Housing, Enterprise, Agriculture and the Environment. Overall the Institute cautioned against a higher level of increase in capital investment on the basis that the economy would not have the capacity to produce the necessary infrastructure without generating inflationary pressures and thereby reducing the potential rate of return.

## NDP Capital Investment

As mentioned above Central Government Capital Investment in the NDP will amount to some €79.5 billion, or €14.3 billion over the ESRI recommendation for the period. This reflects agreement with the areas prioritised by the ESRI but also the firm view that additional investment is needed in all areas over and above the levels recommended by the ESRI. The principal variations in the Plan, when compared to the ESRI recommendations, are as follows:

- Transport + €3.8 billion;
- Housing + €1.7 billion;
- Environment + €1.4 billion; and
- Health and Education + €1.1 billion.

The Plan also contains an unallocated reserve of some €4.95 billion. Overall Central Government Capital Investment (including PPPs) as a percentage of GNP will rise from 4.65% in 2006 to a high of 5.9% in 2009 and 2012 and average some 5.4% over the period of the Plan.

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<sup>1</sup> The 7 year (2007-2013) Central Government (Exchequer and PPP) envelope by Department is set out at Appendix 2 to the Plan.



## Rationale for Higher Investment

The higher level of investment proposed under the Plan is warranted by reference to existing infrastructural deficits and the projected continuing significant increases in population. It is also warranted by reference to the long term rate of return and boost to GNP growth that will arise from the investment.

## Scale of Infrastructure Challenge

A good quality physical infrastructure is a key ingredient in overall competitiveness. It also impacts positively on a number of other key policy objectives, including regional development, environmental sustainability, development of human capital and the promotion of social inclusion.

The National Competitiveness Council's 2006 Annual Competitiveness Report, whilst acknowledging significant recent progress in the delivery of infrastructure, points to significant ongoing deficits based on OECD work on industrialists perception of overall quality of infrastructure in Ireland. In terms of overall quality of infrastructure, Ireland ranked 22<sup>nd</sup> out of 25; in terms of transport infrastructure, 27<sup>th</sup> out of 28; and in terms of efficiency of energy infrastructure, Ireland ranked 26<sup>th</sup> out of 28. Dublin ranked 28<sup>th</sup> out of 30 in terms of average peak hour speeds of cars. These rankings, whilst based on perceptions, undoubtedly reflect deficits which must be tackled urgently.

## Population Projections

Good planning must take full account of the impact of population projections. The infrastructure challenge is further emphasised by a scrutiny of population projections. The most recent CSO population projections by region and for the country as a whole are as follows<sup>2</sup>:

Region	Pop 2002 ('000s)	Pop 2021 ('000s)	% change
GDA	1,535	2,063	34.4
South-East	424	537	26.7
South-West	580	705	21.6
Mid-West	340	410	20.6
Border	433	546	29.1
Midland	225	296	31.6
West	380	513	35.0
Ireland	3,917	5,070	29.4

These forecasts were based on the 2002 Census. It is likely that projections derived from the 2006 Census will result in an even higher population total in 2021. In any event, the NDP is based on the requirements of a population in 2020 likely to be well in excess of 5 million persons.

The recent significant increases in population have been accompanied by major increases in employment. It will be vital to maintain this strong employment growth into the future. This will partly be a function of the internal and international economic climate but will also require a further major enhancement in our economic and social infrastructure. Quality of life and environmental sustainability issues will also require ongoing and significant investment in areas such as Transport, Education, Health, Childcare, Sports and Cultural Facilities and Housing. This investment aligned with proper land use strategies can enable people to live nearer their workplace, have access to sustainable modes of transport and to necessary facilities for their families.

<sup>2</sup> Source CSO Publication 'Regional Population Projections' 2006-2021' published 25<sup>th</sup> May 2005

## Efficient Delivery of Investment

A key objective will be to deliver the required level of investment in a way that does not generate construction industry inflation and that ensures Value for Money for the taxpayer. In relation to the latter, Chapter 12 sets out the robust framework now in place for appraising and managing capital programmes and projects by Departments and Implementing Agencies.

As regards the cost of providing the infrastructure, careful note has been taken of the ESRI's comments referred to above. It is, however, considered that the level of investment proposed can be delivered over the lifetime of the Plan with commensurate outputs and in an economically sustainable way. This view is informed by the considerations set out in the following paragraphs in relation to the capacity of the construction industry and the enhanced project management capacity of the principal implementing agencies.

## Capacity of the Construction Sector

Current tender price inflation, employment and tendering patterns suggest that the construction industry is operating well at its present level of activity. Recent historic trends also suggest that it has the capability to grow without generating significant additional inflationary pressures. In this regard, it is useful to look at a number of key indicators as set out in the tables below to assess the extent to which the construction industry has been radically transformed over the period of the previous NDP 2000-2006.

	2000	2001	2002	2003	2004	2005	2006 (E)
PCP € billion in current prices	6.1	7.3	8.6	8.5	8.4	8.6	10.6
Housing output	49,812	52,602	57,695	68,819	76,954	80,957	93,000
Tender price inflation for New Civil Engineering Projects	+12%	+9%	+6%	+3%	+4%	+4%	+4%

Almost 50,000 housing units were built in 2000. At that time the Public Capital Programme (PCP) amounted to €6.1 billion, the value of construction output was €17.58 billion and tender price inflation at that stage was running at 12%. In 2006, tender price inflation is estimated to be just 4% even though it is estimated that some 93,000 housing units will have been built (up about 87% on output in 2000), the PCP was €10.6 billion (up 74% on the value of the 2000 programme) and total construction output was estimated to be €35.89 billion.

The construction industry has changed significantly since the commencement of the previous NDP having absorbed much structural change and adaptation to meet changing market conditions. The figures in the tables below demonstrate the industry's ability to respond swiftly to new demands. During the period of NDP 2000-2006 construction output doubled in value from €17.58 billion in 2000 to an estimated €35.89 billion in 2006. Direct employment in construction increased by 57% from 168,000 persons to 264,000 persons.

	2000	2001	2002	2003	2004	2005	2006
Annual Output (€billion)	17.58	19.93	21.29	23.80	27.45	31.48	35.89
Change year on year	—	13.4%	6.8%	11.8%	15.3%	14.7%	14.0%

	2000	2001	2002	2003	2004	2005	2006
Employment (000s)	166	180	182	191	206	242	263
Change year on year	—	8.4%	1.1%	4.9%	7.9%	17.5%	8.7%

Since the start of NDP 2000-2006, shortages of construction professionals have abated due to immigration, notably from the UK and new EU member states such as Poland. The number of construction professionals and technical employees (e.g. architects, engineers, quantity surveyors, planners, etc.) rose from 8,600 in 2000 to 10,800 in 2005. Difficulties in filling architect, construction engineer, quantity surveyor, building surveyor and town planner vacancies have eased. Increases in college places in architecture and town planning are now enhancing the domestic supply of such professionals.

The number of craft workers increased from 96,500 in 2000 to 146,500 in 2005. Inward migration has been a factor here while FÁS have also succeeded in increasing the numbers of construction apprenticeships from 11,200 in 2001 to 15,600 in 2006.

Recent trends in tender prices in civil engineering contracts suggest that:

- Tender prices for civil engineering projects in the sector have remained competitive;
- Despite increased activity and opportunity for construction firms, the number of tenderers for individual projects has remained healthy with no discernible fall-off; and
- Foreign firms and partnerships between Irish and foreign firms competing for business is increasingly becoming a feature of large projects with contracts awarded to such consortia in a number of cases including major road, water and waste water projects.

Current evidence suggests that price increases in labour and materials are not feeding through to tender price inflation which is estimated to have been 3-4% in 2006.

Leading indicators of construction activity and developments in the industry generally will continue to be monitored over the period of the NDP.

## Breakdown of Construction Activity

The following table shows how total construction output was spread across each sector of activity during 2005:

Sector	Output (€billion)	% of Total Output
Residential Construction	20.04	67.3
Private Non-Residential	3.33	11.2
Productive Infrastructure	4.63	15.5
Social Infrastructure	1.77	6.0
<b>Total</b>	<b>29.77</b>	<b>100</b>

Residential construction is unlikely to continue at the very high current levels of activity over the longer term. While contractors in each sub-sector specialise in a particular type of construction and generally do not diversify into other areas, it can reasonably be anticipated that surplus crafts-persons and operatives from the residential sector will be available to meet growing demands in the productive infrastructure sector if residential activity scales back. This will complement the factors outlined above indicating that there should be an adequate supply of manpower for the construction industry during the period of the NDP.

## Better Project Management

Recent years have seen a significant improvement in the management of public capital projects. Most projects are being completed within time and budget. Additional resources have been made available to key implementing agencies notably the National Roads Authority (NRA) and the Railway Procurement Agency (RPA).

The RPA, which will be responsible for delivering major Public Transport projects under the NDP, has significantly increased its resources since the launch of *Transport 21*. For example, in the case of the Metro North project, which is the biggest project within their remit, they have assembled a 50 person Project Team to deliver the project. It includes experienced leaders in the delivery of similar projects in other countries, for example:

- Tunnel and rail engineers who have designed underground stations in London and Hong Kong;
- Safety specialists who have designed the most modern underground fire and safety systems for London Underground;
- Cost and programme specialists who have advised British Airports Authority on construction of the Heathrow Terminal 5; and
- Others who had key roles in the delivery of Munich's S-Bahn and Maglev train, Oporto Metro, Nottingham Express Transit and the Channel Tunnel Rail Link.

The Metro North team also includes top experts on the legal and financial aspects of Public Private Partnerships (PPP), including the team that have advised the NRA on all of their road PPP projects. Similar resources are being employed for other Metro and Luas projects as required.

Since 2000 the NRA has strengthened its cost estimation, control and procurement procedures, including in particular the greater use of the more efficient and cost effective Design and Build (D&B) Lump Sum fixed price contracts. The beneficial impact of these measures is evident in the completion of many projects since 2003 within budget including such major projects as the Monasterevin Bypass, the Kildare Bypass, the Dundalk Western Bypass and the Kilcock-Kinnegad Motorway. The NRA is continuing to improve its cost estimation and control capability including through the appointment of additional staff in this key area.

The role of the National Development Finance Agency (NDFA) has been expanded to provide a centre of expertise to undertake the procurement of PPP projects to turnkey stage for Government Departments/ Offices. This new function for NDFA is in addition to its existing role of providing financial and risk advice to State Authorities on all large public investment projects.

In addition to these key resource enhancements, the Strategic Infrastructure Act, 2006, will also facilitate more effective processing of major projects through the planning system

It is considered that the cumulative effect of the above factors will allow for the ambitious programme of NDP capital investment to be delivered at reasonable cost and without undue economic disturbance. Project level costs will, however, be kept under continuing review in the context of the rollout of the investment programme. The indicative 7 year allocation for NDP capital investment is in current prices and the various programmes and projects will have to be delivered within that allocation.

## **Effectiveness of Infrastructure Investment**

It will not be sufficient to deliver the infrastructure investment in this Plan in the most efficient and Value for Money way. If the high level objectives of the Plan are to be achieved, the investment must be delivered in an effective way. This requires project selection and allocation which supports the achievement of these objectives. It will be absolutely crucial therefore that in the selection of projects priority is given to the promotion of the key Plan goals notably sustainable growth and competitiveness, regional development in line with the template of the National Spatial Strategy, environmental sustainability and the All-Island dimension. This will be a particular focus of the implementation and monitoring arrangements set out in Chapter 13.

It will also be critical that project selection is well integrated and coordinated across agencies and that this integration is aligned as well as possible with planning and land use policy. The objective will be the optimal

provision of transport, water, housing, educational, health, childcare, grant assistance by development agencies and other facilities in a planned, coordinated, prioritised and consistent way to ensure, as far as possible, that services are provided where they are needed and make a real and positive impact on the quality of life of individuals and families. The key to achieving these synergies is ongoing coordination of project decision making across Central Government level, implementation of the Regional Planning Guidelines at local level and closer co-operation between Central and Local Government.

Of particular importance in this regard will be correct land use policies by planning authorities. This issue is dealt with in more detail in the Chapter on Regional Development. It is also central to the goal of Environmental Sustainability. Good progress is being made on this front via the Regional Planning Guidelines and local area strategic plans and this will be further promoted. There are statutory and financial tools at the disposal of Central Government in this regard if needed to ensure pursuit of appropriate policies in this area.

## Investment Priorities and Framework

### Economic and Social Infrastructure Priorities

The NDP provides for investment of some €54.7 billion and €33.6 billion respectively in the separate Economic and Social Infrastructure Priorities. Plan investment in these areas is significantly above the 2006 level. The enhancement of the country's stock of economic and social infrastructure is critical to maintaining a competitive economy and promoting a better quality of life. Competitiveness will be greatly assisted by the Plan capital investment in Transport, Environmental Services, Energy and Education. This will be complemented by investment in the key social areas of Affordable and Social Housing, Health, Childcare and community services generally. This investment in infrastructure will support the Plan horizontal goals of Regional Development and Environmental Sustainability and in this way have a positive effect on quality of life.

The key outputs under these Priorities will be:

#### Economic Infrastructure

- To create a road network, in line with the timetable in *Transport 21*, that will see the completion of the major inter-urban routes, will upgrade links generally between the National Spatial Strategy Gateways and will improve the non national road network;
- To deliver a radically upgraded public transport system in line with the timetable in *Transport 21* especially in the Greater Dublin Area (GDA), but with significant impacts in other areas;
- To improve the infrastructure of the three State Airports and provide support for investment in the regional airports;
- To better equip the ports sector to meet national and regional capacity and service needs;
- To further enhance the water and wastewater infrastructure thereby facilitating residential and commercial development throughout the regions whilst also improving the quality of the environment;
- To significantly improve the capacity and environmental sustainability of waste infrastructure;
- To promote the availability of competitive broadband services and to achieve nationwide broadband coverage by the end of the Plan period;
- To promote security of energy supply, which is competitively priced, in the long term and implement a significant programme of energy diversification with beneficial environmental effects; and
- To progress the decentralisation programme.

## Social Infrastructure

- Meet the housing needs of some 140,000 new households;
- Enhance our hospital infrastructure;
- Enhance primary, community and continuing care facilities, particularly for older people;
- Modernise prison infrastructure;
- Overhaul Courts infrastructure;
- Enhance Garda infrastructure and supports; and
- Provide new facilities in the areas of sport, culture and community infrastructure as well as protecting our natural and built heritage, including waterways.

## Enterprise, Science and Innovation Priority

The Plan provides for investment of some €20 billion under the Enterprise, Science and Innovation Priority. Increased productivity growth is a key determinant of long-term economic prosperity and of sustainable improvements in living standards and quality of life. The challenge of sustaining long-term productivity growth has intensified against the backdrop of an increasingly knowledge-intensive and interdependent global economy.

The approach to supporting enterprise, innovation and productivity will build on successful adoption of advanced technologies to achieve greater product and process innovation, strengthening levels of activity in research and development in both the public and private sectors and fostering greater entrepreneurship. This approach will also assist important indigenous sectors such as agriculture, the marine sector and tourism to modernise and adjust to changing market environments.

The key outputs under this Priority will be:

- to fully implement the Strategy for Science, Technology and Innovation in the period to 2013 thereby achieving a transformational change in the quantity and quality of research and enhancing the contribution of research to economic and social development and increasing the numbers of people with advanced qualifications;
- to improve the capacity of indigenous industry to compete in the domestic and global marketplace by addressing key issues including productivity, management skills, the use of technology and marketing;
- to continue to attract Foreign Direct Investment and to grow indigenous industry, both on a regionally balanced basis;
- to support the further development of a tourist industry with the potential to attract 10 million visitors per annum by 2012 in line with the strategy set out in the *'New Horizons'* Report of the Tourism Policy Review Group;
- to produce quality Irish food products from an agri-food industry developed in line with the Agri-Vision 2015 Report that supports rural economies and preserves our countryside;
- to promote economic development in Rural, Gaeltacht and Island areas; and
- to support the development of a market-oriented seafood industry.

## Human Capital Priority

The Plan provides for investment of some €25.8 billion under the Human Capital Priority heading. Investment in education, training and upskilling (broadly termed as investment in Human Capital) has played a very

important role in Ireland's successful economic performance. It has provided a well skilled and flexible labour force and thereby helped make Ireland a major attraction for domestic and foreign enterprises. Ireland has been particularly successful in harnessing European Social Fund (ESF) receipts to very good effect.

Further investment in human capital will support greater adaptability in the education and training systems, with a particular emphasis on upskilling those already at work, those who wish to return to work, including older people, and those whose need for learning is greatest. Investment in human capital will also focus on increasing education participation and completion at all levels and in all sectors.

Human Capital funding in Plan 2007-2013 will continue to have the objective to ensure access to a very good standard of education and training for all and, in particular, to provide the labour force with the skills and adaptability to meet the challenges of the future. There are also strong linkages between the availability and quality of human capital and the competitiveness of Irish regions. Investment in human capital will have an important role in promoting the development and competitiveness of the regions over the period of this Plan.

The key objectives under this Priority will be:

- to upskill the workforce through promoting access to appropriate training and lifelong learning;
- to implement the National Skills Strategy with the goal of increasing the skills levels of a significant proportion of those at work in support of Ireland's aims of improved competitiveness and moving jobs quality up the value chain;
- to expand the workforce through the activation of groups such as the unemployed, people with disabilities, lone parents, Travellers, ex-offenders, women and older people as well as the implementation of an appropriate skills based migration policy;
- continued high investment levels in third level infrastructure — 35 large scale priority projects will be delivered by the end of 2010 in addition to significantly increased investment in the further modernisation and expansion of higher education infrastructure;
- to drive the reform and modernisation of the third level sector by enabling institutions to align their strategies with national priorities through the implementation of the new funding arrangements and the impact of major investment under the Strategic Innovation Fund;
- to increase the numbers of high quality graduates as well as widening participation in third level education;
- to provide sufficient school capacity at first and second levels in light of the growing school population;
- to provide the teachers and accommodation needed for improvements in special education provision;
- to provide for the modernisation of subjects at post-primary level;
- to invest in Information and Communications Technology in schools; and
- to provide for curriculum reform and the National Framework of Qualifications.

## **Social Inclusion and the Role of the NDP**

The Plan provides for investment of some €49.6 billion in programmes that will directly promote social inclusion as set out in Chapter 11. In addition many other aspects of the NDP will have positive social inclusion impacts. The funding programmes set out in the Social Infrastructure Chapter (Chapter 10) and the Human Capital Chapter (Chapter 9) describe the actions to be taken in these areas which will also directly contribute to social inclusion goals over the next seven years.



The Government is committed to a coherent strategy for social inclusion based on the lifecycle approach set out in *Towards 2016*, with implementation supported by the NDP and the National Action Plan for Social Inclusion (NAPinclusion). This Plan sets out an important part of the framework through which the strategy for social inclusion will be achieved over the period 2007-2013.

The Government believes that significant interventions are required in a small number of key areas in order to achieve the overall objective of promoting social inclusion. These targeted actions/interventions are designed to mobilise resources to address long-standing and serious social deficits. These high level goals are as follows:

### **Children**

- Ensure that targeted pre-school education is provided to children from urban primary school communities covered by the DEIS action plan;
- Reduce the proportion of pupils with serious literacy difficulties in primary schools serving disadvantaged communities. The target is to half the proportion from the current 27%-30% to less than 15% by 2016; and
- Work to ensure that the proportion of the population aged 20-24 completing upper second level education or equivalent will exceed 90% by 2013.

### **People of Working Age**

- Introduce an active case management approach that will support those on long term social welfare into education, training and employment. The target is to support 50,000 such people, including lone parents and the long term unemployed, with an overall aim of reducing by 20% the number of those whose total income is derived from long term social welfare payments by 2016. This target will be reviewed in the light of experience.

### **Older People**

- Continue to increase investment in community care services for older people, including home care packages and enhanced day care services to support them to live independently in the community for as long as possible.

### **People with Disabilities**

- Increase the employment of people with disabilities who do not have a difficulty in retaining a job. The immediate objective is to have an additional 7,000 of that cohort in employment by 2010. The longer term target is to raise the employment rate of people with disabilities from 37% to 45% by 2016 as measured by the Quarterly National Household Survey. The overall participation rate in education, training and employment will be increased to 50% by 2016. These targets will be reviewed in the light of experience and the availability of better data.

## **Communities**

### **Housing**

- Deliver high quality housing for those who cannot afford to meet their own housing needs and to underpin the building of sustainable communities. An important element will be the enhanced housing output reflected in *Towards 2016*, which will result in the accommodation needs of some 60,000 new households being addressed over the period 2007 to 2009. This will embrace meeting special housing needs (the homeless, Travellers, older people and people with disabilities).

### **Health**

- Develop 500 primary care teams by 2011 which will improve access to services in the community with particular emphasis on meeting the needs of holders of medical cards.



## **Integration of Migrants**

- Develop a strategy aimed at achieving the integration of newcomers in our society. As an initial action, resources for the provision of 550 teachers for language supports in the education sector will be provided by 2009 and access to other public services through translation of information and supports will be improved.

## **Equality**

### **Gender Equality**

The mainstreaming of Gender Equality continues as a priority of the Government and the National Development Plan 2007-2013 will continue to focus on gender equality as a horizontal issue. The NDP also includes a range of positive actions which invest in preparing women for participation in the labour market and in all levels of decision making in order to promote gender equality in Ireland.

### **Promoting Equality of Opportunity**

The promotion of equality of opportunity continues to be an important and valid goal of public policy. Where relevant and appropriate, this horizontal theme will inform the delivery and monitoring of investment under the various Programmes of this Plan, and will be supported by equality proofing measures.

## **Balanced Regional Development**

Balanced regional development means supporting the economic and social development of all regions in their effort to achieve their full potential. This Plan aims to promote the development of all regions in Ireland in line with the National Spatial Strategy (NSS) and within a coordinated, coherent and mutually beneficial framework which builds on regional strengths and addresses regional weaknesses. The promotion of regional development will aim to ensure that each NSS Gateway region maximises its potential for economic and social development; that a better balance is achieved in the economic and social development of the regions; and that there is enhanced co-ordination in the development of the Gateways and their regions and between planning and investment at local, regional and national levels. This will be achieved by:

- A major programme of investment in infrastructure with a particular focus on addressing deficits within and linking the various National Spatial Strategy Gateways;
- An integrated spatial planning framework at Gateway/Regional Authority level which will address appropriate land use at regional level and facilitate and complement the investment in infrastructure;
- Investment in Enterprise and Human Capital development of the Regions, including rural areas; and
- The establishment of a **Gateways Innovation Fund** on a competitive and pilot basis, as a mechanism to bring about better co-ordination in regional development and to support distinctive and innovative projects in Gateway areas which are contributing to the development of these areas.

Promotion of the Gateway centres will not be at the expense of other areas. As the NSS makes clear the development of the Gateways will also benefit the related NSS Hubs and county towns. In addition the rural economy will be supported by a range of interventions as set out in Chapter 4.

## **All-Island Co-operation**

The next 7 years present an historic opportunity for cross border and all-island economic and social co-operation across a wide range of areas of mutual interest. The Plan sets out in detail the full range of current and planned initiatives for North/South co-operation across key policy areas including infrastructure provision; science, technology and innovation; enterprise and training; trade and tourism promotion; health and education services; agriculture; culture and heritage; social inclusion and the environment.

## **Environmental Sustainability**

Ireland's environment is a unique, finite and irreplaceable asset. Our environment is valuable, both in its own right and for the health, well-being and enjoyment of our people. The importance of our environment is now widely accepted, and it is acknowledged as a vital part of our common heritage. For these reasons, we must act together to protect and enhance it for the benefit of the current and future generations.

The promotion of environmental sustainability, including tackling climate change, is a key objective of the investment strategy in the Plan. This major investment in financial resource terms will be underpinned by the ongoing integration of environmental considerations into the planning and execution of capital projects.

The investment under this Plan will make a major contribution to the protection and enhancement of our environment, especially in the areas of Public Transport, Environmental Services, Climate Change, Renewable Energy, Agriculture and Heritage. This investment will complement other key measures and instruments, both fiscal and non-fiscal, outside the scope of this Plan. In addition, projects to be funded under the Plan will be subject to all relevant EU and national statutory requirements applicable to environmental protection.

## **Value for Money in Delivery**

The scale of investment and project activity envisaged under this Plan means that, more than ever, it is essential to ensure that Value for Money is being achieved. A rigorous Value for Money framework will operate encompassing Departmental budget allocations and management, project analysis and specification, the procurement process, project management and implementation and delivery. This will build on the recent improvements in performance, whereby the bulk of capital projects are now coming in on or below budget and, in many instances, ahead of schedule.

Selected Programmes under the NDP will be subject to detailed evaluation over the period of the Plan. In addition, a comprehensive mid-term evaluation of the full Plan will be undertaken in 2010.

## **NDP Implementation**

Robust monitoring and reporting arrangements will be established in relation to performance on implementation of the NDP. This will include reporting on NDP outputs and impacts and will incorporate the preparation of an Annual Report on NDP progress which will be submitted to the Oireachtas. A Monitoring Committee, including regional and social partner representation, will be established to monitor Plan implementation.

## **EU Dimension**

Ireland is a committed Member State of the European Union. Ireland has benefited greatly from financial transfers, especially from the Common Agricultural Policy and the Structural and Cohesion Funds, and has been a model case in the effective use of these Funds. Effective use of the Funds (particularly in key areas such as infrastructure provision, training and education, research and development and the promotion of social inclusion) has been extremely important in Ireland's economic and social success.

The Structural and Cohesion Funds have also been of major benefit in the inculcation of a culture of planning and evaluation in resource allocation. The three previous National Development Plans, in line with the requirements of EU Regulations, put evaluated, monitored and measured Plans and Programmes in place to draw down the Structural Funds allocations.

More generally membership of the EU has conferred major benefits on Ireland including access to the single market, membership of the single currency including the imperative of fiscal discipline and a corpus

of positive legislation in key areas such as equality and the environment and more generally the policy framework deriving from the Lisbon Agenda process.

This new Plan, whilst not deriving from any EU statutory requirement and being almost 100% domestically funded, is still largely modelled on the good practice inculcated in the system by EU requirements. The following aspects of the NDP 2007-2013 reflect the positive experience of implementing investment under the EU Structural and Cohesion Funds:

- The NDP was subject to an independent ex-ante assessment of investment priorities;
- Resource allocation is done on a sectoral Priorities/Programme basis rather than the single Departmental model of the Annual Estimates process;
- The Plan will be subject to ongoing Programme evaluation including a comprehensive mid-term review;
- Robust monitoring arrangements which will include output and impact indicators as appropriate will be put in place to monitor progress; and
- The Plan Monitoring Committee will include Social Partner and Regional Interests representation.

The EU dimension, therefore, has fully informed the investment priorities and the structure of this Plan.

### **EU Funding 2007-2013**

It is estimated that some €3 billion in EU rural development and structural funding will be made available over the period 2007-2013. The drawdown of this funding will be the subject of separate Programmes to be agreed between Ireland and the European Commission. This funding is provided for in the Plan's overall financial envelope.

### **Lisbon Agenda**

The Lisbon Agenda provides a framework for the European Union and Member States to work together in support of sustainable economic growth, more and better jobs, greater social cohesion and respect for the environment. Reflecting Ireland's commitment to the success of the Agenda, the investment strategy under the NDP 2007-2013 is consistent with the achievement of these goals.

In particular, the planned investment in infrastructure, education, science technology and innovation will help to strengthen the knowledge base and productive capacity of the economy, thereby sustaining economic growth and employment into the future.

Such physical and human capital investment will, not only enable Ireland to contribute to the jobs and growth element of the EU Agenda but will, also allow us to meet our national Lisbon policy priorities. These include<sup>3</sup>:

- Continuing to prioritise public investment in economic and social infrastructure and other growth-enhancing expenditures;
- Ensuring that the economy will be in a position to meet anticipated long-run fiscal pressures, including those arising from the ageing of the population;
- Promoting, protecting and enhancing competitiveness;
- Increasing R&D investment, capacity and output;

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<sup>3</sup> Department of the Taoiseach (2005) *Lisbon Agenda — Integrated Guidelines for Growth and Jobs — National Reform Programme Ireland*.

- Encouraging greater innovation and entrepreneurship across the enterprise sector; and
- Focussing on education and training, including lifelong learning, to develop a high-skilled, innovative and adaptable workforce for the knowledge economy.

As regards the wider aspects of the Lisbon Agenda, the NDP allocation of investment to promote balanced regional development, social inclusion and environmental sustainability, will make a major contribution to its implementation in Ireland while, of course, delivering significant benefits to the people of Ireland.

## **Conclusion**

The National Investment Priorities set out in this Plan have been informed by public consultation and independent advice. In the final analysis they represent the view of Government of the appropriate level and size of investment to deliver on the high level objectives set out at the outset of this Chapter. As already adverted to, other areas of public policy outside the remit of the NDP, notably tax, regulation and competition, will also have a bearing on the achievement of these objectives.

# The Economic and Fiscal Framework

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### Introduction<sup>1</sup>

The NDP 2007-2013 is framed in the context of an economy whose potential to grow, while still strong, is lower than in the recent past. Going forward, the over-arching economic priority is to consolidate the gains made over the last decade and to put in place the necessary conditions to ensure further economic progress into the future. The investment strategy under this Plan will form a key component in shaping these conditions.

### Economic Developments in Ireland 2000-2006

The economy recorded a solid performance over the period of NDP 2000-2006. GNP growth averaged an estimated 5.2% per annum over the period, broadly in line with that envisaged at the beginning of the last NDP. These growth rates are somewhat lower than those in the late 1990s and mainly reflected supply constraints, most notably in the labour market where conditions approaching full employment prevailed over most of the period.

In the early part of the decade, the economy showed considerable resilience in the face of a number of external shocks, including the global ICT shock and the outbreak of foot-and-mouth disease. The resilience was illustrated by the resulting very small increase in unemployment. Since then, the economy has performed well, although growth has become more reliant on domestic demand than heretofore, with new housing construction accounting for a disproportionately high share of output and employment.

In terms of the components of demand, personal consumption growth averaged 5.4% per annum over the period of NDP 2000-2006. This was slightly lower than under the previous Plan, and partly reflects a lower growth rate of household disposable income. Investment spending rose at an annual average rate of 6.2% over the period. Building and construction investment rose relatively strongly over the period, partly reflecting the demand for new housing.

On the external side, exports of goods and services rose at an annual average rate of 7.1% over the period. While still relatively strong, this growth was slower than the rates recorded under the previous Plan. This reflects a number of factors, including more modest demand growth in some of our trading partners, a gradual deterioration in cost competitiveness as well as some sector-specific issues. The growth rate of imports also slowed to an annual average rate of 7.3%, a decrease from the double-digit growth rates recorded in the previous Plan.

### Labour Market Trends

The 2000-2006 period was characterised by significant changes to the Irish labour market. Employment continued to expand at a robust pace, with growth averaging 3.4% per annum (the equivalent of around

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<sup>1</sup> Economic data covering the period 2000 — 2006 referred to in this Chapter should be regarded as estimates as full year data for 2006 are not yet available.

60,000 jobs per annum)<sup>2</sup>. As a result, by mid-2006, there were over 2 million people at work in Ireland for the first time in the history of the State.

The increase in employment was primarily facilitated by continuing increases in the labour force. This, in turn, was driven by the natural increase in the population of working age, higher participation rates and net inward migration<sup>3</sup>. This last component of labour force growth was particularly strong in later years, most notably since the accession of the 10 New Member States in 2004. Indeed, the latest data show that non-Irish nationals now account for 10% of the labour force. The unemployment rate remained low over the period, and, by the end of the previous Plan, the unemployment rate in Ireland was amongst the lowest in the EU.

## Prices, Earnings and Costs

During the 2000-2006 period, HICP inflation<sup>4</sup> in Ireland (the appropriate measure for international comparisons) averaged an estimated 3.6% per annum, compared to 2.2% in the euro area as a whole.

Wage inflation was also relatively high over this period. At the same time, the growth rate of labour productivity slowed, with an annual average growth rate of around 2% (in GNP terms). This slowdown reflected cyclical factors in the early part of the decade and the composition of growth in the mid-part of the decade, with output driven primarily by labour-intensive sectors such as construction and services.

Combined with the relatively strong wage growth, this lower productivity growth resulted in a rise in unit labour costs (i.e. the labour cost of producing a single unit of output) in Ireland and a consequent deterioration in our external competitiveness.

## Budgetary Developments and Policy

The Stability and Growth Pact (SGP) provides the overriding framework for Irish budgetary policy. Under the Pact, Ireland is obliged to keep the public finances, as measured by the General Government Balance, close to balance or in surplus in normal economic circumstances. During the course of the 2000-2006 Plan, Ireland fulfilled its obligations in accordance with the SGP and the level of General Government Debt fell from around 38% to about 25% of GDP over the period.

The General Government Balance has recorded a surplus every year since 1997 with the exception of 2002 when a small deficit was recorded. For 2006, the General Government Balance was again in surplus. This has been achieved while accommodating infrastructural investment of close to 5% of GNP, more than twice the EU average, putting aside 1% of GNP annually to help meet future pension costs and with a tax burden that is low by EU standards. Over the period of this Plan, Ireland will fully meet its commitment under the revised SGP but, more importantly, public finances must remain sound if: (i) the economic gains of the recent past are to be consolidated; and (ii) further gains are to be realised. Therefore, the key objective of fiscal policy during the period 2007-2013 will be to support sustainable economic growth so as to underpin the ambitious level of investment set out in this Plan.

A prudent budgetary policy will be implemented over the period of the Plan that does not add to inflationary pressures in the economy and that leaves flexibility for budgetary manoeuvre should an economic slowdown occur. Provision will also continue to be made for the challenge that an ageing population will pose in due course, notably through the annual transfer of 1% of GNP to the National Pensions Reserve Fund. This policy also requires that growth in day-to-day expenditure must be kept broadly in line with the increase in economic growth. In such circumstances, a key expenditure objective will be to achieve more with the resources already being used to realise maximum value for money.

<sup>2</sup> Quarterly National Household Survey data, referring to the second quarter of each year.

<sup>3</sup> A more detailed assessment of population trends nationally and regionally is set out in Chapter 3.

<sup>4</sup> HICP stands for Harmonised Index of Consumer Prices.

On the basis of the macroeconomic projections in Table 2.1 below and a generally prudent approach to budgetary policy as set out above, the 7 year investment programme in the Plan is affordable and will be compatible with stability in the public finances and compliance with the Stability and Growth Pact. As outlined in Chapter 1 and based on the economic outlook set out below, the next 7 years affords a window of opportunity to address investment crucial to national and regional competitiveness and the long term sustainability of the economy. Over the longer term, other pressures will build up on the public finances, notably in the health and pensions area, arising from an ageing population. It is important that this opportunity is used to decisively improve the productive capacity of the economy in light of the longer term demands that will be placed on it.

## **Economic Outlook 2007-2013**

It must be stressed that ultimately the ability of the State to fund the investment priorities in the Plan is dependent on continuation of stable economic and budgetary policies which deliver the requisite level of growth and resources. Key assumptions in this regard are set out in the following paragraphs.

### ***Domestic Prospects***

Against a reasonably favourable international backdrop, the outlook for the domestic economy over the period of the NDP 2007-2013 is broadly positive. The economy has the capacity to expand at an average rate of around 4 to 4½% per annum over this period. Such a rate of growth, if achieved, would be consistent with the maintenance of full employment. The programme of investment under the Plan will help to alleviate capacity constraints and greatly assist achievement of such a rate of growth.

Achieving such a growth rate is based on the assumption of no further significant loss in competitiveness. In this context, it is assumed that inflation averages 2% per annum over the period. In addition, it is assumed that housing output declines to more sustainable levels in a gradual manner. Any sharper than expected slowdown would have negative implications for growth.

### ***International Outlook***

The medium-term economic projections underpinning this Plan assume that the international environment will remain relatively benign. In particular, it is assumed that growth in our major trading partners will evolve in line with potential. Over the timeframe of this Plan, there will, of course, be periods of above-trend and below-trend growth in our major trading partners.

The international outlook is currently subject to a number of risks and vulnerabilities. Such risks, if they were to materialise, would have adverse consequences for the Irish economy. Perhaps the most identifiable risk concerns the evolution of the US current account deficit. It is generally accepted that this deficit will have to be corrected at some stage. The manner in which balance is restored could have adverse implications for the Irish economy, particularly if it involved sharp exchange rate changes. In addition, notwithstanding some easing in prices in recent months, oil price volatility, together with the potential for further price increases, presents very real threats to the global economy and, by extension, to the Irish economy. The current level of oil prices is mostly a demand-side phenomenon, with prices being driven by stronger demand from newly industrialising countries such as China and India. In these circumstances, relatively high prices are likely to persist in the short-to medium-term.

### ***Labour Market Prospects***

The labour force rose by 3.2% per annum over the period of the last Plan. Going forward, a further expansion of the labour force is expected, although the rate of increase is likely to moderate. While favourable demographics will continue to add to the pool of labour, participation rates are now high by EU standards, so that the scope for further significant increases in labour supply from this source is more limited than in the past. Net inward migration will also contribute to labour force growth and, while there is considerable uncertainty regarding the magnitude of these inflows going forward, it is assumed that they will not be as strong as in the very recent past.

It is assumed, therefore, that the labour force will increase at an average rate of around 2 – 2½% per annum over the period of the Plan. These labour force projections take into account the likely effects of ongoing labour market reforms aimed at improving employability, participation, etc. The forecasts underpinning this Plan assume that, on average over the period, employment will expand broadly in line with the increase in the labour force, with the unemployment rate remaining relatively low. However, any internal or external shocks to the economy would have implications for labour market trends over this period.

### **Labour Productivity**

As outlined earlier, productivity growth slowed over the period of the 2000-2006 Plan. Going forward, it is assumed that an average productivity growth of around 2% per annum can be attained. Such rates of growth are lower than the historical average and reflect the increasing importance of labour-intensive services, together with the lower relative importance of manufacturing. Nevertheless, such a rate of labour productivity growth would still be reasonably high by international standards. This, in turn, reflects ongoing improvements in the average skills level and educational attainment of the workforce, as less well-educated older workers retire and are replaced by younger and better educated new labour market entrants. In addition, the relatively high level of investment in plant and machinery and in the stock of infrastructure will increase the output of those in employment, as will further technological progress.

The programme of investment and the priorities contained in this National Development Plan, as they relate to areas such as infrastructure, education, science and technology etc., will help to increase the potential of the economy to grow. Investing in both human and physical capital, as set out in the Plan, will help to increase living standards above what they would otherwise be and will improve the quality of life of Irish people and the overall productive capacity of the economy.

These priority investments will position the Irish economy to respond well to many of the challenges of a globalised economy. In general, the programme of investment contained in the Plan should generate a significant rate of return on the funds being invested.

Based on the above, the key macroeconomic projections for the period of the Plan are as follows:

**Table 2.1: Macroeconomic projections 2007-2013 (annual average)**

	<b>2007-2013 (per cent)</b>
Gross National Product (GNP)	4-4½
Consumer Prices	2
Employment	2-2½
Unemployment rate (per cent of labour force)	<5

### **Longer Term Provision**

Demographic projections indicate that the size and composition of Ireland's population will undergo considerable change over the coming decades. Most notably, a substantial increase in the number of older people is expected to occur so that by 2050 the proportion of the population aged 65 and over relative to the population aged 15-64 (the old age dependency ratio) will be in the order of 45%, nearly treble the 2004 figure of 16.4%. This implies that Ireland will move from having six people of working age for every older person to a ratio of just over two to one.

This projected “greying” of the population will pose significant economic and budgetary challenges. Foremost amongst these is a substantial increase in age-related public expenditure. Projections by the EU



Economic Policy Committee indicate that public spending on pensions, health and long-term care will increase from 10.6% of GDP in 2004 to 19.6% in 2050<sup>5</sup>.

In responding to these challenges, it should be borne in mind that much of the projected rise in the age-related expenditure burden will not materialise for some time yet. As such, a “window of opportunity” exists in which the public finances and the economy have time to adjust. Over the short to medium term, it is essential that Ireland takes advantage of this opportunity to put in place appropriate measures to cope with rising age-related spending and to boost the productive capacity of the economy.

To date, a range of Government initiatives which aim to address longer term expenditure pressures, while maintaining the welfare and living standards of older members of society into the future, have been introduced. These include the establishment of the National Pensions Reserve Fund and the decision to publish the Green Paper on Pensions Policy. Notwithstanding these initiatives, the low level of debt and sound budgetary position, Ireland is nonetheless considered to be at ‘medium risk’ in terms of the sustainability of our public finances<sup>6</sup>. Hence, additional policy responses will be required going forward. In particular, if Ireland is to successfully meet the longer term challenges implied by an ageing population, it must act early to improve the productive capacity of the economy. Doing so will help sustain economic growth into the future, which, in turn, will place the public finances in a better position to cope with age-related spending pressures.

Overall, these longer term issues underscore the need for appropriate investment in the short to medium term. By providing such investment, the NDP 2007-2013 will better equip the economy to meet the challenges ahead.

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<sup>5</sup> Economic Policy Committee & European Commission (2006) *The impact of ageing on public expenditure: projections for the EU25 Member States on pensions, health care, long-term care, education and unemployment transfers (2004-2050)*.

<sup>6</sup> European Commission (2006) *The Sustainability of Public Finances based on the 2005/06 Updates of Stability and Convergence Programmes*.

# Regional Development

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### Introduction

Balanced regional development means supporting the economic and social development of all regions in their efforts to achieve their full potential. This Plan aims to promote the development of all regions in Ireland within a co-ordinated, coherent and mutually beneficial framework. Balanced regional development is, accordingly, central to the investment strategy of the Plan. The promotion of regional development will be implemented through:

- A major programme of investment under the Plan in infrastructure with a particular focus on addressing deficits in the various National Spatial Strategy Gateway areas;
- Implementation of integrated spatial planning frameworks at Gateway/Regional Authority level which will address appropriate land use at regional and Gateway levels; and facilitate and complement the Plan investment in infrastructure;
- Investment in Enterprise and Human Capital development of the Regions, including rural areas — Chapter 4 sets out the strategy for the rural economy in more detail; and
- The establishment, initially for the period 2008-2010, of a Gateway Innovation Fund on a competitive basis and as a mechanism to bring about better co-ordination in Gateway development supporting distinctive and innovative projects in Gateway areas which are contributing to the development of the Gateways and their wider regions.

The objectives of these interventions can be summarised as:

- Ensuring that each Gateway region maximises its potential for economic and social development;
- Achieving a better balance between the regions in terms of economic and social development; and
- Fostering enhanced co-ordination in the development of the Gateways and their regions and between planning and investment at local, regional and national levels.

### Strategic Context

Economic development in all countries, including Ireland, invariably occurs at a different pace in different regions. The rate and location of regional economic development reflect many different factors, some of which can be directly influenced by Government policy, some of which reflect the inherent characteristics and potential of different regions and some of which reflect the natural growth of the private sector. Regional economic development can also have a close relationship with population distribution. Strong clusters of population can themselves be a driver for regional development while in turn being the result of economic expansion in the related regions.

All regions (defined in terms of the 8 Regional Authority areas) of Ireland have enjoyed spectacular economic and social progress over recent years. Population decline has been halted and reversed. Employment has increased significantly whilst unemployment has been reduced to very low levels by

historic and EU standards. The NDP 2000-2006 has seen a major enhancement of regional infrastructure throughout the country. The gaps between Irish regions and their EU counterparts have been reduced and in some cases eliminated. Some parts of Ireland are, in terms of economic activity, in the first rank of the European Union.

Nonetheless, a pro-active and focused approach to balanced regional development continues to be necessary. The growth of the Greater Dublin Area (GDA), comprising the four Dublin councils and the counties of Kildare, Meath and Wicklow, has been dramatic in terms of population and economic output. While the economic success of the GDA has made a major contribution to the success of Ireland as a whole, it has also brought challenges, particularly in the area of infrastructure. The GDA has experienced heavy pressures in the areas of transport, housing and environmental services. In response, there has been considerable investment in infrastructure in the GDA under the NDP 2000-2006 and NDP 2007-2013 will build on and intensify this.

The development of Ireland outside the GDA must also be pursued intensively. Such regional development will not only help fulfil the economic potential of the regions outside the GDA, it will also ease the pressures still evident in the GDA. Promoting the economic development of the regions outside the GDA will assist the objective of a more balanced distribution of population in the country as a whole.

The role of investment policy under the Plan will be to build on the existing strengths of all the regions and address their particular development deficits (particularly in the area of infrastructure). Public investment policy and regional planning will reinforce the inherent strength of individual regions and direct investment to compensate for regional weaknesses. Plan investment policy will promote a coherent and co-ordinated approach to regional development which assists the development of individual regions in a complementary and mutually-supportive manner.

## The National Spatial Strategy

The National Spatial Strategy (NSS) sets out the vision and strategic framework for achieving sustainable and balanced regional development in Ireland. The NSS was launched in 2002 and embodies a 20-year spatial framework to achieve more balanced regional development in Ireland. The vision underlying the NSS is a better balance of social, economic, physical development and population growth between regions. The NSS envisages thriving Gateway centres driving the development of their wider regions, including surrounding towns, villages and rural areas. The NSS summarises balanced regional development as:

***“Developing the full potential of each area to contribute to the optimal performance of the State as a whole — economically, socially and environmentally”.*<sup>1</sup>**

Accordingly, this Plan will particularly focus investment around the NSS, especially around the network of the nine Gateways<sup>2</sup> identified in the Strategy. The Plan will also support the concept of an urban-rural partnership by linking the focus on the Gateways with support for other urban centres and rural areas.

Implementation of the NSS has been on-going since the launch of the Strategy in 2002. Public investment under NDP 2000-2006 has funded many significant investments in areas such as transport, housing, water services, broadband, urban renewal, and the higher education and research sectors. New investment programmes announced since the publication of the NSS, such as the Government’s 10-year *Transport 21 Programme*, have also emphasised the importance of supporting regional development and facilitating the development of the NSS Gateways and Hubs. This investment is playing an important role in the impressive economic growth being experienced by all regions.

<sup>1</sup> National Spatial Strategy Government of Ireland 2002 p.11.

<sup>2</sup> Dublin, Cork, Galway, Limerick/Shannon, Waterford, Sligo, Dundalk, Letterkenny/Derry, Athlone/Tullamore/Mullingar

The programme of Decentralisation of 8 Government Departments and a range of agencies will also have significant positive effects in fostering balanced regional development. The impact of decentralised offices will be quite significant in many of the smaller towns in which they will be located. The decentralisation process is a direct instrument that will strengthen, in particular, the hub, smaller town and rural structure and complement the key and dynamic role to be played by the Gateways.

At regional level, the NSS has been further articulated through the adoption of Regional Planning Guidelines (RPG) by the Regional Authorities, setting the strategic policy agenda for Local Authority development plans at city and county level. These Guidelines will be the template to secure good alignment between public investment plans at national level and physical planning at regional and local levels. At local level, strategic planning initiatives for most of the Gateways (Dublin, Cork, Galway, Limerick, Waterford, Dundalk, Sligo and Midlands) have been put in place. Work on a strategic framework for the Northwest Gateway (Letterkenny/Derry) is advancing and will be completed in early 2007.

Significant progress is already being made in matching strategic plans at regional and local levels with new public and private investment. In Dublin, housing output has increased substantially with key new developments such as the Adamstown and Hansfield Strategic Development Zones being facilitated through major investments in public transport. In Cork, major new developments will come on stream in the docklands area and along the Cork-Midleton rail line which is being re-instated to facilitate a key aspect of the Cork Area Strategic Plan. At other Gateway locations, new approaches to planning are leveraging significant new private investment.

### Regional Development Trends in Ireland

The recent 2006 census indicated that the population of the State has increased from 3,917,000 persons in 2002 to 4,235,000 persons in 2006, an increase of 8% (an annual compound rate increase of nearly 2%). The population of all of the 8 Regional Authority areas of the State is growing and at rates higher than for the previous inter-censal period. The greatest increases (% annual growth rates) took place in the Mid-East Region (3.6%), the Midlands Region (2.8%), the South-East Region (2.1%), the West Region (2.1%) and the Border Region (2%). Annual rates of growth were somewhat lower in the Dublin (1.5%), Mid-West (1.5%) and South-West (1.7%) Regions. The population growth in the Dublin and Mid-East Regions, taken together, has resulted in the Greater Dublin Area's share of national population remaining virtually constant at 39.2% between 2002 and 2006.

The CSO's national population forecasts (published in 2004 and therefore before the results of the 2006 census)<sup>3</sup> estimate a national population of just over 5 million by 2021. These national forecasts were supplemented in 2005 by the CSO's release of regional population forecasts. Table 3.1 below highlights key findings from these projections, which indicate a high level of overall national population increase (29.4%) and above average increases in the GDA (34.4%) and West (35%) Regions and anticipated lower than average increases in the South-West (21.6%) and Mid-West (20.6%) Regions.

**Table 3.1: CSO Regional Population Forecasts**

Region	Pop 2002 ('000's)	Pop 2021 ('000's)	% change
GDA	1,535	2,063	34.4
South-East	424	537	26.7
South-West	580	705	21.6
Mid-West	340	410	20.6
Border	423	546	29.1
Midland	225	296	31.6
West	380	513	35.0
<b>Ireland</b>	<b>3,917</b>	<b>5,070</b>	<b>29.4</b>

<sup>3</sup> It seems likely that revised population forecasts, flowing from the results of the 2006 Census, will project a national population of 5.3 million by 2021.

Long-term population trends indicate that the economically stronger regions are those that have large urban centres of population and a high proportion of the population living in those urban centres. Table 3.2 below indicates that the urbanised regions (GDA, South-West, South-East) were fast-growing in Gross Value Added (GVA) terms over the 1996-2002 period, while less urbanised ones (Border, Midlands, West) grew at a slower rate, albeit still rapidly by international standards. An exception is the relatively urbanised Mid-West which did not grow rapidly. Also, regions with individual larger and dynamic urban centres grew relatively fast in economic terms.

**Table 3.2: Relationship between Regional Economic Growth and Regional Urban Structure**

Region	Urban population as % of total Population	Largest urban centre Population size 2002	Largest Urban centre as % of Regional Population	GVA growth at basic prices 1996-2003
Border	33% (6)	Dundalk town and environs — 32,505	7.5% (6)	66.7% (6)
Midland	37% (4)	Athlone town and environs — 15,936	7.1% (7)	82.2% (3)
West	34% (5)	Galway city and environs — 66,163	17.4% (4)	64.5% (7)
GDA*	87% (1)	Dublin — 1,004,614	65.4% (1)	72.7% (4)
Mid-West	43% (3)	Limerick city and environs — 86,998	25.6% (3)	70.4% (5)
South-East	43% (3)	Waterford city and environs — 46,736	11.0% (5)	88.5% (2)
South-West	55% (2)	Cork city and environs — 186,239	32.1% (2)	96.6% (1)
<b>State</b>	<b>60%</b>	—	—	<b>77.3%</b>

\*Dublin & Mid-East Regions.

Bracketed numbers are the regional rankings, i.e. 1 to 7.

Source: Census of Population, 2002, 1996 and CSO Data.

Recent population trends and projections therefore suggest that:

- (1) The population of Ireland will continue to grow substantially;
- (2) The population levels of all the regions will increase;
- (3) Regions containing large urban centres with a relatively high percentage of the region's population are performing comparatively better economically;
- (4) Regions with comparatively weaker urban structures will need an enhanced level of critical mass to drive development; and
- (5) The urban-based Gateways are growing at different rates.

## Economic Trends

### Regional Growth

As illustrated by the table above economic output across all regions has been increasing at substantial rates in recent years. However growth rates vary, with higher rates of growth in the regions in the eastern half of the State compared to the Western, Midlands and Border Regions. The average output level per person in the Dublin, Mid-East, South-East, South-West and Mid-West Regions, as measured by Gross Value Added (GVA), was 10.8% above the State average in 2003 (the latest year for which figures are available). The level of GVA per person in the 5 regions increased by 67% in the period 1998 to 2003. The GVA per person in the Border, Midlands and Western Region increased by 56% during the same period. This is still a very strong performance especially by EU standards. The presence, or otherwise, of a strong urban structure in the different regions and the extent to which higher value-added sectors are present would appear to be important and intertwined factors in this regard.

## Disposable Income Per Person

In 2003 the disposable income per person in the 5 Southern and Eastern Regions was 2.9% above the State average while the corresponding figure in the Border, Midlands and Western Region was 8% below the State average. However, the gap between the regions of 10.9% in 2003 has decreased from 12% in 2001. The Dublin Regional Authority Area had the highest disposable income per person of the 8 Regional Authority Areas, being 13.3% above the State average in 2003. The disposable income per person of the Border Region was 9.5% below the State average in 2003 and was the lowest of the eight Regional Authority Areas. The differences in disposable income between the regions in 2003 must be viewed against the background of differing costs of living, income transfers and the varying economic characteristics of the regions. An important dimension in this regard is the impact of house prices.

## Employment Trends

The total number of persons recorded at work in the country in 2006 was just over 2 million compared with a little over 1.15 million in 1991. This contrasts with an increase of only 11,253 (1.0%) over the period 1981-1991. Moreover, the increase in the workforce was accompanied by a sectoral shift towards services and substantially increased female participation rates in employment that is mainly concentrated in the larger towns and cities. Some regions, such as the West Region, have seen numbers in employment increase by 21% compared to a national average of 15% in the period. Overall national employment growth has been driven by the strong performance of the services and advanced sectors (pharmaceuticals, IT, R+D etc.). There has also been significant employment growth in the construction sector, which now accounts for 15% of all employment in the Border, Midlands and West Regions. Overall these three Regions have a higher dependence than the more urbanised regions on the more vulnerable manufacturing, natural resource and construction sectors.

Regional employment and productivity trends, therefore, indicate that a key regional development objective for this NDP will be to support the creation of conditions necessary to extend the process of employment and productivity growth in higher value added functions to all the regions.

## Transportation Trends

Regional population and economic trends also have implications for transportation. A rapidly increasing population, rising employment and income levels have resulted in car ownership levels in Ireland increasing significantly and converging towards EU averages. Between 1991 and 2002, the total number of cars owned by private households increased from 445,226 to 1,601,619. By 2002, just over 62% of workers travelled to work by car compared to 47% of a much smaller workforce in 1991. By contrast, the percentage usage of public transport (bus or train) decreased from 9.4% in 1991 to 8.7% in 2002 even though the actual number of users increased substantially by 31% from 107,211 to 140,381.

The 2002 Census figures also pointed to a trend towards longer distance commuting although almost 60% of the population had to travel less than 9 miles and only 6% had to travel over 30 miles. This trend is likely to have been intensified in the 2006 Census and has implications for spatial planning and environmental sustainability.

## Regional Trends and Issues — Implications

The analysis presented above highlights four key issues for the further implementation of the NSS, that public investment outlined in the NDP 2007-2013 will address:

- (1) Ireland's population will continue to grow at high levels, driven by a strong domestic economic performance and strong net migration. Good alignment between the NSS, particularly the Gateways, Hubs and other urban centres identified and public investment under the Plan will be essential to ensure that future growth is anticipated and planned for in a way that supports balanced and sustainable development;

- (2) Regional economic growth is promoted by strong Gateway centres with the levels of critical mass, competitiveness, quality of built and natural environment and quality of life necessary to drive not just their own growth but the growth of the wider Region of which they form part. The NSS Gateways in the regions have considerable potential for accelerated growth, which can be delivered through a collaborative approach between strategic local planning and NDP implementation, prudent national and local investment in the provision of key infrastructure and a dynamic and innovative role for the private sector;
- (3) There are rural areas, including smaller towns and villages, beyond the hinterlands of the Gateways and Hubs that are more remote and are experiencing rapid change within the context of a restructuring rural economy. The Gateways and Hubs approach to balanced regional development needs to be complemented by multi-sectoral policies designed to fully activate the potential of these remoter rural areas and provide local employment and economic opportunities. This issue is dealt with in more detail in the Chapter on development of the rural economy; and
- (4) Increased levels of demand for transport are a direct and normal consequence of improved national economic performance associated with wider economic and social transformation within the economy. The challenge for the future is that, through effective spatial planning at national, regional and local levels, development patterns can be structured so as to facilitate the emergence of effective and attractive public transport services and encourage greater modal shift towards public transport thereby promoting environmental sustainability including meeting international obligations to reduce greenhouse gas emissions.

## Regional Development: Strategic Policy Framework

The investment framework and strategy of this NDP will assist and enhance physical and spatial planning. The Plan establishes an ambitious and medium-term sectoral policy and financial framework within which national and local physical planning can be articulated and its strategies advanced. In order that Ireland's future spatial development is structured in a manner that is internationally competitive, socially cohesive and environmentally sustainable, the following investment in support of five key elements of the Government's regional policy framework will be made under this Plan:

- (1) **More efficient Greater Dublin Area:** supporting a strong and competitive GDA in order that it continues to drive its own development and that of the State through improved and more public transport based mobility, development of more compact and sustainable communities and high quality international and domestic transportation connections;
- (2) **Strong Gateways in other Regions:** accelerating the development of strategically placed and national scale urban centres to act individually and collectively in delivering more spatially balanced patterns of economic development and population growth throughout their Regions;
- (3) **Hubs:** linking and extending the capabilities and performance of the Gateways to more outlying and rural areas by supporting the accelerated development of key towns at strategic locations along the transport corridors between the Gateways;
- (4) **County and other town structure:** capitalising on the important regional and local roles of Ireland's network of towns so that they can attract investment and act as engines of local growth within a wider revitalised and diversifying rural economy; and
- (5) **Vibrant and diversified rural areas:** sustaining the continuing process of growth and diversification in the rural economy through enhanced accessibility, communications infrastructure and activation of local development potential in areas such as local enterprise and services, tourism and the natural resource sectors.



## Developing the Gateways (2007-2013): Overall Strategy

A key objective is to build on current trends and maintain strong and sustainable growth in each of the Gateways over the period of the Plan with particular emphasis on those with lower populations. Each Gateway therefore needs a clear vision of:

- Its future development strategy;
- The mechanisms to implement the strategy;
- Effective prioritisation of investment, both locally and centrally; and
- Accelerated delivery of critical elements of such investments.

Effective co-ordination across the various Local Authorities that make up each Gateway will be a key element necessary to build on investment under the Plan. This will be underpinned by effective co-operation with key resource and enterprise decision making agencies at Central Government level. The NDP implementation monitoring arrangements (see Chapter 13) will have a particular focus on ensuring requisite levels of co-operation at and between Local and Central Government. This will be demonstrated by the inclusion of regional interests on the NDP Monitoring Committee.

## Transport

The Plan provides for some €32.9 billion investment in transport generally. National and international access will be central to the competitiveness of the Gateways. Key priorities will be completion of the major inter-urban routes, the upgrade and enhancement of the public transport network, improved port and airport access and investment in key secondary and non-national roads between and within the Gateway regions. By the end of the Plan, all the inter-urban routes between Dublin and the Gateways will have been completed and many of the key inter-urban routes between Gateways, such as the Atlantic Corridor, will also have been significantly upgraded. Investment in strategic non-national roads within and between Gateways and their immediate hinterlands will also play a key role in improving connectivity, circulation and facilitating the development of strategically placed landbanks.

Investment in transport will also be targeted at improved internal public transport services. While the most pressing needs are in the GDA, the other established cities also face challenges, and over the Plan period, integrated strategies for the delivery of sustainable mobility plans will be in place and in the process of implementation in all the Gateways. Bus-based solutions will offer the most realistic prospect of enhanced public transport services in most of the Gateways with rail being important in Dublin and also, consistent with the *Transport 21* blueprint, in Cork and Galway. Investment in green transport corridors for walking and cycling will also be put in place.

The investment in the 3 State Airports and the continued support for the Regional Airports will play a key role in promoting internal and external accessibility. The investment in the commercial ports will also be important in this regard.

## Other Infrastructure

Investment in housing will be targeted both in terms of ensuring the continued supply of private housing to a high standard of quality and improved levels of affordability and in continuing the good progress made under the previous Plan in renewing significant social housing areas. Many of the Gateways contain a significant stock of social housing whose physical and social regeneration is an important aspect of enhancing their attractiveness for investment.

Broadband connectivity is increasingly central to Ireland's continuing transformation towards a knowledge-based and value-added based economy. By 2013, all the Metropolitan Area Networks (MANS) in Gateways and Hubs will have been completed and enhanced backhaul connectivity will deliver much improved and



more cost-effective broadband accessibility in many of the Gateways and their wider regions. Other areas such as investment in environmental services and in energy infrastructure will also play key roles in building an efficient economic infrastructure base both nationally and regionally.

## Enterprise Development

The Enterprise Development Agencies have a crucial role to play in promoting regional development, especially in attracting high value industries to the Gateway regions which are lagging behind. IDA Ireland's regional strategy is aligned with the National Spatial Strategy and is designed to support the Gateway approach to regional development. IDA Regional Plans take account of the locational behaviour and requirements of the next generation of FDI projects, infrastructure capacities, the importance of building critical mass and leveraging the advantages of existing sectoral clusters.

Consistent with the aims and principles of Regional Development Policy and as set out in the NSS and in this Plan, IDA's approach will be to:

- Pursue a Gateway approach to regional economic development consistent with, and supportive of, the NSS;
- Pursue a strong pro-active role in using IDA property assets as key tools for shaping and promoting regional economic development; and
- Establish a strong regional interaction with regional educational institutions in areas of skills, specialised training, research and development and outreach centres.

This approach will be backed up by the regional focus of Enterprise Ireland, Shannon Development and the more localised focus of the County Enterprise Boards. In particular, Enterprise Ireland's critical activities and regional strategy will focus on growing established companies, driving the creation of new start-ups and providing necessary enterprise infrastructure. These activities have been placed firmly in the context of the National Spatial Strategy. Its implementation will transform a range of locations throughout the country and their broader environs by providing the requisite environment for enterprise development.

Enterprise Ireland will also work with the Universities and Institutes of Technology to maximise collaboration between industry and academia to develop clusters of high technology companies in the Regions. The *Applied Research Enhancement Initiative*, designed to enhance regional research capabilities by supporting projects in Ireland's Institutes of Technology, will continue to be rolled out.

Enterprise Ireland will focus on growing and developing companies throughout Ireland's Regions. Driving competitiveness through in-company R&D and innovation, management development and training will remain a significant area of focus over the course of this NDP. The funding offer from Enterprise Ireland already reflects the need to boost activity in the Regions with a weighting of support in favour of less economically developed Regions. Recent changes in the EU State Aid rules will allow increased flexibility for the development agencies over the course of this NDP to deliver required funding across these critical business functions.

## Regional Aid

Regional development over the next seven years will have to take account of the prevailing EU State Aids regime. This will be especially pertinent to the strategies of the Enterprise Development Agencies. The rules governing what regions may receive regional aid (also called investment aid) from the State are agreed at EU level. Regional aid was permissible in all of Ireland for the NDP 2000-2006. However, the increasing prosperity of Ireland's regions will result in a significant restriction of the availability of regional aid for the period of the Plan. Nevertheless, areas covering up to 50% of Ireland's population will remain eligible for regional aid, at varying aid rates, under Ireland's Regional Aid Map for 2007-2013 which was approved by the European Commission on 24 October, 2006. Under the new Map:

- The Border, Midland and West Regional Assembly Region is classified as an “economic development region” and will continue to qualify for regional aid throughout 2007-2013;
- The South East Region qualifies for regional aid throughout 2007-2013 on the basis of unemployment criteria specified by the European Commission;
- The Mid West Region (Clare, Limerick and North Tipperary) and Kerry in the South West Region are entitled to regional aid only for small and medium-sized firms throughout 2007-2013 and for large firms for 2007-2008;
- In the remainder of the South West Region, County Cork is designated for regional aid for small, medium and large firms for 2007-2008. In addition, the docklands area of Cork has been designated as an urban regeneration area and will be entitled to aid for small and medium firms until the end of 2013; and
- Dublin and the Mid-East Region (Wicklow, Kildare and Meath) will no longer be entitled to regional aid after 2006. However, investment aid for small and medium-sized enterprises will remain available in these areas under the EU Regulation on State Aid for SMEs.

The Regional Aid Map governs investment aid only. Other forms of State Aid including aid for SMEs, aid for Research, Development and Innovation, Training aid and aid for Environmental Protection will continue to be available in all areas. Also, from 2007-2013 all areas will remain entitled to award *De Minimis* Aid (i.e. small amounts of aid which, under the EU Treaty, are not regarded as State aid) at an increased level of up to €200,000 per company over a three-year period.

The Enterprise Agencies will proactively utilise the new State Aids Regime to support the Gateway Development strategy of the Plan. This will include the development of tailored strategies for the various Regions whilst also underpinning the horizontal objective of moving Ireland up the value chain in terms of foreign direct and indigenous investment.

## Education and Training

Education, skills and innovation investment will also be fundamental to the success of the Regional Development Strategy. Co-ordinated and focused efforts by Third Level Institutions, Enterprise Agencies and Local Government will be vital in accessing funding from initiatives such as Science Foundation Ireland and the Strategy for Science, Technology and Innovation. In addition, new priorities will merit attention including non-technological innovation.

## Quality of Life

Quality of life will also be key to Gateway growth. These centres must be attractive, not only as a place to work and invest in, but also to live in and visit. Many of them, despite pleasant natural settings, face challenges such as traffic congestion, lack of both pedestrianisation and highly attractive and effective public transport networks, the need for development of high quality urban realms and the provision of amenities such as parks and cultural facilities. The infrastructure investment under the Plan will play a significant role in enhancing their attractiveness. It will also be crucial that the Local Authorities, in discharging their physical planning and land use role, ensure that permitted residential and commercial development can be adequately resourced by existing and prospective social and economic infrastructure.

## Land Use

This Plan provides for an unprecedented level of public investment in physical and social infrastructure that has been, and will continue to be, co-ordinated within the spatial policy framework of the NSS.

To maximise the added value of public sector investment, it is vitally important that the relevant regional and local authorities work together, along with the private sector in ensuring that local planning and

development policies and private investment matches and complements public investment policy, maximising its impact. For example, investment in suburban rail services in Dublin, Cork, Galway and the Western Rail Corridor must be matched by a concerted effort to focus new housing developments in these areas around these new rail corridors in order to maximise their usage, encouraging modal shift and promoting environmental sustainability.

More generally, the Department of the Environment, Heritage and Local Government, together with the Regional and Local Authorities, will work together to ensure that city and county development plans are set within the context of the NSS and Regional Planning Guidelines. In turn, through the local planning system, effective co-ordination between public investment and the private sector will deliver more integrated and sustainable communities. For example, as well as focusing major new housing development along key public transport corridors, Local Authorities will be supported in working with the Department of Education and Science, other school providers and the private sector in identifying sites for schools and community and recreational facilities as an integral part of the development planning process. In this manner, more attractive and sustainable communities can be created where the provision of housing, employment, transport and community facilities can be integrated, cutting commuting time and enhancing quality of life. For the future, these are the types of places that will be capable of attracting population and growing the Regions in an environmentally sustainable manner.

Planning Authorities that adopt policies that are inconsistent with the NSS and RPGs and which facilitate development patterns such as extensive low density housing, encouraging predominantly car-based transport and poor integration with the provision of essential public and community facilities such as schools, will not be favoured by investment under this Plan. In addition, the Minister for the Environment, Heritage and Local Government will as necessary use his powers under the Planning Acts to compel Local Authorities to adopt land use policies that are consistent with the NSS and the RPG's.

## Gateways Innovation Fund

The key to development of the Gateway centres and to regional development overall will be the mainstream investment referred to in the Priority Investment Chapters of the Plan. Optimisation of this investment will require pursuit of the appropriate land use policy at local and regional level as referred to above.

This approach needs, however, to be supplemented by a new targeted strategic intervention that can stimulate and reward joined-up thinking at local and regional level. This Plan therefore provides for the establishment of a Gateways Innovation Fund (GIF). This Fund will operate broadly on the basis of a lead Local Authority on behalf of a Gateway bidding on a competitive basis for central funding for projects that give added value to the Gateway development, with significant other public sector co-funding and private sector investment. The bid will be evaluated centrally to assess independently that the proposals will leverage accelerated and co-ordinated Gateway development.

A detailed scheme for the operation of the new Fund will be worked out early this year but illustrative examples of areas likely to qualify would include the following:

- Key local economic infrastructure not funded from mainstream central or local capital programmes;
- Integrated physical and socio/economic regeneration projects designed to rejuvenate important or significant parts of the Gateway;
- Transport initiatives, additional to the *Transport 21* programme, with an emphasis on encouraging significant modal shift from the private car towards public transport, cycling and walking; and
- Quality of life investment, e.g. major pedestrian schemes, the enhancement of public open spaces and recreational amenities; and investment in cultural or sporting infrastructure.

## Management and Operation of the Fund

The GIF will be managed by the Department of the Environment, Heritage and Local Government. It will establish a GIF Management Committee drawn from the Department of Finance and a small number of other relevant Departments, reporting to the Minister for the Environment, Heritage and Local Government and the Minister for Finance. The Fund will operate initially on a pilot basis for the period 2008-2010. Subject to an evaluation of its effectiveness in 2010, as part of the overall evaluation of the Plan, it will continue over the rest of the Plan period. The Plan, therefore, includes an initial Exchequer allocation of €300 million to cover the operations of the new Fund over the period 2008-2010. This amount will be designed to leverage significant matching funding from the public and/or private sectors.

## Strategy for Individual Gateways

The following section describes the 9 Gateways identified in the NSS, current development issues and characteristics and a general outline of the overall investment priorities within each Gateway that will be a focus for the investment to be funded under the five Priorities set out in Chapters 7 to 11 of this Plan. Some of the projects will involve private sector funding. The projects indicated are seen as key to the development of each of the Gateways. However, there will be many additional programmes and projects funded under the Plan which will play an important role in the economic and social development of the Gateway regions including the Hubs, county towns and rural areas of the Regions. In general, broadband access is not an issue for the Gateways but is for certain of the Hubs, county towns and rural areas.

### ***The Dublin Gateway***

Dublin is the international Gateway to Ireland, the capital city and the island's largest urban area. The Dublin Gateway embraces the city and county of Dublin, together with parts of the surrounding counties of Meath, Kildare and Wicklow, and had a population of just under 1.2 million people in 2006, having grown by 5.3% in the period 2002-2006. It is a major port and contains the country's largest and busiest airport. The Greater Dublin Area contains four universities, together with the Dublin Institute of Technology and other major third-level institutions.

The Dublin Gateway is thus, in terms of scale and national and international significance, on a different level to that of the other Gateways. Dublin has spearheaded the growth of the Irish economy. Factors that have contributed to its recent success include the development of the International Financial Services Centre and the wider Docklands regeneration, resurgent urban tourism, strong performance of its universities and R&D facilities, development of its high-tech employment base and strong cultural attractions.

The rapid expansion in the performance of the Dublin Gateway has occurred despite significant infrastructural constraints. These include major increases in the cost of housing, traffic congestion and high reliance on car transport and long-distance commuting. The NSS recognises the international and national economic importance of Dublin and the need to enhance its competitiveness and quality of life. It envisages the continued development of the GDA but in a more compact and sustainable manner, anchored through higher density development around a strengthened public transport grid. Population growth and housing development being driven by the Dublin economy is occurring well beyond the boundaries of Dublin and in neighbouring counties and Regions, encouraging longer distance commuting and diminution of quality of life. A critical issue for the Dublin Gateway, therefore, is that the range and quantity of housing options and transport and social infrastructure is such that the population increase, and the consequent increase in housing demand, is accommodated within the Region and its key development centres served by high capacity public transport.

The Dublin Gateway will therefore be the focus of significant investment under the Plan to ensure that it can improve its position as Ireland's international Gateway. To maintain the economic competitiveness and help meet the NSS vision for the Region, key investment priorities over the period of the Plan will include:

Implementation of the key public transport elements of *Transport 21*, including the completion of Metro North to the Airport and Swords, a major extension of the lightrail network, enhancement of suburban rail and DART services, the provision of additional bus services and further development of the Quality Bus Corridors;

Major investment in suburban rail including the Kildare line and the opening of a rail link from Dublin to Navan;

Completion of the M50 upgrade and completion by 2010 of all Major Inter-Urban routes between Dublin and other Gateway centres. These improvements will also greatly benefit the counties in the Region adjoining Dublin;

Feasibility and planning work on the Eastern Bypass and on a new Outer Orbital Road to serve the Gateway;

Enhancement of the capacity of Dublin Airport;

A comprehensive study of the role of Dublin Port, taking account of locational considerations, in the context of overall ports policy on the island of Ireland;

Further Investment in Environmental Services Infrastructure to facilitate the consolidated development of the Greater Dublin Area;

Development of tourism, sport and cultural facilities on a PPP basis (such as the National Conference Centre, the new National Theatre and the new National Concert Hall) or by direct grant (Lansdowne Road Stadium);

Provision of social, community, cultural, sporting and amenity facilities throughout the Gateway Region to match rapidly developing residential development;

Strengthening the international status and STI capacity of the Gateway's higher education institutes; and

Continuing investment in urban renewal and enhancement of the physical fabric of the Gateway e.g. the regeneration of Ballymun.

### ***The Cork Gateway***

Cork is the second city of Ireland with a population of 186,177 in 2002 in the city and its immediate environs. It is also the largest urban and economic centre in the South-West Region. While the population of the central area of the city dropped slightly from 123,062 in 2002 to 119,143 in 2006, outlying areas recorded strong growth. Cork's strengths include: its status as the largest city in the State outside of Dublin; its scale (which is equivalent to the combined populations of the other regional cities of Galway, Limerick and Waterford); a strong economic base with extensive FDI in dynamic sectors such as ICT and pharmaceuticals; strong third-level education facilities; a modern airport with recent significantly enhanced capacity, significant port facilities, a tradition of good strategic land use planning; a large hinterland with regionally important towns and an outstanding natural setting.

The key challenge for Cork over the period to 2013 will be to significantly accelerate its rate of development and population growth, focusing particularly on the potential of its central area. The Docklands, in particular,

has the capacity to accommodate an additional population of at least 15,000 people and significant commercial floor space but investment in physical infrastructure to trigger subsequent private investment is necessary. Key development and investment priorities for Cork and its wider environs will over the period of the Plan include:

Completion by 2010 of the M/N8 Dublin - Cork road to full motorway standard and other road and public transport aspects of *Transport 21*;

The development, as part of the CASP Strategy of an integrated public transport system built around the Green Route programme of improved bus priority, the re-opening of the Cork City-Midleton rail service by 2008 and the development of commuter rail services on the Mallow-Midleton corridor;

Introduction of hourly rail services on the Cork-Dublin route;

Roads, water services, port relocation and associated infrastructure to facilitate docklands regeneration;

Improved road and bus-based public transport links to Cork airport;

Enhancement of road links to other Gateways along the Atlantic Road Corridor;

The upgrading of N28 road access to Ringaskiddy Port and its associated industrial zone;

Pedestrianisation and similar urban renewal activity, building on recent progress in this area;

Enhancement of tourism, cultural and recreational facilities;

Lands at Ringaskiddy and Carrigtohill to be developed by IDA Ireland as part of its Strategic Sites Initiative; and

Continued development of the City's R&D capacity such as the recently opened Tyndall Institute.

### ***The Limerick-Shannon Gateway***

Limerick-Shannon is Ireland's largest urban centre after Dublin and Cork. Limerick-Shannon constitutes the economic core of the Mid-West Region (County Limerick, County Clare and North Tipperary). Its population grew by 9.7% to 95,559 between 1996 and 2002 and Limerick City and County's population grew by 4.9% to 183,863 in 2006. The Gateway particularly benefits from Shannon Airport, a strong enterprise base and the proven research capacity of the third-level sector in the Region. Progress has been made in the physical renewal of much of the fabric of the city centre area, which has considerable further potential for brownfield development, notably the docks and riverside areas.

The Limerick Shannon Gateway has considerable potential to generate and drive accelerated rates of economic development and population growth. To achieve this it must put in place and implement an overall strategy for its development, focusing on unlocking further development potential in the city centre and docks areas; an effective bus-based public transport system and further diversification of its enterprise base will be important in this regard. Key development and investment priorities over the period of the Plan will include:

Completion by 2010 of the M/N7 Dublin-Limerick motorway, Phase II of the Southern Ring Road and the N69 route to Tralee;

The enhancement of the Atlantic Road Corridor, including links to other Gateways, with accelerated priority going to the completion of the Limerick-Galway section of the N18 to high quality dual carriageway;

Introduction of enhanced rail service on the Limerick-Dublin route;

Improvement of road access to Shannon Airport via the above investment;

Development of the Western Rail Corridor between Ennis and Claremorris;

Creation of an effective bus-based public transport network, including links to Shannon Airport, building on recent fleet investment and widespread bus prioritisation measures;

Significant upgrading of the public areas and streets in Limerick city centre and re-imagining of Limerick through a major urban renewal initiative;

Implementation of the cultural, recreational and public amenity strategy for Limerick and its wider environs;

Strengthening of R&D capacity in the city's third-level institutions;

Implementation of a shared innovation strategy between education providers and the enterprise sector to strengthen the city's third level and enterprise sector;

The delivery of critical physical infrastructure such as water services and local access roads in a co-ordinated manner to enable accelerated delivery of housing and the renewal of docklands areas; and

Development of leisure and technology parks and strategic sites.

### ***The Galway Gateway***

Galway is the principal economic and population centre in the West Region. Galway has performed very strongly throughout the 1980s and 1990s. Its population, currently about 75,000, grew by 17% between 1996 and 2002, the highest of any Gateway other than Letterkenny. Galway City and County grew by a further 10.5% to 231,035 persons in 2006. The city's strengths include a good record of economic growth, its third-level education facilities, its existing enterprise base, its strong tourism industry, and its generally attractive location and quality of life. Development challenges include implementing an agreed strategic development strategy for the city and its wider environs to maintain quality of life and competitiveness and tackling traffic congestion, better and more compact urban planning and further renewal of the city centre. Key development and investment priorities over the period of the Plan will include:

Completion by 2010 of the M/N6 Dublin-Galway motorway;

The enhancement of the Atlantic Road Corridor, thereby improving road links to other Gateway centres, with accelerated priority going to the completion of the Limerick-Galway section of the N18 to high quality dual carriageway;

Provision of a new road from Galway to Ros An Mhíl;

Introduction of enhanced intercity rail services on the Galway-Dublin route;

Introduction of a commuter rail service between Athenry and Galway City;



Creation of an effective bus-based public transport network, building on recent fleet investment through widespread bus prioritisation measures;

Development of the Western Rail Corridor between Ennis and Claremorris;

Focused and co-ordinated investment in water services and access infrastructure to open up major new housing and development areas to the east of the city;

Continued support for Galway Regional Airport;

Provision of sport, social and community facilities to match fast developing residential areas;

Strengthening research and innovation capabilities at the city's third-level institutions;

Regeneration of docks area of Galway city;

Conservation and protection of the city's considerable stock of natural and built heritage; and

Development of strategic sites as part of IDA Ireland Strategic Sites Initiative.

### ***The Waterford Gateway***

Waterford is the principal city in the South-East Region. Waterford's city and environs population grew by 5.8% to 46,736 in the period from 1996 to 2002 and the city and county increased in population by a further 6.3% between 2002 and 2006. Waterford's strengths include a strategic location, proximity to a major national port, a compact city with a high quality urban fabric and an outstanding estuarine setting, an educational centre of excellence and a fast developing retail and local services sector. Development challenges include enhancing the critical mass of the city, implementing a co-ordinated approach to the development of the various parts of the city and its environs, which cross local authority boundaries. A good deal of the city's priority investment requirements are on-going in various ways, including improved rail services to Dublin and the M/N9 motorway/dual carriageway. Key development and investment priorities over the period of the Plan will include:

Completion by 2010 of the M/N9 Dublin-Waterford road and N25 by-pass;

Creation of an effective bus-based public transport network, building on recent fleet investment through widespread bus prioritisation measures;

Enhancement of road links to other Gateways along the Atlantic Road Corridor;

Enhanced intercity rail services between Waterford and Dublin;

Enhancing port facilities and facilitating relocation of port activities;

Investment in the R&D capacity of Waterford Institute of Technology to underline the importance of education to Waterford as a centre of excellence;

Development of industry/Institute of Technology linkages within the South-East Region;

Renewal and development of the North-Quays;

Development of strategic sites as part of IDA Ireland Strategic Sites Initiative; and

Continued support for Waterford Regional Airport.



### ***The Dundalk Gateway***

Dundalk is one of three Gateways in the Border Region. Dundalk town's population grew by 5.9% to 29,010 in the period from 2002 to 2006 and the wider town and environs area grew by 7.6% in the period 1996-2002. Dundalk is located mid-way along the Dublin-Belfast corridor and its strengths include this strategic location close to Newry city in Northern Ireland, associated availability of a range of high quality infrastructure such as motorway (M1), airport and port access as well as gas pipeline, broadband and electricity networks, the Dundalk Institute of Technology and a strengthening retail sector. The main development challenges for Dundalk are strengthening and broadening its economic and enterprise structure, continuing to tackle social exclusion and facilitating significant ramping up of housing output in new development areas to the west of the town. Development issues and investment requirements for Dundalk over the period of the Plan include:

Strengthening and modernising the local economic and enterprise structure;

Investment in local roads and water services to facilitate the development of the town's western environs;

Development of a bus-based urban transport system;

Community development and measures to tackle social exclusion;

Investment in social housing;

Provision of recreational and cultural amenities;

Strengthening the research and innovation capability of the Dundalk Institute of Technology;

Pro-active promotion of mutually beneficial cooperation with Newry; and

Development of strategic sites as part of IDA Ireland Strategic Sites Initiative.

### ***Letterkenny-Derry (the Northwest Gateway)***

Letterkenny's population grew by 26.9% to 15,231 between 1996 and 2002 with similar growth rates between 2002 and 2006. Letterkenny, linked with Derry, is one of three Gateways in the Border Region and is the critical Gateway for the Northwest. Together the two urban areas have an estimated population of over 100,000. The town of Letterkenny itself is relatively small (15,000) but has a rapidly growing population, an expanding retail and local services sector, the Letterkenny Institute of Technology, an extensive and diversified local enterprise base, and a wide hinterland. Development challenges include finalising and implementing an agreed strategic development framework for the Northwest Gateway, enhancing accessibility in an integrated manner through investment on both sides of the border, development of public services on either side of the border in a complementary manner and of a shared strategy for enhancing research and development capacity in the Northwest, building on the capabilities of the existing third level institutes in both jurisdictions. Key development issues and investment requirements over the period of the Plan include:

Implementation, by the relevant local authorities, of an integrated strategy for the strategic development of Letterkenny as an integral part of the Northwest Gateway;

Enhancement of road links to other Gateways along the Atlantic Road Corridor;

Further improvements on the N2 route, in co-operation with the Northern Ireland Authorities, to greatly improve the road link to Dublin over the period of the Plan;

Further investment at Derry Airport and continued support for Donegal Regional Airport;

Enhancement of the capacity and resilience of energy supply networks;

Strengthening the innovation capacity at Letterkenny Institute of Technology and building on complementary strengths at Magee College in Derry;

Initiatives to deepen the skills base of the labour force in order to facilitate the creation and attraction of higher value-added enterprise functions; and

Improvements to the stock of healthcare and social infrastructure such as regional hospital and specialist care services on a shared basis between Donegal and facilities in Northern Ireland.

### ***The Midlands Gateway***

The Midlands Gateway is an innovative concept envisaging the co-ordinated development of the three proximate strategically located and large towns of Athlone, Tullamore and Mullingar in the Midlands Region. The aggregate population of the towns was 45,388 in 2006. The strengths of the Gateway include: its strategic location in the centre of the country; its relative proximity to Dublin on newly completed national road (M/N4/6); the prospect of excellent road connections to Cork, Limerick and Galway when the major inter-urban routes are completed by 2010; upgraded rail links to Dublin; improving social infrastructure, especially healthcare facilities such as the Midlands Regional Hospital; the Athlone Institute of Technology; and a good quality of life within the three towns that make up the Gateway. Development challenges include the relatively small size of the towns and implementing an agreed development strategy for the towns on a shared basis. Key development issues and investment requirements over the period of the Plan to the Midlands Gateway include:

Strengthening the R&D capacity of Athlone Institute of Technology and its linkages to industry/employers in the Region;

Development of enhanced road and public transport links between the three towns in the Gateway;

Development of strategic local roads and water services capacity to facilitate and attract development to the towns in the Gateway;

Enhancement of tourist facilities and amenities, building on the natural heritage of the midlands and the potential of the inland waterways network;

Development of Strategic Sites as part of IDA Ireland's Strategic Sites Initiative;

Further development of the N52, with accelerated priority to the provision of the Tullamore Bypass; and

Implementation of the Strategic Development Framework for the Gateway drawn up by the Local Authorities, including the establishment of a Gateway Coordination Unit.

### ***The Sligo Gateway***

Sligo is a Gateway in the Border Region which occupies a point between the West of the country and the Northwest. With a population of over 20,000 people in 2002, it is by far the largest centre in the area. The population of Sligo county grew by 4.6% to 60,863 persons between 2002 and 2006. Sligo's strengths include a scenic setting and hinterland, recent completion of the inner relief road, and various upgrades to the M/N4 road, the Sligo Institute of Technology, Regional Airports in Sligo and relatively nearby in Knock and strong private investment activity, particularly in the retail and leisure areas. Development challenges

principally include implementing measures to bring about increased private housing development and rapid population growth within the Gateway. Key development issues and investment requirements over the period of the Plan include:

- Completion of the remaining sections of the N4 requiring upgrades;
- The development of the Atlantic Road Corridor with consequential enhancement of road links to other Gateways;
- Introduction of enhanced railway services on the Sligo-Dublin route;
- New eastern and western urban distribution road routes to open up strategic land banks for accelerated development of new private housing areas;
- Strengthening the R&D capacity of Sligo Institute of Technology;
- Development of regional sports and recreation facilities;
- Continued development of the emerging cultural and entertainment quarter;
- Strengthening regional research and innovation capacity and third level — industry linkages;
- Continued support for Knock and Sligo Regional Airports; and
- Targeted urban renewal including urban enhancement, pedestrianisation and urban redevelopment of the port area.

### Key Gateway Corridors

Previous and ongoing investments in the M1-A1 road and Enterprise rail links between Dublin and Belfast are driving forward the development of the Dublin-Belfast corridor. These transport links will also actively support developments such as the cross-border strategy for the Gateway of Dundalk and the City of Newry. The upgrading of the entire Dublin-Belfast road to motorway/dual carriageway status will ensure that this corridor will form a major axis for economic development on the island of Ireland.

To complement the emergent Dublin - Belfast corridor, the NSS pointed out that strengthening the critical mass of the existing Gateways of Cork, Limerick, Galway and Waterford, both individually and collectively, to complement Dublin's successful national spatial role, offers the most immediate prospects of spearheading more balanced patterns of development on the island of Ireland. These Atlantic Gateways have the potential through strengthened individual cities, enhanced connectivity and a collaborative approach to planning and promotion, to develop the second major metropolitan corridor on the island of Ireland to complement and counterbalance the strengthening Dublin-Belfast corridor. There is also potential to develop onwards and to incorporate the Gateways of Sligo and Letterkenny-Derry. Investment in key projects such as the Atlantic Corridor, embracing road and rail links under *Transport 21*, will help unlock the potential of the Atlantic Gateways concept. Further collaboration between the Atlantic Gateways in preparing and implementing joint development strategies will also be supported by this Plan.

The Midlands Gateway occupies a central/proximate point on the Dublin/Galway, Dublin/Limerick and Dublin/Cork Corridors. It will in particular benefit from the upgrading of these routes to motorway standard and will also be the focus for road investment to improve links within the Gateway. Together with a significant focusing of development, an emphasis on enhancing the innovation potential of the Midlands and adding more value-added functions will assist in the drive towards more self sustaining development. In this way, the Midlands Gateway can capitalise on its central position and accessibility, linking the East coast and Atlantic Gateway corridors.

## Strengthening the Hubs

Development of the Gateways is a central component of the Government's approach to balanced regional development. However, development will not be confined to Gateways and their immediate hinterlands. The Gateway approach is about creating the type of critical mass needed to spur growth both in the Gateways and throughout their wider zones of influence. Within such zones of influence, the NSS has identified nine towns or networks of towns to act as Hubs<sup>4</sup> for their own sub-regional surroundings and to ensure that the capabilities of the Gateways will be extended and linked to more remote rural areas.

The Hubs provide important regional bases for foreign direct investment projects, indigenous industrial and service activity and the provision of essential local facilities and amenities in areas such as public services, education and healthcare. The Hubs, therefore, are a key economic bridge between the Gateways and wider rural areas. Investment in the Hubs in areas such as improving water services, broadband networks, urban renewal, housing, education and healthcare will be important to support the continued economic and social vitality of more rural areas and restructuring and diversification of the rural economy. Many of the Hubs, as well as other key county and smaller towns, will be the locations for decentralised Government and agency offices and this will have significant local beneficial impacts.

The Hubs identified in the NSS are also generally located on key transport corridors between the Gateways and will therefore benefit from ongoing investments under the NDP and *Transport 21*. To drive the process of strengthening the Hubs, it will be vital that national investment is partnered with local vision and leadership and the attraction of private investment. For example, good local planning added to urban renewal initiatives have transformed the central areas of many Hubs, encouraging significant and subsequent private investment in retailing and commercial activities.

Continuing investment priorities in the Hubs will include:

- Delivery of enhanced connectivity in terms of the roll-out of *Transport 21* in roads, public transport and in further support for regional air services and the continuing roll-out of high capacity broadband under the MANS programme;
- Provision of the necessary water services capacity to both facilitate accelerated growth and achieve high environmental standards;
- Continuing the progress being made in the physical regeneration and renewal of town centre areas through the urban renewal and the social housing investment programmes;
- Strengthening the Hubs as centres for high levels of regional innovation through, where appropriate, the Strategic Innovation Fund, third-level education and life-long learning and to ensure that the Hubs and their wider regions can participate and benefit from Ireland's transition towards a knowledge based economy;
- Developing the already extensive range of social infrastructure in hubs such as healthcare, primary and secondary education and social, sporting and cultural facilities in order to enhance both the competitiveness and quality of life in the hubs;
- Measures to ensure strong linkages between the Hubs and their wider rural catchments through targeted investment for example in strategic non-national roads, rural public transport and rural broadband initiatives; and
- Continuing the programme of investment to upgrade and develop the energy transmission and distribution networks.

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<sup>4</sup> Castlebar/Ballina, Tuam, Ennis, Tralee/Killarney, Mallow, Kilkenny, Wexford, Monaghan and Cavan.

## Developing urban areas, villages and rural areas

In addition to the network of Hubs, there are other strategically positioned county towns and other large towns whose continued development must be facilitated so that they play an important role in ensuring that balanced development takes place within, as well as between, Regions. The further development of these and other similar locations will be encouraged through effective local planning and leveraging wider public and private investment.

The regional policy approach will also embrace the role of other smaller towns, villages and rural areas with investment in improvements to access via the non-national roads network and rural public transport initiative, investment in water services, rural broadband, community services, housing etc. so that they can attract development and investment. Towns, villages and rural areas need to be supported in the development of new areas of economic activity such as: local value added enterprise activities; tourism; local enterprise; services; and renewable energy to both complement the surviving elements of a restructured agri-business/natural resource sector and provide new employment opportunities. This approach is elaborated on in the Rural Economy Chapter of the Plan.

## Ensuring Delivery of the NSS

A comprehensive framework for monitoring and reporting on NDP investment will be developed (see Chapter 13). This will include the preparation of an Annual Report on NDP implementation. This Report will incorporate appropriate indicators on NSS implementation at Gateway and Regional Authority Level. In addition, a high-level Inter-Departmental Implementation Team, chaired by the Department of the Environment, Heritage and Local Government will, within NDP implementation arrangements, take a lead role in the establishment and co-ordination of a data gathering process in the following key areas:

- Regional population, housing and economic trends;
- The performance of the Gateways;
- Development of the Hubs;
- Securing effective urban-rural partnership; and
- Consistency of local and regional land use strategies under the NSS.

Information on regional indicators and Gateway performance indicators will inform the NDP Annual Report Structure and feed into the ongoing allocation at project level of Central Government NDP investment over the period of the Plan.

Accelerated development of the Gateways will be a critical component of the Government's approach to regional development. Investment under the Plan, including the new Gateways Innovation Fund, will play a key role in this regard. In addition, however, the local authorities concerned in each of the Gateways, with other local partners, must develop and reach mutual agreement on key implementation issues including any arrangements necessary for better co-ordination of development and supporting, as appropriate, the delivery of the priority projects and other interventions needed to accelerate development. The land use and planning strategies of Local and Regional authorities must be implemented in a way which complements the NSS and the regional development objectives of the Plan. As indicated earlier, statutory provision will be invoked as necessary to ensure this. Provision will be made for funding to advance strategic land use and transportation planning and co-ordinated development across the Gateways.

An enhanced programme of spatial planning monitoring and research under the aegis of the Department of the Environment, Heritage and Local Government, as recommended in the NESC report "Housing in Ireland Performance and Policy", will also address issues such as development of a Regional economic model, tracking housing development and associated issues and transportation and environmental quality. This research will also support the establishment of the monitoring framework and outcome indicators

outlined above against which progress towards the objective of more balanced regional development can be measured. The development of a national spatial data infrastructure in line with the EU INSPIRE Directive will also provide a supportive framework on which monitoring can be based.

## **Conclusion**

Under this Plan national spatial planning and national investment planning is now being more fully synchronised. The Plan sets out indicative 7 year allocations at Priority and Programme levels in the key areas which impact on regional development. It also provides for the establishment of a Gateways Innovation Fund. Central and local decision makers will operate within the framework set out in this Chapter in their project selection and physical planning processes. The Plan monitoring arrangements and Annual Report on progress referred to in Chapter 13 will include a focus on regional development. This Plan will, therefore represent a significant step forward in the implementation of the NSS and in achieving the objective of supporting the economic and social development of all Regions in their effort to achieve their full potential.

## CHAPTER 4

# Development of the Rural Economy

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### THE NATIONAL DEVELOPMENT PLAN AND RURAL COMMUNITIES

The National Development Plan will, within the framework of its national policies and programmes, assist the social and economic development of rural areas. Particular interventions to support rural areas include:

**Broadband:** The Communications and Broadband Programme of some €435 million will promote the rollout of broadband across the rural economy;

**Non-national roads:** Expenditure of some €4.3 billion on non-national roads, of which much will be spent in rural areas, which will be of critical importance in supporting the consolidation and diversification of the rural economy;

**Rural Transport Initiative:** Under the Rural Transport Initiative, some €90 million will be spent improving public transport services in rural areas;

**Rural Water Services:** Some €0.85 billion will be invested under the Water Services Programme to improve rural water services;

**Leader/Rural Economy Sub-Programme:** This Sub-Programme will invest €461 million in promoting the diversification of the rural economy with measures such as:

- Supporting the start-up of new rural micro-enterprises;
- Supporting the development of business drawing on indigenous rural resources;
- Promoting agri-tourism;
- Assisting the diversification by farm families into non-farming activities;
- Enhancing culture and leisure facilities for rural communities;
- Enhancing villages and small towns; and
- Conservation of areas of high natural and cultural value;

**Agriculture and Food Programme:** Some €8 billion will be spent under this Programme promoting the continuing modernisation and competitiveness of the farming sector and the food processing sector, as well as enhancing the quality of our rural environment. This Programme will include support for:

- Investment in food and forestry sectors;
- On Farm investment;
- Food Marketing;

Start up assistance for young farmers and early retirement for older farmers; and

Agricultural training with an emphasis on competitiveness, protection of the environment and food safety;

**CLÁR:** CLÁR will provide some €141 million for regeneration of rural areas suffering from population decline;

**RAPID:** RAPID will tackle social exclusion in twenty provincial towns;

**Rural Social Scheme:** The Rural Social Scheme will provide some €214 million for income support for low-income farmers and the enhancement of rural amenities and services;

**Western Investment Fund:** The Western Investment Fund will invest some €28 million through the Western Development Commission in western counties; and

**Gaeltacht and Island Communities:** The Gaeltacht and Islands Programme will invest some €457 million in infrastructure and enterprise development in the Gaeltacht and our island communities.

Apart from the above investment, rural areas will also benefit from mainstream investment in key areas such as Roads, Public Transport, Environmental Services, Energy and Education. In addition to what is set out below, more detail on Plan investment of special relevance to the rural economy is set out in the following Programmes under the Enterprise, Science and Innovation Priority:

- Agriculture and Food Development Programme;
- Rural Social and Economic Development Programme;
- Gaeltacht and Islands Development Programme; and
- Marine and Coastal Communities Programme.

## Introduction

Chapter 3 sets out the framework for promotion of regional development under this Plan. This framework focuses to a significant extent on the development of the Gateways identified in the National Spatial Strategy (NSS). As the Chapter outlines, the development of the Gateways will also assist the development of regional hinterlands, including rural areas. This Chapter focuses on the specific challenges facing rural areas. It sets out the framework within which the rural economy will be promoted over the period of the Plan. It draws together the various investments and interventions that will be made over the lifetime of the Plan to promote the development of the rural economy and, thereby, promote the sustainable economic and social development of rural areas.

## Strategic Context

While the rates of population growth over the past decade have been greater in urban than in rural areas, population growth in the rural regions has still been strong. Despite continuing urbanisation, Ireland is still a comparatively rural country. About 40% of the Irish population continue to live in rural areas. As such, the economic and social development of rural areas will be a valid and important focus for public investment under this Plan.

In recent years, the rural economy has been undergoing rapid change. Traditionally, agriculture, forestry and fishing sustained much of the rural economy. The vitality of small towns and villages and their commercial, service and manufacturing functions were dependent on the health of these primary sectors.



Today, with the re-structuring of agriculture, both the number of farms and agricultural employment are declining. The agricultural labour force has declined in absolute terms by about 14.5% between 2000 and 2005, an annual average decline of 2.4%. As a proportion of a significantly increased labour force in the country overall, the agriculture labour force has diminished considerably and this trend is likely to continue. The relative share of forestry and the marine sector in the overall economy and labour force has also declined over the last several years. Agriculture, forestry and the marine sector will nonetheless continue to play a major role in the economy and the social fabric of rural areas, both in terms of the significant numbers of people who will continue to earn their livelihood in these areas and in terms of their contribution to maintaining indigenously-based exports and economic activity. As such, these sectors will receive significant investment under the Plan to consolidate, enhance and modernise the strengths and value of these traditional components of the rural economy.

However, the ongoing changes in these sectors, require that attention and investment be focused on the challenges and opportunities that face rural communities. The rural economy will need to diversify and develop in coming years to take account of the ongoing demographic and economic changes that impinge directly on rural areas and rural communities.

Rural Ireland is not a single homogenous area with a single common shared experience. Depending on economic circumstances and geographic location, rural areas can face a diversity of contrasting challenges and experiences. At the same time as the pattern of economic activity in rural areas has been changing, rural areas close to large cities and regional towns are experiencing rapid population growth. Rural areas adjacent to urban centres experiencing rapid growth can themselves face much pressure for development. Some rural areas, which are more distant from large centres of population, are struggling to find new economic activities to replace those lost as a result of changes in the agriculture sector and other traditional rural-based sectors. Other rural areas, which are geographically remote but which enjoy a strong natural and cultural heritage, have experienced growth in tourism, inward-migration and the development of rurally-based micro-enterprises. The general expansion of the construction industry in recent years has also provided employment for people living in rural areas.

Rural areas are now often characterised as being the areas of residence for people who work in nearby cities and large towns. They may have employment that is both rurally-based (such as part-time farming) and urban-based (as is the case with many people employed in the construction sector). Many people who live in rural areas are not directly involved in farming or farm-related activities or other economic sectors which of their nature are situated in rural areas. This diversification in the income sources of people living in rural areas is very welcome. However, it points to the challenge of achieving an appropriate balance between supporting farming and other traditional rurally-based economic activity as a continuingly important source of income in such rural areas and simultaneously fostering sustainable economic diversification and development in rural areas. Accordingly, policy must address the ongoing changes in rural communities; support their sustainable economic development; and promote regional development.

## **The National Development Plan and Developing the Rural Economy**

This Chapter deals with the changing nature of rural Ireland, the particular challenges facing rural communities and issues that are critical to the future development of the rural economy. It sets out the broad context for Government intervention to promote the sustainable economic development of rural areas. In doing this, a number of factors have been taken into account including:

- the White Paper on Rural Development, published in 1999, which sets out a vision and a framework for the development of rural communities;
- progress made under the National Development Plan 2000-2006;
- the National Spatial Strategy, in particular, the emphasis on the special and distinctive attributes of rural society and the need to ensure the vitality of rural areas; in this context Chapter 3 deals with the issue of regional development generally including the impact in rural areas;

- the National Rural Development Strategy which will provide for a substantial programme of investment in agriculture and wider rural development programmes in the period 2007-2013; and
- the need to secure complementarities across policies.

The Plan contains two Programmes, outlined in the Chapter on the Enterprise, Science and Innovation Priority, which are targeted directly at rural Ireland. These are the Rural Economic and Social Development Programme and the Gaeltacht and Islands Programme. These Programmes will encompass a range of investments in infrastructure, enterprise promotion and human capital that will support the economic development and diversification of rural areas.

The positive impact on rural areas of these two Programmes will be complemented by investment under the Agriculture and Food and Marine Development Programmes, and more generally, a wide range of investment related to rural areas under the five Investment Priorities of this Plan.

## The National Spatial Strategy and Rural Areas

The NSS has established an integrated spatial policy framework embracing both urban and rural areas. The NSS envisages the Gateways acting as drivers to enhance the performance of their wider regional hinterlands, including rural areas. Strong Gateways are a pre-requisite for economically strong regions, including rural areas within those regions. The development of the Hubs and county towns will also be directly relevant to supporting the development and diversification of the rural economy. In turn, the development of the Gateways will be complemented by harnessing the development potential of their rural hinterlands and those activities where rural areas have comparative advantage.

Hubs and large towns provide important economic drivers such as locations for FDI projects and for an indigenous industrial and service base. Hubs and county towns also act as a key economic bridge between the Gateways and wider rural areas and, as such, are key to meeting the challenges of restructuring and diversification of the rural economy. Development of the Hubs and county towns will also proceed in a way that emphasises the importance of partnership between urban and rural areas.

## Development of Infrastructure

The supply and quality of infrastructure plays a major role in economic development across the country. In order for rural areas to compete for inward investment and to compete internationally, they must have access to adequate transport, energy and telecommunications infrastructure. The main challenge in infrastructure and services provision will be to minimise rural-urban differences in the supply and quality of facilities. This will facilitate the extension of the benefits of national economic and social development across and within regions. Rural areas will, therefore, benefit from the very substantial levels of investment in infrastructure included in this Plan.

### **Broadband**

Access to broadband infrastructure is a particular issue for the rural economy. Broadband can provide ready access to international markets for enterprise in remote locations. Extension and take up of broadband facilities in rural areas is, therefore, an important policy objective.

The Communications and Broadband Programme of the Economic Infrastructure Priority will seek to advance the rollout of broadband across the rural economy. In overall terms, this Programme will promote the rollout of broadband across the rural economy to ensure its availability across rural Ireland. Specifically, the continued rollout of Metropolitan Area Networks (MANs) in rural areas will provide local access communications infrastructure to encourage new operators to deliver competitive telecommunications services including broadband based on optic fibre and wireless technology. Additionally, a scheme to deliver broadband to areas of the country that would not be reached by the MANs programme is also being developed for implementation over the period of the Plan. The objective of the scheme will be to deliver a

broadband service to the limited number of areas where it is currently uneconomic for the private sector to do so.

### **Roads & Public Transport**

It is vital for rural communities that weaknesses in transport infrastructure and services continue to be addressed in this NDP, building on the progress of NDP 2000-2006. There have been significant improvements in recent years. Nonetheless, many rural areas need further investment so as to maximise their growth potential. The implementation over the period 2006-2015 of the measures in *Transport 21*, which will be encompassed in this Plan, will contribute greatly to achieving this goal. These include:

- The upgrading of national primary and secondary routes with particular regard to enhancing connectivity for rural areas within the Gateway/Hub town catchments;
- The development of the Atlantic Road Corridor from Letterkenny through Sligo, Galway, Limerick, Cork and Waterford;
- The re-opening of the Western Rail Corridor from Ennis to Claremorris and the upgrading of the Galway to Athenry line for commuter services;
- The continuing renewal of other railway infrastructure;
- The expansion of railway rolling stock; and
- The expansion of the bus fleet.

Regional and local roads are also very important in this regard. They serve an important economic role in the Irish context and also have valuable social and community functions. The network of non-national roads provides mobility within and between local economies and are vital links to the strategic national road network, ports and airports which are our links with the wider International economy. Indeed, 94% of the country's roads are non-national, carrying around 60% of all road traffic. These roads are often the sole means of access for local economic activity.

A key objective for the Plan will be to provide a non-national road network which will support economic and social development at regional and local levels. This will be achieved, inter alia, through the acceleration of the Non-National Roads Restoration Improvement Programme and the continuation of the scheme to assist Local Authorities in progressing new major strategic non-national road projects.

In overall terms, there will be expenditure of some €4.3 billion on non-national roads, much of which will be spent in rural areas. This will be of critical importance in supporting the consolidation and diversification of the rural economy.

In addition, the Rural Transport Initiative (RTI), which will invest €90 million over the period of the Plan, was established as a pilot project under the previous NDP. It has now been put on a permanent footing following the end of the pilot period at the end of 2006. Funding for the RTI in 2007 will be double the 2005 level and in the roll-out of the RTI nationally, priority will be given to areas of the country which do not currently have access to public transport services.

### **Energy**

Rural Ireland is particularly vulnerable to over-reliance on non-renewable energy sources because of the low density of the rural population and extended transport systems. The challenge, therefore, will be to increase natural resource usage for energy production. Renewable energy production can create economically and environmentally sustainable enterprises and play an important role in the provision of employment in the coming years.

In relation to security of electricity supply, network upgrading under the Energy Programme of the Economic Infrastructure Priority will improve the position for households and businesses in many areas of the country, including rural communities. Renewal of the low voltage networks commenced in 2006 and is due for completion by 2015. The projected Energy Network Investment Programme 2006-2010 includes:

- 350,000 new connections;
- 50 new transmission/HV stations;
- 1100MW connections for renewables; and
- 400km transmission lines.

### **Rural Water Services**

Some €0.85 billion will be invested under the Water Services Programme to improve rural water services. Investment in rural water services will provide a well-planned and structured strategy for resolving drinking water quality deficiencies in rural areas. The main focus of the investment will be on providing water treatment and disinfection equipment for group water schemes with private sources, having these schemes taken over by local authorities if the groups so wish or giving the groups connections to public mains where water quality is of a high standard. The investment in rural water services will also continue to improve the standard of wastewater infrastructure in smaller towns and villages.

### **Promoting Enterprise & Employment**

The development of diversified employment and enterprise opportunities will be vital to sustaining the rural economy and maximising its future economic potential. As outlined above, a notable feature of employment in rural areas in recent years has been the decline in the agricultural labour force. In the first quarter of 2000, there were an estimated 133,800 persons employed in agriculture, forestry and fishing, representing 8.1% of the total. By the first quarter of 2005 the respective numbers employed in the natural resources sector was 112,500 or 5.5% of the total.

Despite the decline in agriculture-based rural employment, there has been a significant and widespread increase in rural employment in recent years with the numbers obtaining work more than offsetting the labour declines in agriculture in the majority of rural areas. Overall, national employment growth has been driven by the strong performance of the services and advanced sectors and significant employment growth in the construction sector. Given that rural areas have a significantly higher dependence on the more vulnerable manufacturing, natural resources and construction sectors, the long-term sustainability of the present growth in employment in rural areas needs to be underpinned by job creation initiatives in a wider range of sectors.

Enterprise in rural areas tends to be characterised by small firms operating in more traditional sectors. Some 65% of enterprises in rural areas meet the definition of micro-enterprise, i.e. less than 10 employees. Not only do rural enterprises have to compete with the attractions of developing urban locations, an increasingly mobile workforce and a tight labour market, but they must also deal with issues such as transport costs, market access, peripherality, poor communications and physical infrastructure. Growth in the indigenous enterprises sector in rural areas has been encouraging in recent years; the objective will be to sustain and build on this by supporting on a commercial basis enterprise in rural areas and rural-based entrepreneurs.

The development of enterprise and employment opportunities will be vital to sustaining the rural economy. This will require sustained focused policy interventions at both national and local levels across a range of sectors. The supports to be provided under Plan 2007-2013 by Enterprise Ireland and IDA Ireland through the Indigenous Enterprise and the Foreign Direct Investment Sub-Programmes will be provided on a national basis but will continue to reflect a focus on balanced regional development and will include interventions to promote enterprise in rural areas.

### ***Enterprise Ireland***

Enterprise Ireland's new regional strategy runs from 2006 to 2013 and sets out how Enterprise Ireland will work with existing client companies in the regions to develop the necessary factors for future success.

Enterprise Ireland's vision is that "by 2013, Enterprise Ireland clients, from start-ups to established companies in all locations will be internationally focussed and innovation-led, located in or linked to environments of business excellence and complemented by a culture of entrepreneurship in local communities". Enterprise Ireland has set itself three broad objectives in this regard:

- (1) to drive the growth of innovation-based start-ups;
- (2) to develop existing client companies in all locations; and
- (3) to facilitate entrepreneurial development and the development of the enterprise environment in local and rural communities.

In this way there will be a continuing focus on enterprise in rural areas in addition to the benefits that will accrue to these areas from enterprise development in adjacent urban areas.

### ***IDA Ireland***

IDA Ireland's plans align its regional strategy with the structure of the National Spatial Strategy. This is designed to support national policy and a Gateway approach to regional development. In addition, the regional plans take account of the locational behaviour and requirements of the next generation of FDI projects, infrastructure capacities, the importance of building critical mass and leveraging the advantages of existing sectoral clusters. Accordingly, IDA Ireland's main focus in this context will be to attract projects which whilst located in the larger urban areas, will make a positive contribution to the maintenance and development of the surrounding rural communities.

### ***Local enterprise strategy***

The County and City Enterprise Boards (CEBs) play a central role in helping to generate a strong culture of entrepreneurship and in the promotion of micro-enterprise at the local level.

The CEBs will continue to promote entrepreneurship in each county and will support entrepreneurs establishing and expanding micro-enterprises through the provision of information, financial supports and programmes designed to enhance the management capability of owner/managers.

Complementary to this, LEADER Groups, through the new National Rural Development Programme 2007-2013 (see below for further details), will also be supporting a range of initiatives in this area, including:

- The creation of new rural micro-enterprises and the development of existing initiatives. Examples include the development of indigenous rural resources in artisan food, forestry, marine, rural/agri-tourism and community promoted enterprises;
- the development of recreational tourism including facilities for walking, cycling, angling, pony trekking, bird watching etc. and ancillary facilities such as car parking, and other services such as signage, village renewal etc.; and
- the complementary development of the broader rural tourism package such as upgraded accommodation, food tourism and other services.

An average of approximately €60 million per annum will be provided over the period of the Plan for investment in these initiatives through the LEADER Groups.

## Agriculture and Food

Despite the decline in farm numbers and the trend towards part-time farming in recent years, the agri-food sector continues to make an important contribution, economically and socially, to rural areas. The proportion of part-time farmers has risen from 24% in the mid-1970s to 42% in 2002. On half of all farms, either the farmers and/or spouse have an occupation outside farming. While overall employment is declining in relative terms, the agri-food sector will continue to play a crucial role in the rural economy into the foreseeable future and in many areas, especially the more remote rural areas, it will continue to represent the main option for economic activity. The sector currently consists of 135,000 family farms and around 800 industrial units spread throughout the country. Agriculture and forestry account for around 72% of land use. In economic terms, the agri-food sector accounts for 9% of both GDP and total employment and a fifth of the net flow of foreign earnings associated with exports.

Continued support for a modern, competitive agri-food sector will, therefore, remain an essential component of a comprehensive response to the needs of the rural economy. Support measures will include:

- Support for on-farm capital investment and downstream investment in the food and forestry sectors. Its focus will be on competitiveness and market orientation and will be backed up by support for food marketing;
- Continuation of the successful Rural Environment Protection Scheme (REPS), payment of compensatory allowances to farmers in disadvantaged areas and support for afforestation. These initiatives recognise the public good aspect of agriculture and forestry and their contribution to improving the environment and the countryside;
- Start-up assistance for the setting up of young farmers and the early retirement of older farmers. This will facilitate structural improvement in the agricultural sector;
- Support for agricultural training. This will have a competitiveness emphasis while bearing in mind other considerations such as environment and food safety; and
- Investment in capital infrastructure, marketing and training, backed up by substantial investment in research and development in the food industry. The emphasis will be on facilitating the development of a world class, competitive consumer focused industry.

### ***EU Rural Development Programme***

The National Strategy for Rural Development 2007-2013, which will be agreed with and supported by the European Commission, will provide support under three broad rural objectives:

- To improve the competitiveness of the agriculture and forestry sectors;
- To improve and protect the environment and the countryside; and
- To enhance the quality of life in rural areas and diversify the rural economy.

Measures under the third objective are directed towards improving the economic and social well-being of rural communities and will focus on actions such as:

- Promoting economic activity locally, including, for example, the development of indigenous rural resources in artisan food, forestry, marine, rural/agri-tourism and cultural heritage;
- Developing local initiatives essential to community well-being, with particular focus on the availability of local culture and leisure activities;
- Village and countryside enhancement; and
- Environmentally friendly initiatives and conservation of areas of high natural and cultural value.

The allocation of funding under the Programme to individual measures will reflect the need to underpin the competitiveness and sustainability of the agriculture and forestry sectors while, at the same time, acknowledging and supporting the key contribution being made to rural areas by the wider rural economy.

## **Tourism, Culture & Sport**

Tourism is a major instrument of regional — and rural — development. The tourism industry contributes to the vitality and sustainability of a wide variety of local enterprises, particularly in rural areas, and tourism promotes an enhanced awareness of and positive appreciation of local traditions and ways of life.

Ireland continues to experience increasingly diverse spatial concentrations of tourist numbers. Apart from Dublin and certain other urban centres, all regions have experienced a decline in overseas tourist numbers since 2000. Given the changing market trends and conditions for tourism and the competition from urban destinations, tourism growth in rural areas will depend to an increasing extent on the quality of the tourism product on offer in the future. Support for developing rural tourism will be maintained and developed (details of which are set out in the Chapter on the Enterprise, Science and Innovation Priority). Support will be provided towards the marketing of niche special interest products (e.g. walking, cycling, golf, equestrian, angling) — particularly those that have a strong regional and rural impact.

In addition to continuing with the existing structured, educational and training programmes, a range of initiatives will be rolled out under the Tourism Development Programme, in collaboration with organisations recognised as experts in the personnel, marketing and financial management areas, aimed at improving management capability and networking in the estimated 16,000 tourism enterprises around the country, many in rural areas. Among the initiatives that will support rural tourism enterprises are the small accommodation/B&B programme, locally-based county learning networks, Local Festivals and Cultural Events initiatives and support for the activities of the Regional Tourism Development Boards.

Schemes established under NDP 2000-2006 and which impact on the rural economy will continue, including the expansion of regional and niche product marketing. These will be complemented by the establishment of a fund for tourism infrastructure (covering such areas as access, signposting, water-based facilities and marinas and walking and cycling leisure route development), a fund to support major new festivals and cultural events, a fund to support investment in “soft adventure” products (water sports and outdoor activity centres), and initiatives in the communications and enterprise capability areas.

Recognising the potential which can be delivered by sport, the National Development Plan will develop a range of sporting facilities at local and rural level. This investment, together with initiatives in the arts and culture areas, will generate a positive impact by building stronger communities.

## **The Marine Sector**

The fishing industry and associated seafood production is highly significant to the economic development of coastal and certain rural regions. Almost 60% of the employment and value added created in the marine sector is located outside the most developed regions of the country. Although the fishing restrictions imposed under the reform of the Common Fisheries Policy will pose a challenge to the fishing industry, they will also help to ensure the survival of the fish stock and of the fishing industry in the future. The key challenge for the fishing sub-sector will be to manage the transformation required in the fishing fleet to achieve a desirable balance between fleet capacity and the maintenance of economically and environmentally sustainable levels of sea-fishing. The key to the success of the industry as a whole will be the differentiation of Irish seafood products from the international competition in an increasingly discerning market place, both at home and abroad.

The seafood processing sector is also entering a period of restructuring and rationalisation with opportunities arising for acquisitions and joint ventures within the food sector. For the sector to serve as a key point of added value for the industry as a whole, investment will be made under the Plan in research,



new technologies and new product development. With regard to seafood, there will be support under the Plan for the provision of advisory assistance to companies engaged in restructuring, to ensure the sector can be competitive in an increasingly globalised sector.

It will also be necessary to diversify into other marine-based activities such as aquaculture, tourism and the leisure industry to provide other employment for those communities dependent on fishing. The development of port infrastructure and port services facilities will accommodate these industries. Improved harbours and landing facilities will also be funded to assist the sustainability of rural communities. Further details in relation to these investments are set out in Marine and Coastal Communities Programme in Chapter 8.

## **Social Inclusion**

Social exclusion in rural areas is frequently the result of multiple disadvantage. Often, it manifests itself in terms of characteristics which reflect the distinctive features of rural life, particularly in more remote areas.

A number of programmes under the Rural Social and Economic Development Programme (as outlined in Chapter 8) and the Local and Community Development Programme (as outlined in Chapter 11) are particularly relevant in relation to combating social exclusion in a rural context.

Through the CLÁR Sub-Programme, issues of depopulation as well as the decline and lack of services in rural areas continue to be addressed. The Programme funds or co-funds, together with other Departments, State Agencies and Local Authorities, investment in selected priority developments. These investments support physical, economic and social infrastructure across a wide range of measures and reflect the priorities identified by the communities. €141 million will be provided for investment under the Sub-Programme over the period of the Plan.

The Rural Social Scheme (RSS) aims to provide (i) income support for low-income farmers and fishermen and (ii) certain services of benefit to rural communities. The Scheme allows low-income farmers and fishermen to earn a supplementary income while, at the same time, rural communities benefit from their skills and talents in maintaining and improving local amenities and facilities. Over the course of the Plan, €214 million will be provided for the RSS.

As well as tackling poverty and social exclusion within the most disadvantaged urban areas, the RAPID Sub-Programme will address the problems of social exclusion in twenty provincial towns.

Some €417 million will be provided over the period of the Plan under the Local Development Social Inclusion Sub-Programme, to support locally-based social inclusion measures. The Sub-Programme will have a particular focus on supporting people and communities suffering disadvantage and exclusion through a wide spectrum of locally promoted actions. The alignment of local, community and rural development organisations leading to unified overarching county structures with full county/city coverage will enable the provision of the services to all persons, irrespective of their place of residence, with equal access to the services available including employment, education, and training opportunities.

Nearly €861 million will also be provided under the Community Development Sub-Programme to support communities in ways that involve local people improving their own communities, including in rural areas. Projects funded will support a wide range of self-help activities designed to improve quality of life for individuals and groups in disadvantaged communities.

## **Knowledge infrastructure/research**

There is a lack of a dedicated research programme which studies the dynamics of the rural economy and the particular challenges that it faces. Given the changes that have been taking place in rural Ireland over



the past decade and the even more radical changes that are likely to occur in the coming years, an on-going policy orientated research programme is essential to the formulation of effective rural development policies and the pursuit of good practice in their implementation.

A policy oriented research programme will be developed by the Department of Community, Rural and Gaeltacht Affairs as part of the Plan. Such a programme will help to:

- Develop a better understanding of the nature of the rural economy and the processes that are driving the changes that are occurring;
- Explore how these changes differ from the urban experience and monitor the interdependencies between urban and rural areas;
- Lead to a better understanding of how sectoral policies and programmes impact on rural areas; and
- Enable Departments to adjust and adapt programmes and policies for rural areas in a more timely manner.

## **Conclusion**

Despite rapid urbanisation and major economic growth, Ireland remains a comparatively rural country. This confers particular advantages in terms of quality of life, heritage, tourism and differentiated economic activities. However, the challenges faced by rural areas are substantial, ranging from infrastructure and employment to distinctive needs of local enterprises.

Recognising this, the measures outlined in this Chapter and provided for in the various Programmes of this Plan will sustain and strengthen the population, income and well-being of the rural communities.

# All-Island Co-Operation

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### Introduction

Since the Good Friday Agreement, there has been a transformation in Northern Ireland and in North/South co-operation. This Plan seeks to build on that transformation and to seize the unprecedented opportunities presented over the period to 2013.

This Chapter sets out in detail a range of existing and planned North/South projects that have already been agreed with the current Northern Ireland administration and are being implemented.

It also sets out, for the first time, proposals for Irish Government investment in North/South projects and initiatives for mutual benefit. The Government wishes to agree and implement these with the British Government and a restored Northern Ireland Executive in the period 2007-2013.

These projects and initiatives will benefit the entire island of Ireland. Importantly, they will also benefit the entire community in Northern Ireland on the basis of sound economic principles and equality.

This Plan therefore includes a comprehensive statement of future Government policy on North/South co-operation. While this policy statement is an integral part of the Plan, it is of course subject to discussion and agreement with the Northern Ireland authorities.

These proposals are complemented by an ongoing and expanding programme of East/West co-operation.

### Key Areas for Co-operation

The Plan seeks to realise the opportunities offered by strengthening North/South co-operation across a wide range of areas as follows:

- Infrastructure provision and spatial planning;
- Science, technology and innovation;
- Trade, tourism and investment;
- Human capital;
- Enterprise promotion;
- The provision of public services (health and education);
- Environment;
- Agriculture and fisheries;
- Sport, culture and heritage; and
- Social inclusion.

## Benefits of All-Island Co-operation

Although the economies, North and South, are different in many respects, both face common challenges. These have been identified and agreed by the two Governments in the context of the Lisbon Agenda:

- To continue to grow employment and employment rates;
- To increase productivity;
- To build world-class infrastructure;
- To promote and to develop the role of science, technology and innovation;
- To enable people to acquire and maintain the skills needed for a modern, dynamic knowledge economy and to adapt to changes over their working lives;
- To promote enterprise and entrepreneurship and to provide a positive climate for business, including through better regulation;
- To remove barriers to physical, labour and academic mobility as part of the completion of the European single market;
- To promote social inclusion; and
- To maintain the highest standards of environmental protection.

All-island collaboration offers a unique and relatively unexploited source of competitive advantage for both the North and the South. Throughout the life of this Plan, the Irish Government will pursue collaborative actions to address the competitive challenges facing both parts of the island and the economic problems that persist as a result of the border. Collaborative actions will be pursued on the basis of cost-effectiveness and the delivery of benefits to the North and the South. Meeting these common challenges means building competitive strengths, particularly in the areas of infrastructure, Science Technology and Innovation and skills formation which will provide the edge in securing a strong position in the knowledge economy of the future.

Co-operation in developing infrastructure will help ensure more efficient planning and joined-up delivery of key infrastructure projects, resulting in better Value for Money, economies of scale in public investment and better deals from financial markets.

Through collaboration, the two Governments can deliver more efficient and effective public services, for example, in the health and education sectors. Greater co-operation in these sectors can result in more efficient use of facilities, better Value for Money and improved access to services and facilities throughout the island.

Both North and South face a particular challenge arising from the existence of the border. The border causes natural markets to fragment along territorial lines, reducing economic interaction and the opportunity to develop economies of scale and strong indigenous industries is lost. Firms tend to shun border regions and infrastructural links are not developed, resulting in unbalanced economic growth. Taking an all-island approach will help deliver more balanced regional development and address the negative effects of the border.

Both North and South will have to ensure that they have flexible, well-trained, well-educated and adaptable workforces and a world-class infrastructure to enable them to compete in the global economy. This will require investment in research and development and innovation. Making the island attractive to skilled labour and investment will be important. Cross-border co-operation in research and development offers real opportunities to add value and generate economies of scale.

The dynamic of the all-island economy can strengthen competitiveness through: inter-firm co-operation and collaboration, joint ventures and trade promotion; the opportunity to address a larger domestic market; exposure of products and services to a wider range of demanding customers; and exploiting international opportunities and improved supply-side characteristics.

Significant developments in North/South co-operation have been effected at the level of local authorities, non-governmental organisations, the voluntary, community and business sectors and by central government. The employer, trade union and social partner organisations, North and South, have also made an important contribution to the formulation of policy on developing North/South and East West co-operation.

In October 2006, the British and Irish Governments agreed an agenda for strengthening all-island economic co-operation. The Comprehensive Study on the All-Island Economy sets out the high level goals and initiatives for taking forward co-operation. The Irish Government will work to pursue these goals over the period of this Plan.

### **All-Island Infrastructure Co-operation**

The Government will work closely with Northern authorities to maximise the impacts of investment in infrastructure during the period of the Plan.

This presents both administrations with an unprecedented opportunity to develop a world class infrastructure on the island. To achieve this, the two Governments have agreed to work together on:

- Sharing information/learning from best practice;
- Shared research and analysis;
- Planning co-operation/joint planning;
- Getting best deals from financial markets; and
- Joint implementation/joint projects

The Government will make significant investments in key cross-border and all-island infrastructure projects over the period of the Plan.

### **Co-operation in Border Regions**

In seeking to prioritise more balanced regional development, a particular focus will be on enhancing cross-border links with the North and developing infrastructure in the border region.

Three of the National Spatial Strategy Gateways (Dundalk, Letterkenny and Sligo) are located in the Border Region. A common interest for all these Border Region Gateways will be working together with corresponding areas in Northern Ireland.

In the Dundalk Gateway, key development issues and investment requirements have been identified and will be taken forward consistent with the strategy in Chapter 3 and as appropriate in collaboration with Newry. The Government will also continue to support improvements to the Dublin-Dundalk-Newry-Belfast corridor. The development of the road and rail links along this corridor actively supports the development of the Dundalk Gateway. The upgrading of the entire Dublin-Belfast road to Motorway/Dual Carriageway status in the coming years will ensure that this corridor will form a major axis for economic development on the island.

The Letterkenny-Derry Gateway is the critical Gateway for the North West region. The Government will continue to pursue opportunities to underpin the development of this Gateway through cross-border co-operation under the North West Gateway Initiative. Priorities include: the implementation of an integrated

spatial planning strategy for the Gateway; further improvement in road links to the region; enhancing the capacity and resilience of energy support networks; strengthening telecoms infrastructure throughout the region; development of the City of Derry airport; cross-border collaboration in the development of the skills base in the region; and improvements in access to health and educational services on a cross-border basis.

The development of strategic cross-border road links generally in border regions will be a priority for the Government over the period of the Plan. The Government is also moving ahead to re-open the remaining few cross-border roads closed as a result of the Troubles.

EU funding for territorial co-operation over the period of the plan 2007-2013 will enhance the development of strategic cross-border projects in Northern Ireland and the Border Counties. Funding will be available from the EU and the British and Irish Governments to support this co-operation, including for the first time, projects involving western parts of Scotland. The International Fund for Ireland will also continue to promote economic and social development in the border region.

## **Co-operation on spatial Strategies and Planning**

Close co-operation between North and South in planning infrastructure development will help ensure more efficient delivery of integrated all-island networks.

The Government will pursue the development of a new framework for collaborative action between the two spatial strategies on the island. The collaborative framework will build on existing co-operative progress and take a shared high level and non-statutory view of how to better co-ordinate the implementation of spatial planning policies on the island of Ireland. This will include, for example, ensuring that the considerable capital investment expenditure anticipated over the coming years is better integrated both between North and South and with spatial planning objectives.

The collaborative framework will also be based for the first time on new all-island data sets and thematic mapping which will greatly enhance evidence-based policy and strategic decision-making on an all-island basis.

This framework will include elements such as:

- A commitment to encourage the development of a focussed range of regional and local spatial planning initiatives for key development areas identified in both spatial strategies;
- Identification of certain highly strategic and targeted investments that would be vital in supporting key aspects of both spatial strategies such as improved accessibility to areas identified for accelerated growth in the strategies; and
- A commitment to develop an ongoing programme of spatial planning research to further deepen understanding of development patterns, trends and their drivers on an all-island basis. This will include the development, for the first time, of a comprehensive all-island statistical database.

The collaborative framework is being developed alongside the highly complementary and parallel work at regional Gateway level. The introduction of non-statutory development frameworks between parts of the North and the South will also be an important element in implementing a framework for collaboration between the NSS and the Northern Regional Development Strategy (RDS). Consideration will be given to the development of financial and operational mechanisms in a cross-border and EU co-funding sense to encourage and support the preparation and development of these frameworks.

By improving the strategic context for planning on the island, the Government, in co-operation with the Northern Ireland authorities, can deliver a clearer spatial policy framework for the island. Within this framework all the key infrastructure providers clearly understand what the strategic development objectives are and the need for strong linkages and co-ordination between sectoral policy approaches. Co-operation

also provides a continuing impetus to create enhanced, globally competitive and dynamic economic conditions on the island of Ireland. This will be supported by the co-ordinated implementation of strategic, forward looking planning frameworks and investment in infrastructure of the type and scale necessary to sustain these conditions.

## **Transport**

Efficient, competitive and integrated public and private transport services on the island are critical to the development of trade, inward investment and tourism and the provision of equality of access to employment opportunities through improved labour market mobility. They are particularly important in sustaining rural communities.

Strengthened cross-border transport infrastructure will enhance the potential for major economic and social gains for the whole of the island, and for that reason, the Government will continue to ensure very close cross-border co-operation in the implementation of transport services.

### **Roads**

Working together on roads that serve communities and business on both sides of the border will be a key priority for a joint approach.

Enhancing key routes between the major urban centres on the island will continue to be a priority for the Government. A key focus has been the development of the Dublin-Dundalk-Newry-Belfast road corridor. This project will be completed in the early years of the Plan, allowing rapid movement of people and goods between the two cities. It will facilitate access for the North to the motorway network connecting other cities in the South which will be completed by 2010.

The continued upgrading of road links with Northern Ireland is one of the principal objectives of the *Transport 21* roads Sub-Programme. This investment is a key prerequisite for the development of thriving cross-border economic corridors, especially in those parts of the island that have historically enjoyed less economic success, such as the border counties and the North West.

Key strategic cross-border routes include:

- Dublin-Belfast;
- Dublin-Derry/Letterkenny;
- Derry/Letterkenny-Belfast;
- Sligo-Enniskillen-Belfast; and
- Sligo-Enniskillen-Dundalk.

### **Public Transport**

An integrated bus and rail network throughout the island can further underpin economic growth.

As part of the Government's major focus on the provision of enhanced services on inter-city routes over the period of the Plan, the Government is committed to working with the Northern authorities to review both the frequency of services and journey time of the Dublin-Belfast Enterprise rail link as part of the strategic rail network serving the island.

Integrating the Enterprise fully into the urban transport networks will further enhance the service, reduce journey times and minimise delays for travellers. Both Governments are working to do this in Dublin and Belfast. In Dublin this will focus on integration with other rail and light rail services including, in due course, integration with the proposed METRO to Dublin Airport, as well as with the bus networks.

Co-ordination of this service with other inter-city bus and rail links will develop the service's contribution to regions throughout the island. This includes, in particular, further alignment with the Dublin to Cork route. Upgrading the Belfast-Dublin-Cork Trans European Network (TENs) link route through the removal of speed restrictions has been identified as a priority by both Governments. Alignment with the Belfast to Derry route will be important in ensuring regional economic growth.

### **Airports**

In March, 2005, the Government approved a decision in principle to provide a total of €7.55 million to assist developments at City of Derry Airport on a joint funding basis with the British Government. This investment has EU state aid approval and is currently being finalised.

City of Derry Airport is a prime example of transport infrastructure serving both sides of the border. The agreement of the two Governments to provide capital funding for the this airport has the potential to make a significant contribution to the economic development of the entire North West region of the entire island and demonstrates how North/South co-operation between both Administrations can be advanced to mutual benefit.

### **Ports**

Improved access to ports on the island will derive from the major investments in road transport, both North and South. Competition between ports on the island, especially between Larne, Belfast and Dublin, has proved beneficial and the two Governments have been working together in identifying the future capacity needs on the island. The broad conclusions of a capacity study in the South have recently been published. One of these is that the port sectors in the South and Northern Ireland are complementary, in that a RoRo capacity surplus exists in the North and a LoLo capacity surplus in the South. In addition to helping to define future capacity needs, the findings could be used to inform spatial planning considerations and strategic transportation investment needs.

## **Energy**

Both North and South face an increasing challenge to provide a reliable, sustainable, secure and competitively priced energy supply on the island. Developing this supply will be crucial to maintaining and enhancing competitiveness and economic growth.

### **All-Island Energy Market**

The development of an All-Island Energy Market is a good opportunity to maximise market size on the island and to create economies of scale in the energy sector to the benefit of consumers and business on both sides of the border. This co-ordinated approach is set in the context of continuing co-operation between both Governments on common energy issues in line with the development of the European Union internal market for electricity and gas and the growing regionalisation of markets.

Over the period of the Plan, the two Governments will continue to work together on a range of areas including electricity, gas, sustainable energy and research as set out in the All-Island Energy Market Development Framework, jointly published in November 2004. The Development Framework sets out the commitment of the two Governments to the creation of an All-Island Energy Market.

### **Single Electricity Market**

The key short-term priority is the introduction of the Single Wholesale Electricity Market by November 2007. Both Governments are fully committed to ensuring that the necessary, similar legislation needed to underpin the new market is enacted in both jurisdictions by Spring 2007 to allow the market to proceed. The larger market will provide an improved base for the entry of new market participants and thereby improve the security and reliability of electricity supplies throughout the island. This market dynamic should also serve to increase the competitive pressure on prices while providing economies of scale for market participants.

It will, therefore, deliver the cost-efficiencies, transparency and investments needed to promote an efficient electricity market that will contribute positively to competitiveness on the island.

### ***Electricity interconnection***

A key enabler for an All-Island Energy Market is the removal of existing gaps and bottlenecks in electricity or gas infrastructure that adversely affect cross-border trade. The planned second North-South electricity interconnector, which will be operational by 2012 at the latest, will underpin the Single Electricity Market. It will enhance security of supply and double the existing cross-border electricity transfer capacity to over 600MW. This will contribute to a more robust electricity network capable of delivering long-term benefits to both economies.

### ***Gas***

The All-Island Energy Market Development Framework will also continue to build on the existing high level of cross-border co-operation in the gas area. The South-North gas pipeline from Gormanstown to Belfast, which was completed in 2006, will support the development of the gas network on an all-island basis. Another important gas initiative is a jointly commissioned study to assess the medium to long-term security of supply on an all-island basis, including the scope for a common approach to gas storage on the island and Liquefied Natural Gas facilities. With the recent volatility in international gas markets and our co-dependence on imports via the UK, which itself is increasingly reliant on imports, the development of storage facilities on the island is a strategic issue.

### ***Renewable Energy***

Ireland is rich in existing and potential renewable energies and there is continuing co-operation to develop an all-island approach to sustainable energy. This will include the development of a long-term “2020 Vision” for all-island sustainability in energy supplies, with a particular focus on renewable electricity. The focus is on accommodating a significant growth in renewable electricity generation into the grid systems. As part of the process of developing a joint strategy going forward, the two Governments are laying the groundwork by undertaking an innovative All-Island Grid Study. This study, which will be completed in mid-2007, will inform the long-term development of the grid systems on the island to enhance sustainability and support renewable electricity generation.

### ***Energy Efficiency***

Increasing energy efficiency will be key in reducing demand across the island and decoupling economic growth from increased energy demand. It will contribute to a reduction in carbon emissions, thereby contributing to both Governments’ objectives in terms of sustainable development and climate change. By pooling resources and information, the two Governments can have greater impact in promoting efficiency. The Government will continue to work with the Northern authorities to develop opportunities for co-ordinated action in this important area.

### ***Research and Innovation***

The recently established Irish Energy Research Council has an all-island dimension, as reflected in its membership, and will help co-ordinate energy research technological development and innovation activities on the island. The Charles Parsons Energy Research Awards, aimed at stimulating a significant increase in the number of energy researchers, are open to researchers throughout the island. The North/South aspect of these awards will result in enhanced research collaboration on the island.

## **Communications**

The Government is working with Northern authorities to ensure that throughout the island there is access to the world-class telecommunications infrastructure needed to overcome the island’s physical peripherality and be competitive in the global economy.



As the Government works to achieve nationwide broadband coverage by the end of the Plan, it will be working closely with Northern Ireland, where 100% broadband availability has been achieved.

Increasing access to high speed telecommunications services will be particularly important for border and rural areas in tackling relative peripherality and stimulating more balanced regional growth.

Working together, the two Governments can stimulate competition and investment in telecoms on the island. This will help deliver:

- Improved interconnection between telecoms networks, improving their efficiency and reliability;
- Increased consumer and business access to competitively priced, high speed broadband facilities; and
- Increased availability of telecoms services (voice, mobile and data) in border areas.

Against that background, the high level goals in the North/South context are:

- To promote competitively priced cross-border telecommunications services;
- To improve accessibility in all areas to advanced communications and information technologies, but with particular attention to rural and marginalised communities;
- To encourage closer relationships between research and development institutions in the South and North where telecommunications services can increase productivity of research activities; and
- To encourage the development of regulatory regimes and practices that would facilitate the use of infrastructure on a cross-border basis.

### ***Wireless Spectrum Licensing***

The two Governments are taking an all-island and co-ordinated approach to license wireless spectrum on an all-island basis from Summer 2007. This spectrum could potentially be used for broadband or other communications services, which could be of particular relevance to less developed remote and rural areas.

### ***Mobile Roaming Charges***

The Government has already proven the effect that a joint approach with the British Government can have by working together to address mobile roaming charges on the island. Jointly encouraging regulatory co-operation and stimulating consumer interest in this issue resulted in a number of mobile operators significantly reducing roaming charges on the island.

## **Science, Technology and Innovation**

Recognising the critical importance of making the knowledge economy a reality on the island, the Government will work closely with Northern authorities to increase the quantity and quality of research and enhance the contribution of research to economic and social development on the island. The Government will in particular work closely with the Northern Ireland authorities in fully implementing the Strategy for Science, Technology and Innovation in the period to 2013.

The benefits of collaboration in research and development are widely recognised. Under the Plan researchers will be encouraged to develop collaborative cross-border relationships, which will help offset the limitations of scale in both jurisdictions and provide a stronger base from which to develop international contacts.

The British and Irish Governments have agreed to co-operate in stimulating science, technology and innovation in a number of areas. Competitive schemes for funding have proven to be an effective instrument

for driving the search for excellence in research and development. Operating such schemes on an all-island basis could further enhance the quality of research on the island.

One of the Government's most significant programmes to help develop world class research on the island is the Centre for Science, Engineering and Technology. To help stimulate the highest quality of research, it is envisaged that the Government's next call for proposals for the establishment of a new Centre for Science, Engineering and Technology will be made on an all-island basis.

The EU Framework Programme (FP) remains a central focus of the Government's attention and in promoting Irish engagement particular emphasis will be placed on working with our Northern Ireland colleagues. New support structures will be established to ensure maximum uptake of FP opportunities across all areas of the National System of Innovation. For example, a new all-island scheme will be initiated to encourage established and successful research groups to collaborate on a cross-border basis for the mutual enhancement of the drawdown of EU funds. SME involvement will be facilitated through fostering linkages with these strong and experienced players. The Government will jointly undertake with the North an all-island mapping study of the research institutes on the island. This will facilitate the development of greater collaboration between institutions, including technology and knowledge transfer. The Government will also continue to support the US-Ireland R&D Partnership which is an excellent example of the benefits of cross-border collaboration in forging international contacts.

To provide a greater degree of policy coherence between North and South in relation to science, technology and innovation, the Government will encourage co-operation between the island's advisory panels and policy makers. Co-operation in sectoral research, such as in energy research, will also be taken forward.

## **Enterprise Promotion**

Developing all-island business networks and clusters can help stimulate greater innovation. Opening up such networks, such as training networks, can help, linking businesses and academics throughout the island.

In Northern Ireland, the authorities face a particular challenge to grow the private sector and stimulate entrepreneurship and start-ups. Through all-island business/SME support programmes, both North and South can work together to achieve this, benefiting the competitiveness of the island as a whole.

InterTradeIreland, the all-island trade and business development body, will help implement much of this. InterTradeIreland will be proactive in promoting the culture of entrepreneurship on an all-island basis over the period of this Plan. It will drive the creation, development and exploitation of all-island business knowledge resources and will enhance the global competitiveness of the all-island economy through initiatives such as encouraging the growth of North/South trade and business development networks that will be supported and facilitated by knowledge-based network enabling tools.

The enterprise development agencies will enhance co-operation on issues of mutual interest with their counterparts in Northern Ireland and with InterTradeIreland.

## **Human Capital**

The most important economic resource for the all-island economy, as it strives to remain globally competitive in an increasingly knowledge based economy, is its people. The adequate provision of a skilled workforce is a central tenet of a globally competitive economy. An efficient all-island labour market requires demand to be quantified and then met through appropriate supply side initiatives. This can be achieved through a mix of policy measures.

The changing nature of the global economy means that significant further investment is needed in the island's human capital. While much of this investment will be undertaken independently, North and South,

there are areas where a co-ordinated response will enhance the efficiency of the island's labour market and ensure that sufficient and appropriate skills are in place to encourage sustained growth. The Government will work with Northern authorities to develop greater policy coherence, underpinned by all-island skills mapping and forecasting, through, for example, both skills expert groups working together to ensure that the evidence is available to underpin policies which will deliver the necessary workforce skills across the island. The Government will maximise opportunities for co-operation in further and higher education programmes on a cross-border basis.

## **Trade, Tourism and Investment Promotion**

North and South, we will work together in seeking new markets for the products and services the island produces, exploiting opportunities for investment abroad so as to grow companies of international scale and persuading global companies, particularly those in leading edge technologies, to invest in the economy.

Recognising the benefits of pooling resources to support companies on the island in foreign markets, trade missions and the services of Enterprise Ireland and Invest NI overseas offices are being opened up to companies across the island.

Tourism Ireland Ltd., the North/South body set up to market the island of Ireland abroad, provides a good model of a productive joint marketing approach, whereby the attractiveness of the island of Ireland as a destination has been enhanced. There have been important efficiencies gained as duplication is avoided and the island's tourism assets are exploited to maximum effect. The co-operative approach to tourism promotion embodied in Tourism Ireland has helped lift visitor numbers to the island from 6.3 million in 1998 to an estimated 8.8 million in 2006. The Government will continue to support Tourism Ireland to achieve its international marketing objective of increasing tourism revenue and visitor yield over the life of the NDP.

This joint marketing approach could add value in certain other sectors. Both the IDA and Invest NI are co-operating in promoting the island for inward investment, with an initial focus on collaboration around the business operating environment so as to enhance the attractiveness of the island for Foreign Direct Investment and other areas with potential for mutually beneficial collaboration, such as research, identifying best practice and sharing market information.

## **Health Services**

Co-operation on both the planning and delivery of health services and facilities will help deliver more efficient utilisation of valuable new infrastructure, better Value for Money in terms of public funding, a more balanced regional development, particularly in terms of addressing border effects and improved access to health facilities and treatment.

North and South, we can achieve these mutual benefits by working together across a range of areas, including:

- Working together for more effective health promotion. There is good deal of co-operation between North and South already taking place, for example in the area of suicide prevention;
- Collaboration on research and development, where the benefits of such collaboration can be already seen in the work of the Ireland-Northern Ireland-US Cancer Consortium; and
- Jointly improving access to health services in border areas. The existence of the border has fragmented access to health services in border areas. The Co-operation and Working Together (CAWT) cross-border initiative is bringing together service providers along the border to improve access. For example, work is ongoing to establish a new GP out of hours service in the north west, giving people in Inishowen and Derry access to GPs on either side of the border when this is required.

One of the key recent developments in this sector has been the sharing of radiotherapy services at the new Belfast Cancer Centre, which patients from Donegal can now access in addition to similar services available to them in the South. This level of cross border co-operation is delivering a vital service on a more effective basis than would have been possible previously. This model serves to illustrate the potential for further co-operation between North and South, both in terms of access to health services and facilities and also on planned infrastructure projects. Similarly, it could be possible to plan and provide hospital services on an all-island context. Other potential areas are:

- Addressing regulatory and professional issues that may be acting as a barrier to accessing health services or to mobility of health professionals on the island;
- Co-operation on provision of high technology medical care: given the high costs of medical technology, for example in paediatric cardiology, there is potential for co-operation between North and South to share costs; and
- Population based approach to health service delivery on the island. On an island of just under 6 million people, a rational approach to the provision of health services should be based on an approach which seeks to address the needs of the island's population as a whole.

A further example of constructive co-operation is that the Food Safety Promotion Board will run the all-island safe food campaign.

## **Education**

The level of ongoing collaboration between third level institutions, North and South, has been good. All courses within the third level sector in the South are open to applicants from Northern Ireland. For example, in the case of Apprenticeship Training, the Department of Education and Science in the South continues, with the Institute of Technology Sligo and the Fermanagh Institute of Education, to provide Phase 4 apprentice courses in carpentry and joinery. The possibility of further expanding this link to include other trades is under examination. In 2003 a North/South Programme for Collaborative Research in education was launched.

The Government will seek to enhance collaboration between Institutes of Technology, particularly those in Dundalk, Sligo and Letterkenny, and their Northern counterparts.

### ***National Framework of Qualifications***

Agreement has already been reached on how the levels of qualification in Ireland best align with those in Northern Ireland, England, Wales and Scotland. A North/South/East/West network of quality assurance and certification bodies has been established and continues to share best practice on issues of mutual interest. The scope and necessity for further mutual recognition agreements is being explored, particularly in relation to apprenticeships. All these measures are converging towards the development of a European Qualifications Framework, in which Irish and UK stakeholders are playing an active role.

### ***Curriculum Reform and Professional Development***

A network of curriculum and quality assurance agencies linking all parts of the island has been established. The intention is to continue to progress co-operation in education at all levels, to identify new areas for specific focus and, in particular, to achieve progress in relation to the Middletown Centre for Autism and the North/South Exchange Consortium.

The Government will continue to support North/South research collaboration through the Department of Education and Science (DES). DES initiatives have enabled collaboration between 116 researchers from 11 institutions North and South of the border, paving the way for an all-island research knowledge base. This commitment to cross-border research is recognition of the benefits to be gained by the whole island by having an agreed strategy and joint programmes in a variety of areas of interest to the economy and society.

## Environment

North and South on the island face the challenge of maintaining the highest standards of environmental protection. The Government will be pursuing co-operation with Northern authorities in the development of the Plan's environmental services programme in the areas of water supply, waste water, waste management and climate change.

Jointly funded projects aimed at addressing environmental challenges, on a North/South, cross-border and all-island basis as appropriate, will be undertaken during the period of the Plan in such areas as:

- Environmental research and development;
- Environmental policy and sustainable development strategies and delivery mechanisms;
- Waste management;
- Water quality management ;
- Environmental services including water and waste infrastructure; and
- Natural heritage/biodiversity.

Co-operation and linkages between the Administrations of the British-Irish Council on nuclear safety issues, sustainable development strategies, environmental research and protection, climate change, waste management, water and air quality will also be facilitated and developed during the period of the Plan.

The EU Water Framework Directive (WFD) came into force on 22 December 2000 and requires the protection of all waters against deterioration and, where necessary, their improvement to achieve at least "good status" for all waters by 2015. A high degree of North/South technical co-ordination will be required for implementation of the Water Framework Directive in relation to shared river basins. This co-ordination will be demonstrated by the establishment of a total of eight River Basin Districts (RBDs) on an agreed basis for the whole island (of which three are international RBDs in relation to shared waters), the co-ordinated transposition of the Directive into domestic law in both jurisdictions, the typology and characterization of water bodies and in the necessary reporting to the EU Commission on implementation measures.

Work is continuing on the development of water quality classification systems and other technical outputs required for the adoption of River Basin Management Plans by 2009. Co-ordination measures are being pursued by Ireland and the UK generally in relation to transitional (estuarine) and coastal waters.

## Agriculture and Fisheries

Agriculture and rural development continue to play a major role in the economies of both parts of the island, and make an essential contribution to maintaining the viability of rural communities. Close co-operation already exists in a wide range of agriculture, fisheries, forestry and related activities. Both administrations will continue to seek ways to strengthen and enhance this co-operation in the future, particularly in areas such as CAP related issues, animal and plant health policy and research, rural development and agri-food research, education and technology transfer. The two Governments attach major importance to promoting and reinforcing vigorous measures to advance rural development. There is considerable scope for synergy and mutual learning in this regard. A cross-border steering committee on Rural Development has been established to encourage and oversee progress on cross-border rural development and to co-ordinate official responses to joint plans developed by cross-border community groups. Teagasc has developed close links with the Northern Ireland Department of Agriculture and Rural Development (DARD) with a view to enhancing co-operation on research and training. Bord Bia will liaise with Invest NI on joint marketing and promotion initiatives including market research and attendance at Trade Fairs.

The two Governments will co-ordinate the development of the aquaculture industry in the Carlingford and Foyle Loughs through the North/South Loughs Agency.

## **Culture, Heritage, Languages and Sport**

Both administrations and their respective cultural promotion agencies will continue to work proactively together in the area of culture. In particular, they will work together to support the commemoration of important anniversaries in our shared history.

The enhancement of the facilities of the major cultural institutions that will take place under this Plan will contribute to the celebration of such anniversaries in a fitting manner. The funding included in the Culture Sub-Programme of this Plan will facilitate enhanced co-operation with the cultural institutions in Northern Ireland in areas of common interest, including digitisation.

The scope for North/South co-operation in the development of complementary sporting infrastructure on the island of Ireland is currently being assessed. This is expected to contribute to cooperation and joint projects in the area of sport over the next seven years.

Support for both the Irish and Ulster-Scots languages will continue, through the medium of An Foras Teanga, the North/South Implementation Body comprised of Foras na Gaeilge and The Ulster-Scots Agency/The Boord o Ulstèr-Scotch.

### **Waterways**

Restoration and development of the waterways is an area of practical co-operation between North and South, through Waterways Ireland, a North/South Implementation Body. The restoration of the Shannon-Erne waterway is a very practical demonstration of how North/South co-operation can be of mutual benefit, as shown by the resurgence and diversification of the surrounding rural economy. The creation of an integrated all-island waterways network could enhance the attractiveness of Ireland's waterways to tourists and help to maximise their contribution to the tourism and recreational industries, North and South. In this context, work is already underway to explore the possibility of restoring the Ulster Canal to provide a major inland waterway for the border region.

## **Social Inclusion**

A National Strategy for Social Protection and Social Inclusion (NSSPI) covering the period 2006 to 2008 was submitted to the EU by each Member State in September 2006.

The UK and Irish NSSPIs contain common text outlining how the UK and Irish Governments are committed to developing and promoting co-operation in relation to combating poverty and social exclusion. The common text also appears in the UK, Northern Irish and Irish National Action Plans for Social Inclusion.

The common text acknowledges that poverty and social exclusion affect the quality of life of families and communities across the island of Ireland. Creating a more inclusive society by alleviating social exclusion, poverty and deprivation is a continuing challenge for administrations in Northern Ireland and Ireland. The text points out that there are strong commonalities shared by both communities which have facilitated the establishment of a number of areas of North/South co-operation.

The Irish and UK Governments are committed to developing and promoting further North/South consultation, co-operation and common action concerning policies on poverty and social exclusion. Both administrations agree that there is further potential to promote co-operation between the two jurisdictions in relation to social inclusion. The common text commits both jurisdictions to preparing a report on areas of existing and ongoing North/South work which will include the contribution of the voluntary and community sector in promoting North/South social inclusion, equality and reconciliation. This process will be used to determine

where further work is required and to ensure that new work will complement work already in progress. The report will also describe how work on the potential areas may be progressed with the agreement of the relevant Ministers in both jurisdictions and within existing institutional structures.

Areas for potential co-operation which could deliver mutual benefits will be explored. These may include:

- The compilation and sharing of data and information in relation to areas of common interest and/or;
- Specific topics of common interest for research and analysis; and
- Areas where joint approaches should be developed.

The findings of such work will inform policy development in both jurisdictions.

Both jurisdictions are currently working to introduce an all-Ireland Free Travel scheme for pensioners resident in both parts of the island of Ireland. This scheme will extend the current arrangements to enable pensioners resident in either jurisdiction to travel free of charge on all eligible bus and rail services within the other jurisdiction. Arrangements for implementing the scheme are being finalised by officials of the Department of Social and Family Affairs and their counterparts in Northern Ireland so that the scheme can be introduced in the first quarter of 2007.

## **EU Context and Programmes**

There will be two cross border EU programmes under the 2007-2013 Financial Perspectives — the PEACE III Programme and the Ireland/Northern Ireland/Scotland Territorial Co-operation Programme. The Special EU Programmes Body (SEUPB) will be the managing and paying authority for both programmes. The SEUPB is a North/South body set up under the Good Friday Agreement.

Since 1995 the EU has supported the PEACE and Interreg Programmes and provided funding of some €1.4 billion North and South to underpin the Peace process by promoting peace and stability and general economic and social development.

### **PEACE III**

The European Union has provided €225 million towards the PEACE III programme and both Member States will supplement this with national co-funding.

The PEACE III Programme will continue the work of PEACE I and PEACE II, with the overall objective of reinforcing progress towards a peaceful and stable society and promoting peace and reconciliation. The eligible area for the programme will continue to be the whole of Northern Ireland and the six Border Counties (Cavan, Donegal, Leitrim, Louth, Monaghan and Sligo). The focus of PEACE III will be on the development of reconciliation and promoting social and economic stability in the eligible area by actions to promote community cohesion. This may include activities under the following headings:

- Building positive relationships: actions will contribute to the following priorities of a shared future: tackling sectarianism and racism; shared communities; and good relations and community development;
- Acknowledging and dealing with the past: acknowledging the hurt, truths and suffering of the past is an important part of reconciliation; and
- Contributing to a Shared Society: actions will contribute to the following priorities: reclaiming shared space; reducing tension at interface areas; and building institutional capacities for a shared society e.g. shared services and shared education.



### ***Ireland/Northern Ireland/Scotland Territorial Co-operation***

This programme will be the successor to the 2000-2006 INTERREG Community Initiative in the 2007-2013 programming period. EU funds all come from the European Regional Development Fund. €53 million of EU funding is available to Ireland for this cross border programme with €140 million of EU funding provided to the UK making €193 million in all. The Ireland/Northern Ireland/Scotland Territorial Co-operation Programme (successor to the Ireland/Northern Ireland Programme INTERREG IIIA) will continue to strengthen and deepen networks and structures for co-operation across the border that have emerged from previous INTERREG Programmes. For the first time, the eligible area will include parts of the West of Scotland in addition to the eligible areas of Northern Ireland (excluding Belfast) and the Border Counties of Ireland. In both this and the PEACE III Programme, the preparation process has involved extensive consultation with social partners and other key stakeholders in the eligible area.

The Territorial Co-operation Objective will be targeted at key sectors to drive the Lisbon and Gothenburg Agendas and at geographic regions, in particular the North West. Eligible activities include the development of cross-border economic, social and environmental activities through joint strategies for sustainable territorial development, and primarily:

- **Enterprise** — By encouraging entrepreneurship, in particular the development of SMEs, tourism, culture, and cross-border trade;
- **Environment** — By encouraging and improving the joint protection and management of natural and cultural resources as well as the prevention of natural and technological risks;
- **Linkages** — By supporting links between urban and rural areas;
- **Access** — By reducing isolation through improved access to transport, information and communication networks and services, and cross-border water, waste and energy systems and facilities;
- **Collaboration** — By developing collaboration, capacity and joint use of infrastructures in particular in sectors such as health, culture, tourism and education; and
- **Co-operation** — In addition, the ERDF may contribute to promoting legal and administrative co-operation, the integration of cross-border labour markets, local employment initiatives, gender equality and equal opportunities, training and social inclusion, and sharing of human resources and facilities for R&D.

### ***International Fund for Ireland***

The work of the International Fund for Ireland, to which the EU has been a significant contributor and to which it is committed to supporting to the end of 2010, is also of particular relevance to cross-border co-operation. An international organisation established by the Irish and British Governments in 1986, with an independent Board appointed jointly by the two Governments, its objectives are to promote economic and social advance and to encourage contact, dialogue and reconciliation between nationalists and unionists throughout Ireland. Its founding Agreement requires the Fund to spend about three quarters of its resources in Northern Ireland and about one quarter in the South (essentially the 6 Southern Border Counties). To date the IFI has invested over €750 million in a range of programmes and projects.

The strategic framework for action 2006-2010 adopted by the Board of the International Fund for Ireland in September 2005, anticipates that international involvement with and contributions to the IFI will cease at the end of 2010. The strategy therefore prioritises sustainable, focussed programmes and projects centred on reconciliation and addressing the most disadvantaged communities in Northern Ireland and the Southern Border Counties. The EU will continue to provide €15 million per annum to the Fund until 2010.



## A New Programme of Investment in North/South Co-operation

For the first time, this Plan contains proposals for significant Irish Government investment in North/South projects and initiatives for mutual benefit. The Government wishes to agree and implement these with the British Government and a restored Northern Ireland Executive in the period 2007-2013.

These projects and initiatives will benefit the entire island of Ireland. They are based on the key drivers of economic prosperity and an analysis shared by the Irish and British Governments.

They seek to take into account the views of the Northern Ireland parties, as expressed through reports of the Programme for Government Committee of the Transitional Northern Ireland Assembly. Importantly, the proposals are designed to benefit the entire community in Northern Ireland on the basis of sound economic principles and equality.

The proposed investment is additional to current planned investment and projects.

This Plan therefore represents a comprehensive statement of future Government policy on North/South co-operation. It is of course subject to discussion and agreement with the Northern Ireland authorities.

The proposed package, which will be funded from within the overall Plan envelope, includes two new, innovative elements:

- Joint investment in new strategic projects to benefit North and South; and
- The opening up of access to existing development funds on an all-island basis, and/or the introduction of new, agreed joint funding measures with the British Government (and Northern Ireland Executive on restoration).

## New Strategic Projects

The Government's priorities for agreement on joint projects with Northern Ireland include:

- The completion by 2013 of a high quality road network on the inter-urban routes linking the major population centres of Dublin, Belfast and the North West (especially the Letterkenny-Derry Gateway);
- The future development of the Dublin-Belfast rail line as part of an integrated rail network serving other major population centres, North and South;
- Improved access for tourism and other opportunities along the Eastern corridor, including better links between Co. Louth and Co. Down in Northern Ireland;
- A significant upgrading of higher education capacity in the North West and the border region through strategic alliances between the educational institutions, North and South;
- New schemes to promote graduate mobility, graduate retention and access for people from disadvantaged areas to higher education;
- A comprehensive study on education co-operation to be overseen by the responsible Departments, North and South;
- A comprehensive study on health co-operation to be overseen by the responsible Departments and agencies, North and South;

- Maximising the potential for cross-border cancer services, building on the project to provide services for Co. Donegal; and
- Examining the possibility of restoring the Ulster Canal.

## Development Funding

The Government proposes to develop all-island funding within the overall Plan envelope in the following areas, subject to agreement with the British Government (and the Northern Ireland Executive on restoration):

- Education, skills, science and innovation;
- Energy research, including renewable and sustainable energy;
- Regional development;
- Tourism development; and
- Poverty, social inclusion and community infrastructure.

These areas address the long-term challenges that both Governments agree need to be tackled in the modern, global economy. Funding will be awarded on a competitive basis, thereby rewarding innovation and collaboration and ensuring funds are allocated to the best projects.

Criteria for the award of funding and other reciprocal arrangements would be agreed to reflect shared objectives and to encourage North/South collaboration (as well as potentially on an East/West basis).

## Cost

In some cases, these proposals involve more effective use of existing funding on an all-island basis. Other projects will involve a significant investment by the Irish Government. The Government is providing sufficient funding within the overall NDP envelope to provide for that investment. The details will be finalised in discussion with the British Government and the Northern Ireland Executive on restoration.

## Conclusion

This Chapter has set out a substantive agenda for all-island co-operation. Apart from the need to deepen economic co-operation generally it has also signalled the agenda for the various sectoral areas. The key will be to ensure delivery on this agenda. The Plan reporting and monitoring arrangements referred to in Chapter 13, which will be based on a detailed template to be developed after publication of the Plan, will incorporate a dedicated section on all-island co-operation. The focus of the reporting will be specific outputs — projects and programmes being advanced via Plan investment areas.

Throughout all of this agenda, there is an essential need for agreement on project selection, funding, management and implementation arrangements between the respective institutions and agencies, North and South.

# Environmental Sustainability

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### Introduction

Investment under this Plan will make a major contribution to the enhancement and sustainability of our environment including significant measures to assist the limiting of Ireland's emission of greenhouse gases in line with international obligations. An overview of the most relevant direct investment under the Plan is set out below. Apart from this, however, environmental considerations will be central to the implementation of sectoral policy over the period of the Plan. In addition, the Plan's Regional Development Strategy, with its emphasis on implementation of the National Spatial Strategy and integrated land use and investment delivery, will also play a key role. In summary, the overall goal of economic sustainability in the Plan will be complemented by a strong commitment to environmental sustainability.

#### Investing in Environmental Sustainability

This NDP (2007-2013) includes a range of major investments, totalling over €25 billion, which will directly benefit environmental sustainability:

**Public Transport Sub-Programme:** The Plan will make an investment of some €13.0 billion in public transport, 4 times the level of investment under the previous plan, over the next seven years to promote and facilitate a switch in transport mode from private cars to public transport, thereby reducing fossil fuel consumption and greenhouse gas emissions in the key transport sector.

**Water Services Sub-Programme:** Some €4.7 billion of investment will upgrade and expand water treatment capacity, improving drinking water quality and supply, and improving, expanding and rehabilitating wastewater treatment and networks.

**Waste Management Sub-Programme:** Some €753 million of investment will address the problems associated with legacy landfills; support, through private investment, the development of thermal treatment plants to reduce landfill usage, and promote greater use of recycling and recovery.

**Climate Change Sub-Programme:** The Plan provides some €270 million to fund the purchase by the State of carbon allowances as one part of our strategy to meet our Kyoto targets.

**Sustainable Energy Sub-Programme:** Some €276 million will fund the largescale development of wind energy capacity and the development of alternative sources of energy such as bio-mass and bio-fuels, ocean energy and solar and geothermal technologies, this is a further key element to help reduce greenhouse gas emissions.

**Agriculture and Food Sub-Programme:** Over €6 billion will be expended on schemes with positive environmental impacts.

**Natural Heritage Sub-Programme:** Some €167 million will fund the purchase of Natura 2000 sites comprising Special Areas of Conservation for habitats and species and Special Protection Areas for birds, as well as the acquisition of habitat-rich sites and designated raised bogs.

**Built Heritage Sub-Programme:** Some €373 million will be invested to conserve and protect Ireland's architectural and archaeological heritage.

**Coastal Protection Sub-Programme:** Some €23 million will help protect the coastline from the impact of flooding and erosion.

**Environmental Research:** Some €93 million will be made available under this heading.

In short the major investment in financial resource terms will be underpinned by the integration of environmental considerations into the planning and execution of capital projects.

## Background

Ireland's environment is a unique, finite and irreplaceable asset. It is valuable both in its own right and for the health, well being and enjoyment of our people. The importance of our environment is now widely accepted, and it is acknowledged as a vital part of our common heritage. For these reasons, we must act together to protect and enhance it for the benefit of the current and future generations.

The investment under the Plan will make a major contribution to the protection and enhancement of our environment, especially in the following areas:

- Public Transport;
- Environmental Services;
- Climate Change;
- Renewable Energy;
- Agriculture;
- Heritage; and
- Research.

A rapid and sustained increase in public transport expenditure — both in real terms, and as a proportion of overall transport investment, will facilitate a shift towards this transport mode with significant benefits in terms of reduced fossil fuel consumption and greenhouse gas emissions. The climate change challenge will also be addressed by a sharp increase in resources allocated to renewable energies, environmental research and development and other conservation measures. Continued investment in environmental services will see provision of additional water supply and wastewater treatment capacity, as well as additional recycling facilities and remediation of legacy landfills. Agricultural investment in afforestation, agri-environment, compensatory allowances and farm waste management will all have positive environmental effects. Heritage related expenditure on protection and restoration of habitats and on built heritage is also provided for. This investment will complement other key measures and instruments, both fiscal and non-fiscal, outside the scope of this Plan.

More generally, the principle of sustainability has been recognised nationally and at European and international levels. The European Council has adopted a renewed EU Sustainable Development Strategy (June 2006), following which Member States have been asked to review and update their national sustainable development strategies. This work has commenced in Ireland, and will build upon *Sustainable Development — A Strategy for Ireland (1997)* as updated by *Making Ireland's Development Sustainable — Review Assessment and Future Action (2002)*, which was our input to the Johannesburg Summit on Sustainable Development. Ireland's updated National Sustainable Development Strategy will be completed in 2007 and will further inform the implementation of the investment strategy under the Plan.

### ***The Impact of Economic Growth***

Sustainable development rests on three integrated major pillars — economic, social and environmental — and this Chapter of the NDP is concerned principally with the latter pillar. Ireland has benefited greatly from a period — now well over a decade — of sustained and rapid economic growth. The benefits to our society are evident, not just from economic indicators, but from the prosperity of people as reflected in their income and lifestyles. Economic development delivers choice to society and to its policy makers; it enables, for example, advances to be made in social progress so that the less fortunate in society can share in the benefits of prosperity.

Increased prosperity and growth clearly presents challenges. Economic growth — through increased consumption levels, energy demands and waste flows — can add significantly to the pressures on the environment. But it also allows us to respond to these challenges by, for example, providing more and better environmental infrastructure. It is misguided to assume that economic success will inevitably damage our environment. International experience does not support this, and it is evident that less developed countries often face the most acute and intractable environmental pressures. Economic growth — if we act responsibly in tandem with it — allows us to achieve high environmental standards rather than the reverse. Combating environmental pressures, while building upon the synergies between environmental protection and the economic and social aspects of sustainable growth, requires a broad and coherent policy approach across all programmes encompassed by the Plan, although some are more relevant to the environment than others.

### ***The State of our Environment***

The most recent comprehensive assessment of our environment was undertaken by the Environmental Protection Agency (EPA) in the context of its State of the Environment Report *Ireland's Environment 2004*. This has been supplemented by *Environment in Focus 2006 — Environmental Indicators for Ireland*, and the data in this report broadly supports the conclusions in the 2004 State of the Environment Report. The Agency concluded in its State of the Environment Report that the quality of our environment remains generally good but that challenges still exist and that awareness and vigilance are required if our environment is to be protected and enhanced for the future.

The EPA identified three specific challenges, namely:

- Meeting international commitments on air emissions, especially greenhouse gases and acidifying gases;
- Combating eutrophication of surface waters; and
- Managing waste flows effectively.

In addition to the above three specific challenges, the 2004 report identified two further, but more general, challenges:

- Better integration of environmental and natural resource considerations into sectoral policies, plans and programmes; and
- Better enforcement of environmental legislation.

A brief assessment of these issues — including the extent of the challenges we face and the action being taken to address them — is set out below. The Government accepts the above analysis, and commits itself to dealing with the challenges involved. This commitment is reflected in the actions being taken in this Plan.

It is worth noting that not all relevant Government expenditures and policies are set out in the NDP. To take one example, the resources (increased significantly in recent years) available to public bodies to enforce environmental legislation are not included in this NDP, nor were they included in the NDP 2000-2006. The

environmental content of the Plan should be assessed in conjunction with other environmental policies to get a full picture of the Government's overall approach to the environment.

## The Principal Environmental Challenges

### **Climate Change**

Climate change is, by a considerable margin, the most pressing international environmental issue that we face. It is fundamental equally to our global environment, to social stability within and between nations, and to sustainable developments more generally. There is no unilateral solution to the challenges it presents. All countries must play their part in stabilising and reducing greenhouse gas emissions to the point where climate change no longer threatens us. And, within countries, all sectors in society must share the burden of the necessary corrective measures. The Government is acutely conscious that, domestically and as part of the European Union, we must play our full part in addressing this vital issue.

The National Climate Change Strategy, published in 2000, provides the basis for Government policy and action for reducing greenhouse gas emissions in the most efficient and equitable manner, and for ensuring that Ireland meets its commitments under the Kyoto Protocol to the United Nations Framework Convention on Climate Change. The Strategy identifies a range of policies and measures to reduce the level of greenhouse gas emissions across various sectors. Since its publication, the Strategy has been subject to ongoing review to take account of developments at national, European and international levels, with new measures being adopted and existing measures tailored to suit changing policy contexts. A comprehensive review paper, *Ireland's Pathway to Kyoto Compliance*, published in July 2006, assessed progress in implementing the Strategy, the emissions trends across each sector, and proposed additional measures for Ireland to meet its target for the purposes of the Kyoto Protocol in the most cost effective way.

The Government will shortly publish an updated version of the National Climate Change Strategy following the public consultation process on the July 2006 review paper.

In preparing a new strategy, the Government will emphasise the need to address Ireland's greenhouse gas emissions in a holistic way, to acknowledge the important role of the private sector and of individuals in reducing greenhouse gas emissions and to take account of our Kyoto Protocol obligations when setting policies across all relevant sectors of Ireland's economy.

While Ireland will meet its Kyoto Protocol target, the new strategy will also pay due regard to likely future commitments under a successor agreement to the Kyoto Protocol. In this regard, the EU and its Member States have been to the forefront in proposing ambitious targets for a new international agreement and have called on developed countries to consider reductions in their emissions of the order of 15%- 30% by 2020 compared to 1990 levels. While this is likely to entail some costs, the Government must take account of the findings of recent studies (such as the Stern Report on the economics of climate change) as noted in the conclusion of the European Council in December 2006, that the costs of inaction for the global economy will significantly outweigh the costs of action.

The Plan has been drafted taking account of Ireland's commitment to limit emissions of greenhouse gases under the Kyoto Protocol. This is evident in, for example, the investment programmes for the transport and energy sectors. A significant increase in investment in public transport both in absolute terms and as a proportion of overall transport expenditure is foreseen for the 2007-2013 period. In the energy sector, this Plan builds on recent initiatives to increase support for, and awareness of, sustainable energy through provision for continuing investment in renewable energy and energy efficiency measures. Measures in these sectors and elsewhere will contribute to the continuing reduction in emissions intensity of Ireland's economy and the longer-term reduction in absolute emissions. Provision is also made in the Environmental Services Programme in Chapter 7 for the purchase of carbon credits as is permitted under the Kyoto Protocol.

The Plan also builds upon existing initiatives by providing for enhanced investment in research, in line with the Strategy for Science, Technology and Innovation, in areas of direct relevance to the sustainability of Ireland's greenhouse gas emissions profile. In particular, programmes of research in the environment, energy and agri-food sectors will inform future policy options for greenhouse gas mitigation. There is an international consensus that some degree of climate change is inevitable due mainly to current and historic levels of greenhouse gas emissions. Even if significant progress can be made in reducing global greenhouse gas emissions in the short to medium term, current and historic emissions will continue to cause changes in the climate system for the foreseeable future. Some degree of adaptation in natural and human systems in response to actual or expected climate changes will therefore be required.

The climate change impact scenarios for Ireland prepared under the 2000-2006 Environmental Research Technological Development & Innovation (ERTDI) research programme underlines the importance of addressing climate impacts in policy making. The Government recognises this need and proposes to develop an appropriate policy framework for addressing the potential impacts of climate change in Ireland. A key objective will be to guide future integration of climate change considerations in future investment priorities in key sectors.

### ***Eutrophication of Surface Waters***

While Ireland's water quality overall remains of a high standard, the eutrophication of freshwaters and estuaries is a significant problem. Eutrophication arises from excess inputs of nutrients (mainly nitrogen and phosphorus) to waters leading to excessive plant growth, depletion of oxygen and habitat degradation. The major sources of nutrient loss to waters are agriculture and municipal sewage discharges, with other sources also making a contribution.

The main instruments for tackling eutrophication caused by agricultural sources are the National Nitrates Action Programme, the related regulations and the many measures which have been put in place to support the implementation of the Programme. The European Communities (Good Agricultural Practise for the Protection of Waters) Regulations generally came into effect from 1 February 2006 with specific provisions to be phased in over a 4-year period. The primary emphasis of the Regulations is on the management of livestock manures and other fertilisers. They give further effect to the Nitrates Directive and other EU Directives on waste management and water protection and, in particular, support the implementation of Ireland's Nitrates Action Programme. Implementation of the Programme is also supported by other measures such as cross-compliance inspections by the Department of Agriculture and Food (DAF), a significantly improved Farm Waste Management Scheme operated by DAF, information and advisory services to farmers etc.

The National Nitrates Action Programme will be implemented on a phased basis and will operate for a period of 4 years. The implementation of this first action programme will be monitored on a continuing basis by reference to water quality and to agricultural practices. The support for farm waste management set out in Chapter 8 of the Plan will assist in meeting our obligations under the Nitrates Directive.

The impact of wastewater discharges on water quality is being reduced significantly by the continuing high level of investment under the Water Services Investment Programme and the provision and upgrading of waste water treatment facilities. Very significant progress in meeting the requirements of the Urban Waste Water Treatment Directive was made over the period of the last Plan, such that compliance has risen from 25% in 2000 to 90% in 2006. As a result, pollutant loads to our waters have been reduced by 45,000 tonnes per annum. Further details of projected investment in water and waste water services are set out in Chapter 7 of this Plan.

Other key pressures which potentially contribute to the eutrophication of waters include: forestry; on-site wastewater treatment systems (e.g. septic tanks); industrial discharges; and urban land-use. Legislative proposals are being developed to provide for strengthened protection of water quality in many of these situations. High priority continues to be given to the implementation of the Water Framework Directive 2000



which provides a systematic basis for tackling all sources of water pollution. To date, Ireland has met on time all implementation deadlines under the Directive. A series of studies has been initiated under the direction of a Water Framework Directive National Technical Coordination Group to investigate further the key risk factors associated with these pressures and to develop recommendations for further measures to reduce their impact. Some of these recommendations will help guide future investment in wastewater infrastructure under the Water Services Programme in the Economic Infrastructure Priority of the Plan.

It is evident, therefore, that the challenges arising from the eutrophication of surface waters are being addressed across a wide front, and it is expected that ongoing improvements in water quality will be recorded in future reports by the EPA.

### **Waste Management**

Waste poses a serious economic and environmental challenge for Ireland. Across the EU, waste generation has continued to grow at a pace that equals and sometimes surpasses economic growth. A sustainable approach to dealing with this requires the integration of a number of elements — reducing the extent of waste generation through waste prevention strategies, maximising the recycling and recovery of waste and minimising the environmental impacts of the final disposal of waste, particularly through reducing the reliance on landfill. Ireland has made considerable progress since the late 1990s in implementing such an integrated approach.

Ireland has greatly improved its recycling performance and is moving quickly towards becoming a recycling society. In 1998 Ireland's recycling rate was 9%; in 2004 this has risen to 35%. Packaging waste recycling in the same period rose from 14.8% to 60%, while the implementation in 2005 of the EU Directive on Waste Electrical and Electronic equipment has led to a 400% increase in the recycling rate for that waste stream. The number of local authority recycling centres rose from 30 to 73, while bring back facilities have more than doubled over the period. Over the period of the Plan, further improvements to national recycling rates will be achieved. The network of recycling centres will be improved; further producer responsibility initiatives will be implemented for significant waste streams such as end-of-life vehicles, newsprint and tyres; a National Market Development Programme will increase the outlets for recycled products; and the National Strategy on Biodegradable Waste will achieve progress towards meeting its targets for diversion from landfill.

While headline recycling rates are improving spectacularly, this translates into only a small reduction in the amount of municipal landfilling. In effect, the link between economic growth and waste generation has been weakened but it has yet to be severed fully. There will be an emphasis on improving national performance on waste prevention and minimisation under the auspices of the National Waste Prevention Programme which was launched by the Government in 2004.

Considerable progress has been made in modernising our landfill infrastructure, but the legacy issues of older, poorly managed landfills have also to be dealt with and a comprehensive programme is being put in place to address this. All landfills currently operating, and those to be developed, will be engineered facilities licenced by the EPA to the highest standards. Local authorities and other landfill operators will be required to make proper provision for future remediation and aftercare costs, as mandated by the Environmental Liability Directive.

In line with national policy on the integrated approach to waste management, thermal treatment with energy recovery will be the preferred option for dealing with residual waste after achieving ambitious targets in respect of waste prevention, recycling and recovery. This is reflected in the regional waste management plans for which the local authorities have statutory responsibility. These waste-to-energy plants will be provided as entirely private sector developments or by way of public private partnership. Two plants which are to be privately developed have received regulatory approval but are subject to legal challenge. In the case of the Dublin region the relevant authorities are proceeding by way of a public private partnership for which the necessary regulatory approvals are being sought. Other regions are at earlier stages in the process.



Finally, it will be important to maintain the momentum of the successful enforcement initiatives that have been put in place over the last two years to help create a culture of compliance with waste legislation.

### ***Integration of Environmental Considerations into Sectoral Programmes***

Action on integrating environmental and natural resource considerations into sectoral programmes is continuing at European and national levels. The Treaty establishing the European Union states that “Environmental protection requirements must be integrated into the definition and implementation of Community policies and directives”, and the individual sectoral formations of the European Council are taking this work forward in the context of the Cardiff process. The renewed EU Sustainable Development Strategy (2006) has as one of its policy guiding principles to “Promote integration of economic, social and environmental considerations so that they are coherent and mutually reinforce each other by making full use of instruments for better regulation, such as balanced impact assessment and stakeholder consultations”.

Ireland’s *Sustainable Development — A Strategy for Ireland* was adopted in 1997 and was one of the earliest in the EU. Its overall objective can be summarised as integrating environmental considerations into strategic policy sectors (agriculture, forestry, marine resources, energy, industry, transport, tourism). Comhar — the Sustainable Development Council — was established as a supporting structure, and is representative of all sectoral interests.

Subsequently, in 2002, *Making Ireland’s Development Sustainable — Review Assessment and Future Action* was published as our national input to the UN World Summit on Sustainable Development in Johannesburg. This sought to place the National Sustainable Development Strategy more fully in the context of the environmental challenges associated with the stage of economic development which Ireland had now reached.

Ireland will complete a renewed National Sustainable Development Strategy in 2007, consistent with the principles set out in the 2006 EU document and building on the approaches that have already been implemented here on foot of the previous work.

### ***National Spatial Strategy***

The implementation, through the Plan’s Regional Development Strategy, of the National Spatial Strategy (NSS) will also have a number of key environmental benefits and will assist in integrating environmental considerations into Plan investment. This is dealt with in more detail in Chapter 3 but by establishing a strategic spatial framework, within which future development pressures and needs can be managed and channeled, the NSS is assisting environmental sustainability by:

- Supporting more balanced regional development through encouraging future development and growth to take place within a settlement structure of Gateways as regional cities, Hubs as regional towns, other large and medium sized towns and suitable locations within rural areas;
- Ensuring that through a structured and planned approach in meeting Ireland’s development needs into the future, key environmental services such as water services and waste management can be provided in a proper and sustainable manner;
- Focusing large scale urban growth at a number of strategic locations, thereby facilitating compact and sustainable urban development that will create the conditions supportive of enhanced delivery and usage of public transport and minimisation of energy requirements; and
- Facilitating the conservation of environmental qualities and development of environmental capabilities of rural areas by establishing a spatial context for parallel but complementary policies on protecting air and water quality, conserving our natural and cultural heritage and maximising the contribution of renewable energy.

Working within the national policy framework established through the NSS, Regional Planning Guidelines (RPGs) have been adopted by all eight Regional Authorities and provide a statutory framework within which the development plans of City and County Councils are being integrated. The strategic policy dimension of spatial planning is strengthened by such integration of plans at national, regional and local levels. This will also assist in promoting sustainable development through urban areas that are more compact, high quality and better served by public transport.

For example, taking the high level aim of the NSS for the consolidation of the physical development of Dublin City, the RPGs for the Greater Dublin Area are encouraging a greater yield of housing within the city focused on strategic, public transport served sites. Through corresponding local planning initiatives, development of a number of large residential development areas including at least 3 Strategic Development Zones, all of which are located on the city's improving rail network, have contributed significantly to a doubling of housing output in the city over the past 5 years.

At the level of individual projects, the requirements of the Environmental Impact Assessment Directive will continue to be applied to all projects coming within its scope.

### ***Better Environmental Enforcement***

Clearly, enforcement of environmental legislation is important in securing good levels of compliance with this legislation. In recent years the problems associated with illegal dumping of solid waste, in particular, have highlighted this, although robust enforcement will generate returns in respect of compliance with all environmental legislation.

There is now a very significant corpus of legislation on the environment in force in this country. Some of this legislation has originated at European level and some is primary or secondary national legislation. This overall regulatory framework has been of real benefit to the condition of all our environmental media, especially water quality, air quality, wastewater treatment and waste management.

The Office of Environmental Enforcement in the EPA has made good progress in co-ordinating better enforcement cooperation between the different agencies involved in environmental enforcement, and this progress will be built upon for the future.

### ***Natural Heritage and Biodiversity***

Ireland's biodiversity, which includes our ecosystems, provides environmental services vital to human welfare. These environmental services include the provision of food, fresh water, clean air and nutrient recycling, all of which are essential to human life. Furthermore, our natural environment is valuable and worthy of protection in its own right.

Ireland is committed to meeting the EU target to halt the loss of biodiversity by 2010. In particular, Ireland has a responsibility under two EU directives — the Habitats Directive and the Birds Directive — to protect the integrity of habitats and species of European importance, known as Special Areas of Conservation (SACs) and Special Protection Areas (SPAs). The SACs and SPAs are part of a European network of Protected Areas known as Natura 2000. In Ireland, this process has seen the designation of 870,000 hectares of land and a further 430,000 hectares of our marine territory. The Plan provides for a programme of capital works to protect and restore the integrity of the habitats under the Natural Heritage Sub-Programme of the Social Infrastructure priority. The purchase and restoration of areas of raised bog will be a particular focus of this Programme due to the importance of this habitat in Ireland. These raised bogs act as effective carbon sinks and provide an important environmental service in meeting our efforts to combat climate change.

The National Parks are flagships for the conservation of our natural heritage and biodiversity. Under the Plan, investment will be made in management plans and visitor facilities in both the National Parks and Nature Reserves.

## The Impact of the Plan on the Environment

The National Development Plan impacts on many aspects of our environment but some investment programmes are more important than others in this respect. It is not possible within this Chapter to deal with the environmental dimension of all the programmes and measures included in the Plan. This section is confined to those programmes of most direct relevance to the environment.

### **Transport**

There have been major economic, social and demographic changes in Ireland over the past decade, and these have given rise to greatly increased demands on our transport systems. Among the resulting changes are longer commuting times, increasing car numbers and usage, and serious congestion difficulties with attendant impacts on competitiveness, quality of life and the environment. The environmental impacts include increased greenhouse gas emissions, increased levels of acidifying gases and particulate matter, noise and other impacts on the natural and built environment.

The development of *Transport 21* as a key objective under the NDP will focus on the delivery of a modern state-of-the-art transport system that will, inter-alia, promote sustainable transport solutions, including clean urban public transport, clean vehicle technologies and fuels, more fuel efficient driving techniques and zero-emission travel modes such as walking and cycling. Crucially, investment in public transport will facilitate a modal shift from private to public transport and sustainable criteria will be mainstreamed into all transport investment policy development.

Investment in road improvement and new roads can also assist in reducing the environmental impact of road transport. Traffic that flows more freely cuts down the level of pollution generated by stop-start driving and congestion generally. By-passed towns and villages will benefit from reduced congestion in many ways including reduced air emissions and noise. Road projects will be designed to minimise adverse impacts and to maximise positive ones. To this end, Environmental Impact Assessments (EIAs) will continue to be carried out as appropriate.

Investment in public transport is exceptionally beneficial to the environment. It will facilitate a very significant modal shift away from private to public transport with all the consequent benefits this will have for consumption of fossil fuels and reduction of CO<sub>2</sub> emissions. In addition, the NDP provides for an initial allocation of some €5 million for a range of pilot sustainable transport initiatives. These initiatives will facilitate the mainstreaming of sustainability criteria into transport investment decision making and to make cleaner more environmentally-friendly vehicles available, embracing the haulage industry, taxis and, of course, public transport operations. Government investment and support will be provided for increased use of alternative fuels and technologies and eco-driving initiatives to facilitate more fuel efficient and cost saving driving styles.

Investment in airport infrastructure facilitates benefits, inter alia, the aviation industry. Aviation gives rise to some adverse environmental impacts, especially CO<sub>2</sub> emissions. The EU has taken the first steps to bring the aviation industry within the EU Emissions Trading Scheme in future years.

### **Energy**

Environmental protection is one of the key pillars underpinning sustainable energy policy along with creating competitive markets and security of supply. Reducing our dependence on fossil fuels is directly relevant to driving down CO<sub>2</sub> emissions. This Plan sets out objectives in Chapter 7 to:

- Stimulate energy efficiency;
- Stimulate renewable energy production;
- Promote clean urban transport; and
- Ensure integration and innovation.

Ireland has significant renewable energy resources available but their large-scale exploitation continues to require support and intervention by policy makers because of the investment costs and risks entailed. This intervention is required across the three principal energy sectors: electricity, heat and transport and in the industrial, public, commercial and domestic sectors.

The proposed investments will considerably enhance environmental sustainability. Increased market penetration of renewable energy technologies in the electricity, heat and transport sectors will displace fossil fuels such as coal, oil, gas and peat. In the case of electricity, the 2010 target for renewable energy consumption has been increased to 15%. In the case of biofuels, 5.75% of the transport fuel market will consist of low emission renewable fuels. In the heat market, wood, solar, geothermal and other technologies will replace traditional oil, gas and electric heating systems. Direct financial assistance to grow the markets for established technologies will have immediate results in terms of increasing the share of clean renewable energy generation. Research, development and demonstration programmes will advance the deployment of newer technologies and practices with a view to increasing the range of technologies available, thereby offering wider consumer choice suited to the individual needs of domestic, commercial, public and industrial users, and leading to more widespread market penetration.

The energy efficiency measure will contribute to security of supply and sustainability by promoting and incentivising a reduced overall demand for energy, either through the application of new technologies and practices (for example, enhanced building standards and practices) or through a sustained awareness raising of the benefits and means of reducing energy demand.

### ***Building***

Building activity has environmental impacts and policies are in place to mitigate and alleviate these including the building regulations and guidelines on residential density. More broadly, housing interventions are aimed at improving living environments particularly through social inclusion, regeneration and estate management issues.

The energy efficiency of building will be promoted through implementation of the EU Energy Performance of Buildings Directive (EPBD) for existing and new housing and all other habitable buildings. Compliance with the enhanced performance standards over time of the building regulations and other regulations covering energy-using installations and equipment will lead to improved energy efficiency of additions to the building stock and major renovations.

### ***Environmental Services***

Waste water infrastructure projects generally have an immediate and positive impact on environmental standards and quality of life. Considerable progress has been made in advancing municipal waste-water treatment including phosphorous removal, and the NDP provides for further investment into the future so that, inter alia, nutrients are removed from waste waters. This is important in the context of combating eutrophication of surface waters, although the relative proportion of eutrophication caused by agricultural sources is higher than that from urban waste water discharges.

Good quality water supplies are fundamental to public health. Measures to reduce unaccounted for water in public water supplies also reduce abstraction requirements at source and related pressures on the environment.

### ***Waste Management***

The integrated approach to waste management was discussed earlier. The period of the Plan will see very substantial investment to complete the provision of a comprehensive modern waste infrastructure and to deal with the legacy issues of old landfills.

### ***Agriculture***

The programme encompasses the agricultural measures included in Ireland's 2007-2013 Rural Development Strategy and Programme. In line with the relevant EU regulatory framework, a central theme of that strategy/programme is the environment. The focus is on enhancing natural resources and landscapes. Various measures including afforestation, agri-environment, compensatory allowances and farm waste management-related capital investment address this priority. The forestry measure will mitigate climate change. The agri-environment measure will protect biodiversity and traditional agricultural landscapes and will build on the now well-established success of the Rural Environment Protection Scheme (REPS). The farm waste management support will guard against water pollution. The support for less favoured areas through compensatory allowances will promote the continued use of agricultural land, thus maintaining the countryside and improving sustainability.

The education/training and advisory service sub-programmes will also support the environmental priority. Training and advice will promote compliance with environmental requirements and positive environmental practices generally.

### ***Tourism***

The Tourism Development Programme will be based on well-established principles of sustainable development, with an emphasis on measures to promote regional and seasonal spread. Product development supports will be designed in accordance with best environmental practices and principles, which will be supported by a new Environmental Unit which has been established in Fáilte Ireland.

### ***Coastal Protection***

The environmental impacts of projects undertaken under the Coastal Protection Sub-Programme are largely positive. The Irish coastline contains a wealth of resources, of economic, social, cultural, environmental and nature conservation value. In recent years it has been accepted that the coastline is a valuable natural resource which needs careful and sensitive management. Project design and planning takes full account of environmental, ecological and heritage issues. Environmental Impact Assessments are undertaken for schemes which are likely to have a significant impact in environmental terms. All necessary statutory consents are obtained prior to works commencing.

The Plan will finance structural works involving the construction of Flood Relief Schemes. All these schemes will be implemented in an environmentally friendly fashion, as far as possible, taking account, in particular, of the principles of the Government's National Biodiversity Plan. In addition investment under the Built and Natural Heritage Sub-Programmes will make important contributions to environmental sustainability.

### ***Environmental Research and Development***

Increasingly, research and development is seen as vital to meeting our aspirations for protecting and enhancing our environment. We depend on cleaner technologies to minimise our environmental footprint and these technologies can often redress the legacy of past environmental damage. Furthermore, eco-industries — which are heavily dependent on environmental research and development — are big business. For example, they employ over two million people in the EU and the sector is recognised as one of the fastest growing in the Union. The EU's Environmental Technologies Action Plan (ETAP) recognises that the development of eco-technologies is a "win-win" solution that promotes environmental protection and the Lisbon Goals of more rapid growth and jobs at the same time.

Consistent with the principle that the environment should be integrated into all sectors, environmental research will be undertaken as part of many NDP measures and programmes that have a significant environmental impact. This will include the energy, transport, agriculture and marine sectors, and naturally, environmental infrastructure in its own right.

In addition to the above, the Enterprise, Science and Innovation Priority includes provision for the EPA to continue to fund a dedicated R&D programme for environmental protection. This programme will facilitate realisation of ETAP objectives in Ireland through continued advice to inform environmental policy development and implementation and through research into clean technologies.

# Economic Infrastructure Priority

Investment under the Economic Infrastructure Priority of NDP 2007-2013 is indicatively estimated at €54.7 billion. This investment will be spread across the following Programme areas:

### Economic Infrastructure Priority

Programme	All figures in € million current prices					
	Exchequer	PPP	Local Auth.	State Bodies	Other	Total
Transport	19,858	7,035	0	2,221	3,800	32,914
Energy	276	0	0	8,250	0	8,526
Environmental Services	4,156	271	1,219	0	125	5,772
Communications and Broadband	435	0	0	0	0	435
Govt. Infrastructure	1,222	191	0	0	0	1,413
Local Authority Development Contributions	0	0	2,100	0	0	2,100
Unallocated Capital Reserve	1,534	1,966	0	0	0	3,500
<b>Economic Infrastructure Total</b>	<b>27,482</b>	<b>9,463</b>	<b>3,319</b>	<b>10,471</b>	<b>3,925</b>	<b>54,660</b>

The key objectives under this Priority will be:

- To create a road network, in line with the timetable in *Transport 21*, that will see the completion of the major inter-urban routes and will upgrade links generally between the National Spatial Strategy Gateway Centres and improve the non-national road network;
- To deliver a radically upgraded public transport system in line with the timetable in *Transport 21* especially in the Greater Dublin Area (GDA), but with significant impacts in other areas;
- To promote North/South co-operation in infrastructure planning and delivery to develop integrated all-island infrastructure for the benefit of all on the island;
- To improve the infrastructure of the 3 State Airports and provide support for investment in the regional airports;
- To better equip the ports sector to meet national and regional capacity and service needs;
- To further enhance the water and waste-water infrastructure thereby facilitating residential and commercial development throughout the regions whilst also improving the quality of the environment;
- To significantly improve the capacity and environmental sustainability of waste infrastructure;
- To promote the availability of competitive broadband services and to achieve nationwide broadband coverage by the end of the Plan period;
- To promote security of energy supply, which is competitively priced, in the long term and implement a significant programme of energy diversification with beneficial environmental effects; and
- To progress the decentralisation programme.

## Role of Economic Infrastructure

Investment in Economic Infrastructure is a key element in the promotion of competitiveness and the generation of sustainable economic growth and employment. It also contributes to regional development and assists environmental sustainability. Notwithstanding the excellent progress made under Plan 2000-2006, high levels of investment will be necessary under this Plan in the areas of Transport, Energy, Communications and Environmental Services to bridge the deficits which Ireland still faces under these headings. The level of investment proposed under this Priority reflects its key role.

It is important that investment in Economic Infrastructure is delivered in an efficient and Value for Money way and that investment under the various headings complement each other as far as possible. Accordingly, the principles and frameworks set out in Chapter 13 will be applied as appropriate. In addition it will be important that the economic infrastructure aspects of the investment strategy at Gateway level set out in Chapter 3 are delivered in an integrated way.

## Transport Programme

Total investment under the Transport Programme of this plan will be some €32.9 billion.

The Transport Programme will comprise the following Sub-Programmes:

- Roads Sub-Programme — €17.6 billion;
- Public Transport Sub-Programme — €13.0 billion;
- Air Transport Sub-Programme — €1.9 billion; and
- Ports Sub-Programme — €481 million.

€26.9 billion of the €32.9 billion to be invested in transport will be funded by Exchequer and PPP resources. This comprises investment over the seven years of:

- Almost €13.3 billion in national roads including additional toll based PPP investment of €1.865 billion;
- Just under €12.9 billion in public transport;
- €484 million in non-national roads;
- €96 million in regional airports and city of Derry Airport;
- €90 million in the Rural Transport Initiative; and
- €31 million in regional harbours.

In addition, approximately:

- €1.8 billion will be invested in the State airports; and approx. €450 million in the commercial ports from the resources of the companies concerned.

## Strategic Context

A major investment in transport infrastructure has taken place under Plan 2000-2006. This progress must now be built on and accelerated. A common theme in the Plan consultation process, confirmed by the ESRI evaluation of investment priorities, was the need for a continued high level of investment in transport. The key strategic objective of the Transport Programme, consistent with the policy goals set out in *Transport 21* Programme launched in November 2005, is the creation of a road network that will promote regional, national and international competitiveness and the delivery of a radically upgraded and more integrated public transport system, especially in the Greater Dublin Area. Also crucial to Ireland's future economic



competitiveness will be the development of world-class airports and ports. The overall objective is a further massive enhancement in the transport network by 2013.

A good transport infrastructure is crucial to the promotion of national competitiveness and sustainable development. It is critical that enterprises are able to efficiently move goods both internally and to and from external markets. It is also vital that the workforce has access to reliable and efficient means of transport which is environmentally sustainable. International passenger access to Ireland is also of key importance to the business, industry and tourism sectors.

98.3% of internal merchandise trade is carried on the road network and this underlines the need for a world-class roads system, especially between the major urban centres. It is not, however, sustainable to promote road and car transport as the major long-term mode of passenger transport, especially in urban areas. The growth in population and in employment, in tandem with the environmental imperative to reduce carbon emissions, requires a major modal switch in passenger transport from car to public transport. This underlines the importance of the investment in transport for environmental sustainability. Whilst the environmental benefits from a major switch to public transport are clear, the major investment in roads will also improve traffic flows, reduce congestion and thus result in lower rates of traffic related emissions.

Current economic and demographic trends highlight the imperative for significant investment in the area of transport. A brief review of the principal statistical indicators clearly shows the transport investment challenge which needs to be addressed over the period of the Plan:

- Over the past decade the economy has grown by approximately 6% per annum and is forecast to continue at about 4-4½% per annum over the period of the Plan. In the absence of any measures to manage demand, traffic tends to increase broadly in line with economic growth;
- The population has increased by 17% between 1996 and 2006 to 4.2 million and may be over 5 million in 2021;
- Most of the population growth is taking place in the urban hinterlands, although other areas have also experienced population increases. The preliminary report of Census 2006 indicated that the fastest growing counties since Census 2002 were Fingal, Meath and Kildare. Indeed, that report states that those same local authority areas account for 29% of the 609,000 growth in population at State level between 1996 and 2006. This places additional pressure on the transport system and on the environment because it results in longer distance commuting. According to the 2002 Census, the average distance travelled to work doubled over the previous decade;
- Average household size continues to fall (from 3.14 in 1996 to 2.94 in 2002 and to a forecast 2.65 by 2020);
- Employment grew from 1.1 million in 1991 to just under 2 million in 2006 and our current 4.4% unemployment rate is one of the lowest in the EU. Total employment is forecast to grow to 2.4 million in 2016, an increase of 23%;
- Car ownership per thousand population grew by 55% between 1991 and 2004. This trend is expected to continue as our ownership rate is still well below the average for the EU15. In 2005 Ireland had an estimated 406 cars per thousand population compared with 491 for the EU 15;
- According to the 2002 Census, 62% of people used the private car to get to work compared with 47% in 1991;
- Freight throughput at our ports increased by 31% between 1998 and 2005. In 2005 Dublin Port alone accounted for 37% of all port tonnage in the country; and
- Passenger traffic at the three State Airports increased by 37% in the five years up to end-2005. Projected growth rates to 2010 for Dublin, Cork and Shannon airports are 34%, 15% and 20% respectively. Dublin Airport accounts for about 80% of this traffic.

### ***Transport 21***

*Transport 21*, announced in November 2005, sets out a 10-year transport investment framework costing just over €34 billion from 2006 to 2015 and covering Exchequer and PPP capital investment in national roads, public transport and regional airports. Whilst the *Transport 21* investment programme extends beyond this NDP, the transport investments set out in this Chapter are derived from, and form part of, the overall investment framework under *Transport 21*.

*Transport 21* takes account of the major economic, social and demographic changes in Ireland over the past decade, the impact of these changes on transport demand, the strategic policies developed for areas relating to and impacting on transport, the National Spatial Strategy (NSS) and the need to provide a modern transport network for the future.

A core aspect of the approach is the enhancement of connectivity at national, regional and local levels. The availability of an efficient, predictable and sustainable national transport network is a key factor underpinning economic growth and competitiveness and in improving quality of life. All the projects included in *Transport 21* must comply with the Department of Finance Capital Appraisal and Value for Money Guidelines, as outlined in Chapter 12 of this Plan.

### ***Roads Sub-Programme***

Under the Roads Sub-Programme, some €13.3 billion will be invested in national roads and €4.3 billion in non-national roads. The principal objectives of the Roads Sub-Programme will be the:

- Completion by 2010 of the major inter-urban routes linking Dublin with Belfast, Cork, Galway, Limerick and Waterford;
- The upgrade of the M50 by 2010 which will convert to barrier free tolling in 2008;
- Improvement of road links between the main NSS Gateways;
- Ongoing development of the Atlantic Road Corridor from Letterkenny through Sligo, Galway, Limerick, Cork and Waterford;
- Continued upgrading of road links to Northern Ireland;
- Targeted improvements of a number of key national secondary routes;
- Improvement and maintenance of the non-national roads network; and
- Investment in strategic non-national roads which will complement the national roads investment.

As set out in Chapter 3, investment in national roads will be utilised to implement the objectives of the National Spatial Strategy. Particular focus will therefore be on investment in road routes which link the Gateways, including a major upgrading of the Atlantic Road Corridor, which links many of the Gateways outside Dublin. Among the national secondary routes to be prioritised will be routes between the Gateways outside Dublin including upgrading roads linking the Midlands Gateway centres of Athlone, Tullamore and Mullingar. In combination with the Sub-Programme on Non-National Roads there will also be a significant investment in key routes impacting on NSS Gateways, Hubs and County Towns.

### ***Dublin Outer Orbital Road/Eastern Bypass***

At the launch of *Transport 21* in 2005, the Minister for Transport indicated that feasibility and planning work would be undertaken on the proposed Dublin Outer Orbital Road and the Eastern Bypass. This work is currently being pursued by the National Roads Authority.

## Non-National Roads

Non-national roads play an important economic role in Ireland because of:

- The relatively dispersed nature of the population and economic activity;
- The importance of tourism and agriculture as generators of wealth and employment; and
- The priority attaching to rural development and urban regeneration.

Ireland has a very extensive non-national (regional and local) road network. There are 11,630 kilometres of regional roads and 78,972 kilometres of local roads. The extensive road network, in comparison with other European States, has historical links to past dispersed settlement patterns, low population density and the traditionally agriculture-based economy, particularly in rural regions. Recent decades have seen increased urbanisation, regional population growth and moves away from agriculture. Nonetheless the network of non-national roads is still necessary to provide accessibility within and between local economies especially in rural areas and provides vital links to the strategic national road network and ports and airports which are our links to the wider international economy.

Over the period of the Plan, some €4.3 billion will be invested by the Exchequer and the Local Government Fund in the non-national roads network. This will be primarily aimed at improvement and maintenance of the non-national road network and investment in strategic non-national roads. The re-opening of the remaining cross-border roads closed during the Troubles will also be pursued over the period of the Plan.

## Strategic Non National Roads

NDP 2000-2006 saw major investment in key strategic non national roads, especially in urban areas. This investment will be built upon in the new Plan with a particular focus on roads in NSS Gateway areas.

## Public Transport Sub-Programme

Under the Public Transport Sub-Programme, just under €13.0 billion will be invested over the period of the Plan.

The NDP 2000-2006 saw the first concentrated investment programme in public transport. It has led to a significant increase in public transport capacity including enhanced DART and Rail capacity as well as the new LUAS light rail system in Dublin. It has also funded the complete renewal of our national rail network and the upgrading and expansion of our bus fleets. A major further step-up in public transport investment is required in this plan. Accordingly, a massive increase in public transport investment is the centrepiece of *Transport 21*. The objective is to promote a switch from car usage to public transport. This is necessary to promote efficiency, quality of life, competitiveness and environmental sustainability. A particular focus of the monitoring arrangements referred to in Chapter 13 will be to measure the increase in public transport capacity, use and changes in modal split.

## Greater Dublin Area (GDA)

The bulk of the public transport investment will be in the Greater Dublin Area. Projections show that there will be in the order of 300,000 more people living in the Dublin area by 2011. Already the city is suffering from bad congestion at peak times. It is simply unsustainable environmentally and otherwise to rely on the car and the bus network alone to provide the answer.

What is required is a complete transformation in the public transport network in the GDA. Accordingly, over the period of Plan 2007-2013, the following projects will be advanced in line with the timetable in *Transport 21*:

- Completion of the Metro North line from city centre to Swords via Dublin Airport;

- Phased development of the Metro West line;
- Enhancement and extension of the LUAS network;
- Expansion of the capacity of the suburban rail network through city-centre resignalling, quadrupling of track on the Kildare line and re-opening of the Dublin to Navan rail link;
- Commencement of the Heuston Docklands Interconnector and the electrification of section of the Dublin suburban rail network;
- Significant expansion of the bus fleet and bus priority;
- the introduction in the Plan of a fully integrated, customer-friendly, smart card ticketing system in the GDA, facilitating the use of different transport modes (bus, LUAS, DART, Irish Rail etc) in single journeys;
- Construction of additional park and ride facilities;
- The mainstreaming of accessibility across all modes of public transport, in line with the Department of Transport's Sectoral Plan under the Disability Act, 2006; and
- Development of enhanced cycling and walking facilities.

A significant element of the Plan investment in GDA public transport will be funded by PPPs. This will involve additional current spending by the Exchequer over the long term as the costs of the PPP funding are recouped to the PPP provider. This additional cost should, however, be fully justified as the capital city will have an integrated public transport network which will enhance its competitiveness and help ensure its position as a leading international urban metropolis.

The scale of Exchequer investment in *Transport 21* requires revised structural arrangements to give more effective, efficient, coherent and integrated transport in the Greater Dublin Area (GDA). The preparation of legislation to establish a Dublin Transport Authority with overall responsibility for surface transport in the GDA is at an advanced stage.

## Public Transport Investment outside the GDA

The rest of the country also has a substantial need for upgrading of public transport infrastructure. The Plan will, therefore, also encompass:

- A major focus on the provision of enhanced rail services, including either hourly/two hourly services on the principal intercity routes serviced by modern rolling stock;
- The phased re-opening of the Western Rail Corridor from Ennis to Claremorris;
- €90 million for the Rural Transport Initiative;
- New commuter rail services in Cork and Galway; and
- Upgrading public transport services in provincial cities and in the regions, including additional buses, new bus priority measures and new park and ride sites.

Investment in public transport will also take account of the particular needs of rural and more isolated parts of the country. Over the period of the Plan, the Rural Transport Initiative (RTI) will be mainstreamed and ultimately expanded to areas where there remain unmet transport needs. Its funding will be doubled in 2007 and then increased steadily over the period of the Plan. Public transport investment will also bring other benefits, including:

- Ensuring the accessibility of the public transport system to people with disabilities, including fully accessible city buses and enhancing the accessibility of bus and railway stations in line with the Department of Transport Sectoral Plan under the Disability Act 2005; and

- Promoting sustainable transport solutions, including clean urban public transport modes, clean vehicle technologies and fuels, more fuel-efficient driving techniques and walking and cycling.

## **Air Transport Sub-Programme**

Under the Air Transport Sub-Programme, some €1.9 billion will be invested over the period of the Plan.

### **State Airports**

In parallel with the investments in national roads and public transport, significant capital investment will be made in the State Airports of Dublin, Cork and Shannon over the period of the Plan. The State Airports operate under the aegis of the Dublin Airport Authority (DAA). The DAA operates under a commercial mandate and this investment will be funded from its own internal resources. The three State Airports at Dublin, Cork and Shannon and the associated air services are a key element of the overall transport system, providing internal transport services and vital international access to and from the island of Ireland. Over the period of the Plan some €1.8 billion will be invested in improving the infrastructure of these airports.

The three airports currently account for 96% of all air traffic in Ireland. All three airports have the scope and capacity to expand to cater for future growth in national and international air traffic for the foreseeable future. The main Government policy objective for the State Airports over the period of the Plan is to ensure that they put in place sufficient infrastructure capacity to meet the growing air traffic demand.

Ensuring that infrastructural capacity increases in line with the growth in air services is particularly important for Dublin Airport because of its international gateway status for a capital city. A new Pier D, which will have a capacity for an additional 14 departure gates, is scheduled to come into operation by end-2007. Work on the second terminal is due to commence in the first half of 2007. When the terminal, pier and related works are completed, the airport will have an overall capacity to cater for in excess of 30 million passengers. Along with a new associated pier (Pier E), the terminal is scheduled to be completed by end-2009. In addition, the provision of a second runway at Dublin Airport, which is currently at the physical planning stage, will be progressed over the period of the Plan.

Further additional terminal capacity at Dublin Airport is likely to be required by the middle of the next decade and planning will commence during the Plan period on how best to facilitate this. The national and regional benefits of expanded services at Dublin Airport will be enhanced by the development of the road network in the environs of the airport and improved public transport connections to the Greater Dublin Area (particularly the Metro North connection from the Airport to the City Centre).

Shannon and Cork Airports are key infrastructure in their respective NSS Gateway Centres. They are close to significant population bases and will continue to have an important role in the future by facilitating direct air services to as many commercially viable international locations as possible, as well as linkages to Dublin. Both are therefore important instruments in the development of their respective regional economies. The challenge for both Airports is to continue to meet their regional transport needs and to respond to the growth of their regional economies. Both Airports have experienced significant passenger growth in recent years and there is the potential for further growth. Significant investment has been made in developing passenger facilities at Shannon in recent years.

A new terminal, and associated infrastructural facilities, was opened in Cork Airport in August 2006. The new terminal has the capacity to handle up to 3 million passengers per annum and this can be expanded to 5 million if necessary. In 2006, Cork Airport will see throughput of some 2.9 million passengers.

## Regional Airports

The six regional airports in the State — South East Regional Airport Waterford, Farranfore Airport Kerry, Ireland West Airport Knock, Sligo, Galway and Donegal, which are all in private ownership, are eligible to apply for State assistance under the Transport Programme. In addition, the Government has committed €7.5 million to the development of the City of Derry Airport which will benefit citizens throughout the North West region. The key role of regional airports is to complement that of the State Airports and to help promote regional development. A provision of €96.5 million of capital funding will be available under this heading over the period of the Plan. The purpose of the funding is two-fold. Firstly, it will fund existing and future essential safety/security requirements of the regional airports. Secondly, there will be Exchequer support for capital investment in developmental projects at these airports up to 2010, where sustainable demand for additional air services can be demonstrated and where an economic case can be made to justify increased investment.

In addition to capital funding, subventions are provided to the regional airports for core operational expenditure and to airlines operating public service obligation routes. This is an important regional development intervention and the scheme will continue to operate subject to periodic review. In principle, the objective should be to promote, as far as possible, commercially viable routes from and between the regional airports.

In the past, support for the development of Ireland West Airport Knock has also been provided under the CLÁR Programme and the Western Investment Fund operated through the Department of Community, Rural and Gaeltacht Affairs. The provision of additional support under these programmes which are encompassed by the Rural Social and Economic Development Programme of the Enterprise, Science and Innovation Priority will be kept under consideration.

## Ports Sub-Programme

Ireland's commercial seaports are vital transport arteries, carrying 99% by volume of the island's external trade. Their critical importance to economic prosperity is demonstrated by the fact that the value of this trade in the Republic was approximately €130 billion for 2005, compared to a figure of €14 billion through our airports. Additional external trade benefiting the economy is carried through seaports in Northern Ireland.

The table below shows the substantial port traffic growth over the period of the previous NDP:

Category of Traffic	2000*	2005*	% Increase
Total Goods Handled	45,273	52,146	15%
Lift On/Lift Off (LoLo)	6,262	7,803	25%
Roll On/Roll Off (RoRo)	8,947	11,816	32%

\*000 tonnes

Planned investment by the commercial ports over the period of this Plan will support the strategic policy objectives in the Government's Ports Policy Statement published in January 2005, which sets out a framework to ensure that capacity needs are identified, planned and progressed in a coordinated manner. This policy aims to better equip the port sector and its stakeholders to meet national and regional capacity and service needs including the provision of adequate and timely port capacity for unitised trade.

A number of different port capacity projects are currently being progressed by the commercial ports. In 2005, as part of an all-island capacity study, submissions were sought on key projects identified by the commercial ports as essential to deal with the anticipated capacity requirement for unitised trade to 2014 and beyond. The broad conclusions of the study, which were published in October 2006, demonstrate that

the projects being progressed by the ports sector have the potential to deliver adequate capacity for the island going forward.

The Ports Policy Statement makes clear that the State-owned commercial port companies should fund their operations and infrastructural requirements without recourse to the Exchequer, either from their own resources or by other avenues such as efficiencies, increased charges, disposal of non-core assets, borrowing or private sector investment. The precise projects and expenditure will be decided by the individual port companies and their boards, subject to the required capital appraisal and statutory Ministerial approvals. The capital appraisal and Ministerial approval will be informed by the high level strategic goals of this Plan, including the maintenance of national competitiveness and the promotion of regional development. It is estimated that the projects that may be completed in the lifetime of NDP 2007-2013 will cost between €300 million and €600 million (€450 million has been used in the table of figures). The final figure will be determined by the ultimate combination of projects that the port companies proceed with over the period.

## Dublin Port

The Government proposes to undertake a comprehensive study of the role of Dublin Port, taking account of locational considerations, in the context of overall ports policy on the island of Ireland, wider transport policy, urban development policy, the National Spatial Strategy and national economic policy. This review will take account of the findings of the study on the role of Dublin Bay and the Dublin Port Area commissioned by Dublin City Council.

## Regional Harbours

Some €31 million has been included in the Plan for investment in Regional Harbours. Following the establishment of the commercial port companies, under the Harbours Act 1996, there remained 13 regional harbour authorities operating under the Harbours Act 1946. The Ports Policy Statement stipulates that these regional harbours would best achieve their potential through transfer to local authority or port company control. Sligo Harbour was transferred by Ministerial Order to Sligo County Council in June 2006. In order to prepare the remaining harbours for their proposed transfer, a programme of remedial works will continue to be funded, as appropriate, under this NDP. Exchequer funding has been allocated for these remedial works over the period 2006-2009. These will be prioritised on the basis of the protection of the fabric of the harbours. This expenditure is designed to ensure that any undue financial burden is not placed on local authorities or ports companies arising from the transfer of harbours. As part of the NDP mid-term review in 2010 the issue of further funding for these harbours over the remainder of the Plan will be considered.

## Energy Programme

The Energy Programme will encompass some €8.5 billion in investment in energy over the period of the Plan. This will be funded in part by the Exchequer and by the Energy State Sponsored Bodies. The overall strategic objective of the Energy Programme will be to ensure security of energy supply nationally and regionally, which is competitively priced, in the long term while meeting a high level of environmental standards. The Programme will consist of the following three Sub-Programmes:

- Strategic Energy Infrastructure Sub-Programme — €1.2 billion;
- Sustainable Energy Sub-Programme — €276 million; and
- State Energy Companies Sub-Programme — €7.0 billion.



## Strategic Context

The ability of the economy to perform successfully depends critically on the supply of adequate, affordable and environmentally sustainable energy. Security of supply is of paramount importance to ensuring the continued economic development of the country and the spending under this Plan will help ensure that objective. Without an expectation and delivery of a secure supply of energy, investment and output of the economy will suffer. Therefore, during the Plan period, there will be significant investment in crucial infrastructure.

Ensuring the efficient operation of a competitive energy market will be critical to the success of the economy. Ireland's growing dependence on imported fossil fuels (with the consequent growth in greenhouse gas emissions) highlights the need to mitigate the economic, social and environmental risks through new policy approaches. Security of supply, and lessening the dependence on any one source of energy or fuel type, will be a key challenge. Efficiency in the use of energy must also be improved.

Over the period 2005-2010, energy demand is projected to increase by 1.6% per annum. This level of increase can be expected to be maintained to 2013. Within this overall growth figure, annual electricity demand is expected to grow by 3.1% and gas demand by 6.5%. Managing our demand for energy in a sustainable way will therefore be extremely important.

The Government has recently published its energy policy Green Paper, ***Towards A Sustainable Energy Future for Ireland***. Energy policy formulation is taking place against the background of volatile energy prices, concerns about security of supply and enhanced environmental standards and obligations. The Green Paper sets out the three pillars of energy policy as follows: (a) security of supply; (b) sustainability; and (c) competitiveness. Investment under this Plan will underpin many of the actions and targets listed in the Green Paper. The sustainability pillar is underpinned by various measures in the Sustainable Energy Sub-Programme while the Strategic Energy Infrastructure Sub-Programme is designed to provide for several significant security of supply projects, with a significant complementary competitiveness dimension resulting from price impacts. The Government will shortly publish a White Paper on Energy Policy which will further expand on the strategies and targets for implementation of these key principles.

## Strategic Energy Infrastructure Sub-Programme

A number of large-scale public good energy infrastructure projects are included in this Plan to meet the need for timely investment at national strategic level to address the security of supply imperative. The infrastructure investments required and/or planned in the energy sector are of critical national strategic importance. They will help the sector's ability to manage costs and ensure security of energy supply and overall economic sustainability. Investments of over €1.2 billion in the life of the NDP in this area are required in the short to medium term to bring strategic energy infrastructure up-to-date and foster continued economic and regional development. Greater interconnection with the North and with Great Britain and the move towards establishing a Single Electricity Market for the island will also help to ensure security of supply and generate benefits for businesses and consumers from all parts of the island.

The projects envisaged will support priority energy investment needs, to deliver over the period of the Plan:

- Interconnection;
- Market integration;
- Network extension; and
- Storage for greater security of supply.



Key strategic projects include:

- East/West Electricity Interconnector, including the associated reinforcement costs of existing networks;
- Strengthening the Ireland/Scotland gas link;
- Second North/South Electricity Interconnector, to underpin the all-island electricity market;
- Strategic Oil Storage project, to maximise stocks held in Ireland having regard to storage availability on the island and value for money; and
- Construction of a strategic gas storage reserve on an all-island basis.

The cost of strategic energy infrastructure has traditionally been borne by the utilities and the State companies will continue to invest significantly in essential energy infrastructure under their capital programmes. Non-public sources of funding for certain strategic energy infrastructure will be pursued, where suitable and appropriate, having regard to the overall goals of energy policy. Because of the scale, strategic importance and immediacy of Ireland's energy needs, consideration will be given over the period of the Plan to the possibility of an Exchequer contribution to the cost of such investment.

## Energy Regulation

The Commission for Energy Regulation (CER) was established under the Electricity Regulation Act, 1999 to promote an open, transparent and accountable regulatory process for the electricity industry in Ireland. The Gas (Interim) (Regulation) Act 2002 expanded the CER's jurisdiction to include the natural gas industry.

The CER facilitates competition in the energy sector by authorising the construction of certain energy infrastructure and licensing energy undertakings. The CER has a regulatory role in relation to the operation, maintenance and licensing of the transmission and distribution networks. It approves terms and conditions (including tariffs) for third party access to electricity and gas networks and facilities. Under EU and national law, these charges must be cost reflective. The costs of energy infrastructural investment have traditionally been passed on to energy consumers. The CER also has the key responsibility for regulating prices charged to customers by ESB as Public Electricity Supplier (PES) and Bord Gáis Eireann. The CER is also working with the Northern Ireland Authority for Energy Regulation (NIAER) in Northern Ireland to develop an all-island electricity market.

## Sustainable Energy Sub-Programme

It is intended to build on the progress made under the NDP 2000-2006 by investing some €276 million under the Sustainable Energy Sub-Programme over the period 2007-2013.

The NDP 2000-2006 saw a significant momentum in Ireland's commitment to renewable energy and energy efficiency. In achieving its target of an additional 500MW of renewable energy in electricity supply, it has driven innovation, system and rules adaptation and has facilitated the emergence of new industry players in energy supply and generation. In the case of electricity generation there are now more than 50 wind farms connected to the electricity network. In all, there are 940 megawatts (MW) of renewable capacity connected to the national grid which includes biomass, hydro and wind-powered technologies. In 2005, the Government, with the Northern Ireland authorities, launched "2020 Vision", an all-island consultation on sustainability in energy supplies, with a particular focus on renewable electricity and are committed to working together to maximise the contribution of renewable and sustainable energy to the future energy needs of the island.

In addition to renewable electricity, the renewable heat and transport sectors, and in particular the bio-energy sector are now emerging as areas in which there will be increased policy focus over the lifetime of

the new Plan. A target of 15% contribution by renewable energy to electricity generation by 2010 has been set. A 2020 target for the share of electricity produced from renewable energy sources and targets for renewable heat and transport sectors, including bio-energy, will be finalised in the context of the Energy Policy White Paper and in the light of EU developments.

Investment in the sustainable energy sector during the 2007-2013 period will encompass the following:

- Renewable energy measures will focus on achieving Government targets for renewable energy production and meeting policy goals with regard to competitiveness, environment, security of supply, R&D and the development of a sustainable All-Island energy market. The primary focus will be on the large-scale deployment of wind, the emerging potential and deployment of biomass and bio-fuels, preparatory action on ocean energy and deployment of other technologies such as solar and geothermal technologies. Deployment will be delivered through a range of supports including taxation, direct grant aid and other funding or support mechanisms;
- Energy efficiency measures aimed at establishing and maintaining an effective market structure, informing and empowering consumers to make strong energy efficiency choices. The overall objective of the proposed programme will be the achievement of an annual saving of at least 1% of energy use across the economy over the lifetime of the Plan. Increased energy efficiency will mitigate energy demand growth, reduce import dependence, contribute to carbon reductions and mitigate growth in the energy bill, for the economy and for the individual; and
- Integration and innovation measures will focus on integrating sustainable energy practices and structures into public policies and the development of regional and national infrastructures. There will be two sets of activities: the integration of national sustainable energy policy measures at a regional and city level, and the smaller-scale piloting and evaluation of sustainable energy technology options, including those in the renewable energy, energy efficiency and urban transport areas.

### **State Energy Companies Sub-Programme**

The 2000-2006 period saw substantial investment in natural gas and electricity networks and in both new and modernised power generation. The State companies intend to build on the progress made under the last NDP by investing in the region of €7.0 billion under the State Energy Companies Sub-Programme over the period 2007-2013. This investment will enhance security of supply and also contribute to regional development.

The various projects will be funded by the relevant state energy company in the normal way — either through borrowing, own resources or joint ventures. Details, in summary form, regarding the various State energy companies' investment plans are set out below.

#### **Bord Gáis Éireann (BGE)**

BGE's proposed capital expenditure of €1.97 billion relates to:

- Upgrading and renewing the existing gas transmission and distribution networks, including reinforcement of the system for security of supply reasons;
- Developing and expanding the gas transmission and distribution networks; and
- Construction of a 400MW gas-fired electricity generating station at Whitegate in Cork.

#### **Electricity Supply Board (ESB)**

Capital expenditure by the Electricity Supply Board (ESB) between 2007-2013 is projected to be in the region of €4.0 billion (excluding €770 million on transmission, which is dealt with under the EirGrid heading

below). Among the elements of the projected programme as approved by the CER for the period 2006 to 2010 are the following:

- Completion of refurbishment of the remainder of the medium voltage networks;
- 500km of the 38kv network to be refurbished;
- Approximately 100 new substations planned;
- 50km of 38kv underground cable to be replaced;
- Significant capital expenditure on the distribution networks for the years 2006-2010; and
- Approximately 350,000 new connections over that period.

The investment will in particular address regional deficiencies in the networks where such exist. Post 2010, the ESB will continue to have an extensive investment programme both in relation to refurbishment and new plant.

## **EirGrid**

EirGrid plc. is the independent electricity Transmission System Operator (TSO) in Ireland and the Market Operator of the wholesale electricity trading system.

During the period 2007-2013, the main focus of investment by EirGrid will entail improvement of the transmission network for electricity to accommodate increased usage and enhance security of supply, to allow increased connection of sustainable and renewable energy sources to the network and to support greater interconnection with Northern Ireland and Great Britain. Expenditure of some €770 million is envisaged on the transmission system over the period of the Plan. Such work on the transmission system will be undertaken by ESB (as asset owner) and will be carried out in accordance with EirGrid's Development Plan, as approved in advance by the CER. Ownership of the East-West Interconnector, for completion in 2012, will be vested in EirGrid.

## **Bord na Móna**

Bord na Móna's proposed capital expenditure of €270 million over the period of the NDP relates to the development of wind farms in Mayo and the Midlands and the development of a waste management facility, which may include a waste-to-energy function. These projects will contribute to the security of energy supply and will also have a positive environmental impact in terms of helping to meet Ireland's target of 15% of electricity from renewable sources by 2010. However, the projects are dependent on obtaining connection to the national electricity grid.

## **Environmental Services Programme**

Total indicative investment under the Environmental Services Programme under the Plan will be €5.8 billion. This will be broken down between the following Sub-Programmes:

- Water Services Sub-Programme — €4.75 billion;
- Waste Management Sub-Programme — €753 million; and
- Climate Change Sub-Programme — €270 million.

The key strategic objective of the Environmental Services Programme will be to mainstream the integration of environmental considerations into relevant policy formulation, put in place environmental infrastructure which represents best practice internationally and Value for Money, which seeks to better ensure environmental protection and supports regional development in line with the National Spatial Strategy.

A further fundamental objective of the Water Services Sub-Programme during the 2007-2013 period will centre on ensuring that adequate infrastructure is in place to meet demands from continuing growth and development in the economy and from a rapidly expanding population. The major emphasis of the previous NDP was on the provision of waste-water facilities to meet statutory requirements. New waste-water treatment infrastructure required in Dublin, Cork, Limerick, Galway, etc., is now in place. The emerging needs for significant water supply improvements will mean that there will be greater equilibrium between investment in water and waste-water infrastructure under the new NDP than in the past. The priority will be to ensure that the timing and scale of infrastructure provision acts to facilitate, and not to constrain, commercial, housing or other development while ensuring that environmental sustainability objectives are achieved.

In recognition of the centrality and scale of the programme and its ambitious objectives as outlined below, the funding provisions necessary to meet identified and emerging needs will be kept under ongoing review and the Government will respond to any appropriate funding adjustments that are required.

## Strategic Context

Investment in environmental infrastructure under NDP 2000-2006 has greatly improved environmental quality and performance. It has also played a key role in facilitating enterprise development and the record housing output of over 500,000 new houses since 1999. In environmental terms, new infrastructure put in place since 2000 has generated additional waste-water treatment capacity equivalent to the needs of a population of 3.1 million. As a result, the pollutant load discharged into rivers, lakes and seas from our cities and towns has been reduced by 45,000 tonnes per annum in a period of unprecedented economic and population growth. Over the same period, water treatment capacity has been increased by an amount sufficient to meet the needs of a population equivalent of 666,000 people.

Further major investment will be necessary in Plan 2007-2013 to enhance environmental quality, assist economic growth and meet household needs. Protecting the natural environment is integral to the economic and social well-being of the country. Despite the high quality of our environment, Ireland faces significant environmental challenges in the coming years:

- Meeting international obligations related to climate change;
- Meeting the requirements of the EU Water Framework Directive;
- Achieving a comprehensive system of waste management; and
- Implementing balanced regional development and sustainable settlements in both urban and rural areas.

The National Spatial Strategy will be a key factor in project selection across the three Sub-Programmes. Specific projects will also address infrastructural deficits in small rural towns, supporting development and combating rural depopulation. Continuing substantial investment in Rural Water under the Water Services Sub-Programme will address deficiencies in water and wastewater systems in rural areas generally.

The Water Services Bill, when enacted, will provide the legislative framework for strengthened and improved structures to facilitate effective planning and delivery of waste-water infrastructure. Implementation of EU Directives will exert an increasing influence on environment related infrastructure provision over the Plan period. The EU Water Framework Directive (WFD) requires the quality of all waters to be protected and improvements to be made, where necessary, to achieve at least “good status” by 2015. More stringent requirements in relation to discharges to waters under the EU Dangerous Substances Directives will also impact on all sectors whose actions influence water quality. The progress made in increasing overall compliance levels under the EU Urban Wastewater Treatment Directive from 25% to 90% during the NDP 2000-2006 means that the discharges from an extensive range of municipal wastewater treatment facilities are already being treated to a high standard. The Government’s

commitment to the provision of secondary wastewater treatment for all population centres over 1,000 will also be advanced towards completion.

### **Water Services Sub-Programme**

It is intended to build on the progress made under the NDP 2000-2006 by investing €4.75 billion under the Water Services Sub-Programme in upgrading and expanding water and wastewater treatment capacity to meet the needs of a growing population and expanding economy, improving drinking water quality to meet National and EU drinking water standards, treating wastewater to achieve the highest level of environmental protection and compliance with national and EU requirements.

The main focus of the investment during the 2007-2013 period will be on:

- Ensuring good quality drinking water is available to all consumers of public and group water supplies in compliance with national and EU drinking water standards, including any infrastructural improvements required to meet the 2013 parameter for the presence of lead in drinking water;
- Enhancement of the Rural Water Programme which provides a well-planned and structured strategy for resolving drinking water quality deficiencies in rural areas. The main focus of the Programme is on providing water treatment and disinfection equipment for group water schemes with private sources, having these schemes taken over by local authorities if the groups so wish or giving the groups connections to public mains where water quality is of a high standard. The Programme will also continue to improve the standard of wastewater infrastructure in smaller towns and villages;
- Increasing the availability of serviced sites to support residential development under the Serviced Land Initiative. Under the previous NDP, 83,000 sites (both water supply and wastewater) were provided and the target under this Plan is 175,000;
- Expanding infrastructural water conservation activity, particularly by rehabilitation and reinforcement of existing water networks, prioritised by reference to asset management studies to be undertaken by local authorities;
- Prioritising, in particular, the water supply requirements of Gateways and Hubs under the National Spatial Strategy together with other locations where services need to be enhanced;
- The remaining infrastructure needed to provide secondary wastewater treatment in compliance with the requirements of the EU Urban Wastewater Treatment Directive and the Government's commitment to provide secondary wastewater treatment for all agglomerations over 1,000;
- Rehabilitation and reinforcement of existing wastewater networks, prioritised by reference to asset management studies to be undertaken by local authorities; and
- Works to address specific environmental issues identified by River Basin Districts Management Plans under the EU Water Framework Directive and/or associated with the introduction of licensing of municipal wastewater treatment plants to improve operating performance standards.

### **Waste Management Sub-Programme**

Under the Waste Management Sub-Programme, some €753 million will be invested in dealing with the problem of legacy landfills and in supporting the recycling and recovery effort.

### **Policy**

Waste management policy is largely negotiated at EU level and a significant body of legislation has been developed since the adoption of the first Waste Framework Directive in 1977. Ireland has adopted and implemented a large variety of waste legislation with significant success and generally high levels of public

support, over the past decade. In addition to this, a number of innovative strategies were introduced, including, in particular, the internationally acclaimed plastic bag levy, and the landfill levy. Receipts from these levies are paid into the ring-fenced Environment Fund, which is reserved for environmental expenditure.

## **Strategic Context**

Investment in waste management elements under NDP 2000-2006 has enabled the delivery by local authorities of enhanced recycling facilities throughout the State, contributing significantly to the dramatic rise in recycling rates in the same period. Significant funding from the Environment Fund was used to support both the development and the operation of such activities. In addition, local authority direct investment over the period of the previous Plan included significant investment in heavy waste infrastructure. The changing nature of the waste management industry in Ireland means that the private sector has been initiating waste infrastructure projects to a degree unforeseen in 1999; although it was expected that over the period of the previous Plan many projects would proceed through PPP arrangements, only a small number are now proceeding in this way with full private funding being the principal model. Much of the expenditure on these projects will take place over the period of the new Plan.

## **Competition in Waste Management**

With increasing environmental awareness and regulation and the rolling out of the legislative framework, it is perhaps unsurprising that the last decade has seen remarkable growth in the waste management industry at every level. Whereas most municipal waste management services and infrastructure used to be provided by local authorities, there are now private sector participants at all levels in the market, from collection to provision of large scale highly engineered landfills. The availability of a range of high quality waste management solutions is important for national competitiveness and balanced regional development and in particular for business in terms of costs and choice of investment location.

The remarkably rapid evolution of this market, while resulting in higher service levels and bringing more consistent expertise to infrastructure provision, has had other unanticipated effects. In particular, the degree to which major private sector operators are initiating infrastructure projects, consistent with the applicable regional waste management plans, is far greater than could have been anticipated at the beginning of NDP 2000-2006 and may only be expected to increase.

Other issues arising in relation to the emergence of a dynamic private sector in all aspects of municipal waste management relate primarily to the competitive structure of the market. Local authorities have a dual role in many areas, as service or infrastructure provider and as regulator of collectors and certain infrastructure operators who may be in direct competition. Issues such as these make it advisable now to consider what future regulatory arrangements might give greater assurance to all market participants while maximising service quality, competitive pricing and environmental outcomes. The Government has published a consultation paper on this issue and is now considering the responses which were received.

## **Central Government Investment Priorities**

### ***Legacy Landfills***

Although the legal and policy frameworks now rival those of the top European environmental performers, there remains a "legacy" issue in relation to waste management activities before the introduction of the Waste Management Act, 1996. Municipal waste infrastructure consisted almost entirely of landfills, which were generally not engineered and operated to standards that would now be considered acceptable. Further, such landfills were not subject to the type of restoration and aftercare plans now considered the norm, and remediation activities were often minimal. Some of these landfills have been brought within the purview of the licensing process but quite a number closed before the licensing regime mandated under the Waste Framework Directive took effect.



As part of an integrated and comprehensive response to address and close off the “legacy” issues and to address other legal obligations in this area, the Plan will fund rehabilitation of certain local authority landfills under the Waste Management Sub-Programme.

### ***Recycling and Recovery***

Since 2002, the Department of the Environment, Heritage and Local Government has operated a recycling and recovery capital grants programme, which has ensured delivery of much enhanced recycling and recovery facilities that enable the public to increase recycling rates and maximise the value of the recyclable materials. This has led to a dramatic improvement in the recycling rate from 9% in 1998 to 35% in 2004. This will continue to be a priority.

The publication of the National Strategy on Biodegradable Waste establishes further recycling priorities for the next programming period. The challenge of meeting the Landfill Directive targets will be significant; maximising production of high value compost through biological treatment of biodegradable waste has been identified as a priority in seeking to achieve these targets.

It is intended to provide funding under this Sub-Programme for recycling and recovery services to continue to roll out publicly available recycling centres to increase and enhance the availability of high-quality biological treatment facilities.

### ***Thermal Treatment***

There is a need to continue to reduce reliance on landfill as a method of waste disposal. From an environmental perspective, landfill has many disadvantages, and to reach the diversion from landfill targets required by the EU Landfill Directive. In line with national policy on the integrated approach to waste management, thermal treatment with energy recovery will be the preferred option for dealing with residual waste after achieving ambitious targets in respect of waste prevention, recycling and recovery. This is reflected in the regional waste management plans for which the local authorities have statutory responsibility. These waste to energy plants will be provided as entirely private sector developments or by way of public private partnership. In the case of the Dublin Region, the relevant authorities are proceeding by way of a public private partnership for which the necessary regulatory approvals are being sought. Other Regions are at earlier stages in the process.

## ***Climate Change Sub-Programme***

The Climate Change Sub-Programme will invest a projected €270 million over the period of the Plan, specifically for the purchase of carbon allowances.

### ***Strategic Context***

Ireland in common with all EU Member States has ratified the Kyoto Protocol, and the European Union has undertaken to reduce greenhouse gas emissions to 8% below 1990 levels in the five-year commitment period 2008-2012. The Protocol came into effect in February 2005 and the Union's emission reduction target is now legally binding. Under an EU burden-sharing agreement, Ireland has agreed to limit growth in emissions, to 13% above 1990 levels.

As part of an overall approach to the national target, the Government has agreed to purchase up to 18 million carbon allowances, i.e. 3.6 million allowances in respect of each year of the five-year commitment period. The purchase of carbon allowances by Parties to meet their commitments under the Kyoto Protocol is provided for through the Protocol's flexible mechanisms — the Clean Development Mechanism, International Emissions Trading and Joint Implementation — which allow Parties to meet their commitments in the most cost effective manner available to them. The amount of allowances to be purchased is influenced

by the extent to which emission reductions can be identified in areas of the economy other than the sectors involved in emissions trading under the EU emissions trading scheme.

The Minister for Finance in his Budget 2006 statement announced the establishment of a Carbon Fund, to be financed on a multi-annual basis, to enable the State to purchase carbon allowances. The Minister also announced that the National Treasury Management Agency (NTMA) would be the Carbon Credit purchasing agent for the State.

Based on an estimate of €15 per allowance (this may vary) a commitment to purchase 18.0 million allowances is projected to cost €270 million over the period 2007-2013<sup>1</sup>. While the State will not need to use allowances before the commencement of the Kyoto Commitment Period in 2008, the commencement of purchasing through the Carbon Fund at this point in time will enable the NTMA to purchase allowances if it considers that this could represent Value for Money. Precise funding commitments will depend on the purchase programme to be developed by the NTMA. As such, it is not possible to definitively determine at this point in time when spending commitment is likely to arise.

The purchase of carbon allowances is just one part of the overall strategy to reduce greenhouse gas emissions in line with Ireland's Kyoto Protocol obligations. More detail in this regard is set out in Chapter 6 dealing with Environmental Sustainability.

## **Communications and Broadband Programme**

Total indicative investment under the Communications and Broadband Programme over the period 2007-2013 will be €435 million.

### **Strategic Context**

Recent economic data confirms the central role of Information and Communications Technology (ICT) for achieving the EU Lisbon target for faster growth. The ICT sector remains a fast growing innovative sector and the ICT sector continues to drive about half the productivity gains in the EU. Recognising that the communications sector is an important factor in determining long-term national economic competitiveness, the key strategic objectives of this Programme are to promote the availability of competitive broadband services on a nationwide basis by the end of the Plan period, and to position Ireland with a telecommunications infrastructure that will meet future requirements in terms of technical capacity and the delivery of new innovative competitive based telecommunications services.

Ireland's expenditure on ICT is close to the EU15 average. Irish enterprise broadband take-up has increased from 19% in 2003 to 48% in 2005. The aim is to build on that towards the levels of leading countries where 80% is more the norm.

Despite the delay in the delivery of competitive, affordable broadband by private broadband service providers, broadband take-up in Ireland is running at twice the average EU rate. Consequently, 410,000 subscribers had broadband in September 2006 and it is expected to be close to 500,000 by the end of 2006.

This Plan, which will facilitate continued growth in the telecommunications sector, will coincide with dynamic changes in the sector. Significant drivers of change will include advances in existing technologies, the development and deployment of new technologies to underpin Next Generation Networks, the changing role of market players and changes in consumer expectations. These changes will increase the availability of broadband and will make it an even more essential and powerful tool than it is today, for both business

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<sup>1</sup> While the Kyoto Protocol commitment period is 2008-2012, credits may continue to be purchased in 2013, to allow the Parties to the Protocol to fulfil their commitments.



and residential consumers. This will lead to the creation and availability of richer content in terms of eLearning, eGovernment and entertainment. At the same time, convergence between fixed, mobile and broadcasting technologies will substantially change the communications and entertainment choices available to people.

## **Plan Investment**

The drivers of most of these changes will arise, in part, from international developments and from investments by private sector players in the Irish communications market. Government has a role in adopting the correct regulatory approach to facilitate the rollout of new technologies and the provision of new services. In addition, where it is clear market failure exists in the communications sector, Government financial support will be made available to support access to the range of telecommunications services that a modern economy should deliver. Telecommunications broadband infrastructure is very important in attracting investment for the Gateways and Hubs identified in the National Spatial Strategy. To date, all the Gateways have already had open-access high-speed fibre networks constructed in their towns under the Metropolitan Area Networks (MANs) Programme and further investment will take place over the new Plan period to extend these facilities and to better position Ireland's telecommunications infrastructure to serve the needs of tomorrow.

## **Broadband**

Over the period of the Plan it is intended to build on the success of the NDP 2000-2006 which has supported the funding of private sector infrastructure and the construction of State-owned, open access MANs in 120 towns and cities nationwide in association with the local and regional authorities.

The MANs consist of high-speed, fibre-optic rings linking the main business districts to a co-location centre which houses the telecoms operators' telecommunications equipment. By making these MANs available to all operators on an open access carrier neutral basis, they are stimulating competition by removing the need for service providers to build their own networks. In addition, through the Group Broadband Scheme (GBS), the provision of capital grants to allow smaller towns and rural communities to become self-sufficient in broadband has been funded.

To date 27 MANs have been constructed and approximately 90 networks are due to be completed during 2007/08. Over 160 GBS projects have been approved. The funding has also enabled the construction of a third fibre-optic backbone network by the ESB Telecom and the upgrading of over 50 exchanges to permit DSL broadband delivery.

Over the 2007-2013 period, the current phase of the MANs programme will be completed. Consideration will be given to a further phase of MANs once the effectiveness of spending under the first phase has been addressed. Project selection under this Programme will be directly targeted to assist the implementation of the National Spatial Strategy.

A scheme to deliver broadband to areas of the country that would not be reached by the MANs programme or by the GBS scheme is also being developed for implementation over the period of the Plan. The objective of the scheme will be to deliver a broadband service to the limited number of areas where it is currently uneconomic for the private sector to do so.

## **Communications Regulator**

The Commission for Communications Regulation (ComReg) is the statutory body responsible for the regulation of the electronic communications (telecommunications, radio communications and broadcasting transmission) and the postal sectors. ComReg is the national regulatory authority for these sectors in accordance with EU and Irish laws.

ComReg has a range of functions and objectives in relation to the provision of electronic communications networks, electronic communications services and associated facilities and post. These include:

- Ensuring compliance with obligations;
- To promote competition;
- To contribute to the development of the internal market;
- To promote the interests of users within the European Community;
- To ensure efficient management and use of the radio frequency spectrum and numbers from the national numbering scheme; and
- To promote the development of the postal sector, in particular, the availability of a universal service within, to and from the State at an affordable price for the benefit of all users, including disabled users.

Legislation will be brought forward to strengthen the powers of ComReg, including provisions to promote faster Local Loop Unbundling (LLU) which has been a very important factor in accelerating broadband take-up in other countries.

### **Digital Terrestrial Television**

Currently in Ireland the analogue terrestrial “free to air” network carries RTE, TG4 and TV3. Throughout Europe, traditional analogue platforms are already being shut down and new digital platforms are being developed. In this regard, the EU has indicated that they expect all member States to have reached analogue switch off by 2012. This is a target Ireland will seek to meet, possibly in advance of 2012. In order to ensure that “free to air” reception of Irish broadcasting services continues in the future, it is envisaged that Ireland’s analogue network will be replaced by a digital terrestrial television (DTT) network. DTT can offer viewer benefits including higher quality, additional channels, interactive services and DTT uses spectrum more efficiently than analogue terrestrial broadcasting. The Department of Communications, Marine and Natural Resources is currently running a DTT pilot which is due to finish in 2008. The pilot, which involves an investment of €4 million under the Plan, will inform Irish broadcasters, transmission companies and the Irish viewer about the potential benefits of DTT rollout.

## **Government Infrastructure Programme**

The plan provides for expenditure of €1.4 billion on Government infrastructure, consisting of office and specialist accommodation for Government Departments.

### ***Government Sites and Buildings Sub-Programme***

Investment under this Sub-Programme will amount to some €580 million. The Government is committed to the provision of good quality office accommodation which provides a suitable environment for both staff and visitors. In aiming for high quality buildings, requirements such as sustainability, universal access and compliance with building and health and safety regulations need to be adhered to. The whole-life costs of accommodation must also be considered, including, for example, the importance of efficient space utilisation and fit-out standards, ongoing energy and maintenance costs, and flexibility in meeting changing/future accommodation needs.

### ***Decentralisation Sub-Programme***

€833 million will be invested in the Decentralisation Sub-Programme. This will be expended on the provision of new buildings for the Departments/Offices affected. The Programme involves the relocation of over

10,300 public servants to 58 towns outside of Dublin. It involves the relocation of over 50 organisations including the Ministerial Offices and Headquarters of eight Government Departments.

Decentralisation will provide high-quality jobs for the regions and in this way will help in securing a better regional balance. It will help the economic and social development of the chosen centres and their catchment areas.

The implementation of the Decentralisation Programme is proceeding steadily. Over 10,500 civil and public servants have applied to relocate under the Programme. The Central Applications Facility remains open and continues to receive applications. It is anticipated that interest will increase further as building and movement timetables firm up. The Decentralisation Implementation Group (DIG), which is driving the implementation of the programme forward, has set out a phased timetable for movement of the civil service organisations included in the programme.

## **Local Authority Development Contributions Programme**

Receipts from development contributions are also available as a local contribution to part-fund infrastructure. Based on projected rates of new development over the course of the Plan, local authorities will recoup an estimated €2.1 billion in development contributions to help fund services at a local level. These contributions recoup some of the costs incurred by local authorities for the basic services that are needed for development to take place and are the principal way of recovering some of the gain that private developers get when land is serviced. Contributions towards the capital cost to local authorities of providing infrastructure and facilities benefiting development in the area are levied on planning permissions under a Development Contribution Scheme adopted under section 48 of the Planning and Development Act 2000. Local authorities can adopt a supplementary development contribution scheme for a specific area, to help fund a particular public infrastructure service or project that facilitates new and higher density development, such as LUAS line extensions or the railway to Midleton. Contributions are also used to support local amenity or community works which contribute towards a better quality of life and to building more sustainable communities.

## CHAPTER 8

# Enterprise, Science and Innovation Priority

Investment under the Enterprise, Science and Innovation Priority of NDP 2007-2013 is indicatively estimated at €20.0 billion. This investment will be spread across the following Programme areas:

### Enterprise, Science and Innovation Priority

Programme	All figures in € million current prices					
	Exchequer	PPP	Local Auth.	State Bodies	Other	Total
Science, Technology & Innovation	5,922	0	0	97	93	6,112
Enterprise Development	2,577	0	0	746	0	3,323
Tourism Development	620	180	0	0	0	800
Agriculture & Food Dev.	8,028*	0	0	0	0	8,028
Rural Social & Economic Dev.	844**	0	0	0	0	844
Gaeltacht & Islands Dev.	404	0	0	53	0	457
Marine and Coastal Communities	442	0	0	0	0	442
Enterprise, Science & Innovation Total	18,838	180	0	896	93	20,006

\*€2.1bn of this will be reimbursed by the European Agricultural Fund for Rural Development.

\*\*€234m of this will be reimbursed by the European Agricultural Fund for Rural Development.

The key objectives under this Priority will be:

- to fully implement the Strategy for Science, Technology and Innovation in the period to 2013, thereby achieving a transformational change in the quantity and quality of research and enhancing the contribution of research to economic and social development and increasing the numbers of people with advanced qualifications;
- to improve the capacity of indigenous industry to compete in the domestic and global marketplace by addressing key issues including productivity, management skills and the use of technology and marketing;
- to continue to attract Foreign Direct Investment and to grow indigenous industry, both on a regionally balanced basis;
- to support the further development of a tourist industry with the potential to attract 10 million visitors per annum by 2012 in line with the strategy set out in the “New Horizons” Report of the Tourism Policy Review Group;
- to produce quality Irish food products from an agri-food industry that supports rural economies and preserves our countryside;
- to promote economic development in rural, Gaeltacht and island areas; and
- to support the development of a market-oriented seafood industry.

## Role of Enterprise, Science and Innovation

In order to build on Ireland's recent success and to ensure better standards of living and quality of life, improved and sustainable competitiveness is vital. While overall economic performance remains strong, Ireland now faces a major challenge to increase the number of high-paid jobs and knowledge-intensive investment needed to sustain our performance into the future. Ireland's response to this challenge will need to be underpinned by a strong, dynamic Enterprise sector, able to export marketable, high quality goods and services into an increasingly competitive global economy.

Notwithstanding the excellent progress made under the NDP 2000-2006, high levels of investment will be necessary under this NDP in the areas of Science & Technology, Enterprise Development, Agriculture & Food, Marine and Tourism to promote development in these areas. The continued promotion of Ireland as an attractive location for Foreign Direct Investment by IDA Ireland will also be a central objective of this Priority. This will be complemented by support for the development of indigenous enterprise by Enterprise Ireland, the County Enterprise Boards and other agencies.

## Report of the Enterprise Strategy Group

In its 2004 Report '*Ahead of the Curve*', the Enterprise Strategy Group identified a series of actions to deliver future enterprise development in Ireland. Investment under the NDP will promote this approach, especially in the areas of economic infrastructure and enterprise, science and technology. Under the Enterprise Science and Innovation Priority of this NDP, a number of specific Programmes, notably the Science Technology and Innovation Programme, will give a particular focus to measures proposed by the Report of the Enterprise Strategy Group.

## Other Areas

The Enterprise, Science and Innovation Priority will also invest in the continued development of our agriculture and food sector, the marine sector and tourism. The agri-food sector is our major indigenous industry and faces many opportunities and challenges. To ensure its continued competitiveness, the agri-food sector must be consumer-focused and market-driven. At the same time, it must respect and enhance the environment. The marine sector also faces significant challenges and will receive support to build a sustainable economic future. Tourism also finds itself in a situation in which the traditional tourism package will need to be refocused while Ireland's attractiveness to tourists from abroad will need to be enhanced and vigorously promoted overseas.

The challenges facing the agriculture and marine sectors reflect the overall challenge confronting rural communities. Accordingly, this Priority will see a particular effort made to promote the economic and social development of rural areas, the Gaeltacht and the islands.

## Science, Technology and Innovation (STI) Programme

Public funding of Research and Development (R&D) has risen rapidly in recent years, more than doubling between 2000 and 2005. However, Ireland's performance in R&D is still behind that of the leading countries and, increasingly, it is seen as essential that we develop real competitive strength in this area. Accordingly, the increased investment in R&D already under way in line with the Strategy for Science, Technology and Innovation (SSTI) (2006-2013) will continue during the period of the NDP.

The Science Technology and Innovation (STI) Programme over the period of the NDP will operate through the following Sub-Programmes:

- World Class Research STI Sub-Programme — €3,462 million;
- Enterprise STI Sub-Programme — €1,292 million;

- Agri-Food Research Sub-Programme — €641 million;
- Energy Research Sub-Programme — €149 million;
- Marine Research Sub-Programme — €141 million;
- Geoscience Sub-Programme — €33 million;
- Health Research Sub-Programme — €301 million; and
- Environment Research Sub-Programme — €93 million.

R&D forms an important part of the activities of many public sector organisations, notably in Third Level education and the IDA, and substantial expenditure on R&D is embedded in their budgets under other Sub-Programmes of the NDP. The Enterprise Programme includes R&D expenditure of €600 million and third level R&D expenditure in the Higher Education Programme is of the order of €1.5 billion, bringing the total Science, Technology and Innovation investment in this Plan to over €8.2 billion.

## Strategic Context

The development of a knowledge-based economy is one of the key challenges and opportunities facing Ireland. The factors which have contributed to our economic success to date will not be sufficient to sustain our recent achievements. Increasing international competition is creating pressure for improvements in efficiency, quality and productivity and a growing need to innovate. These pressures will increase and intensify. It will require forward-looking steps to achieve real strategic change and show tangible medium-term results.

The SSTI addresses these very demanding challenges. This Strategy, which constitutes one of the principal pillars of the NDP, will strive towards a vision of an Ireland in 2013 internationally renowned for the excellence of its research and at the forefront in generating and using new knowledge for economic and social progress, within an innovation driven culture. Implementation of the Strategy will move Ireland forward significantly in areas such as the output of PhDs, Gross Expenditure on R&D and Business Expenditure on R&D. The strategy is aimed at making ambitious but realistic progress in the period up to 2013 and the resources involved are commensurate with those aims.

The SSTI provides for the continued development of a world-class research system, underpinned by the essential physical infrastructure and human resources, almost doubling the number of PhD graduates over its lifespan. Top-level researchers will be drawn both from home-grown talent and from overseas.

The SSTI proposes mechanisms to ensure that the investment in research is turned into commercial value to the greatest extent possible.

In regard to enterprise, the SSTI sets out structures and mechanisms to enhance supports to industry and encourage firms to become more engaged in R&D activity. Detailed targets are set for this, encapsulated in the goal of increasing Business Expenditure on R&D (BERD) from the current level of €1.1 billion to €2.5 billion by 2013.

The SSTI also has significant implications for the education system as a whole, with curriculum and teacher training improvements focused on ensuring that science stimulates and enthuses students, from school entry right through to career choice.

In addition, the SSTI sets out a broad agenda for public sector research across all key research performing Departments. This research will yield important social and economic benefits across areas such as Agriculture and Food, Marine, Health, Environment and Energy.

A common theme of policy in recent years in both jurisdictions, North and South, has been to encourage universities, institutes of technology and research institutes to develop collaborative relationships in this area. An intensification of collaboration across the border will enhance the value of such activity.

The Government has also demonstrated its ongoing commitment to Ireland's achieving and maintaining a position as a leading location for R&D through, among other things, focusing generous tax incentives on R&D. In Budget 2007, the Minister for Finance announced measures to enhance the R&D tax credit scheme which are aimed at promoting increased R&D spending in Ireland's manufacturing sector.

The EU's Seventh Research Framework Programme (FP7), which commenced on 1<sup>st</sup> January 2007, has a budget of over €50 billion and will run until 2013. FP7 is a critical component in delivering on the targets set out in the SSTI, which covers the same timeframe. A strengthened national support network will operate over the period of the Plan to encourage and facilitate Irish participation in the new Framework Programme.

## **World Class Research STI Sub-Programme**

### **Introduction**

Some €3.5 billion will be provided under this Sub-Programme to underpin the contribution of the higher education sector to the SSTI. The goal is to place world class research and world class people at the centre of the national system of innovation. The SSTI provides for the continued development of a world-class research system underpinned by the essential physical and human infrastructure, almost doubling the number of PhD graduates over its lifespan. The combination of increased funding, active recruitment of top-level researchers from home and overseas, the development of career paths and mobility mechanisms are intended to grow our stock of researchers quantitatively and qualitatively. The investment in people will be matched by an investment in infrastructure.

### **Programme for Research in Third Level Institutions (PRTLII)**

The PRTLII will contribute very significantly to the attainment of the goals and objectives of the SSTI. The main human capital contributions under PRTLII to research programmes over the period of the Plan will be as follows:

- The PRTLII has a particular focus on funding the early stage flow into the pipeline of postgraduate students and early stage researchers. Other funders can then build on this by focusing on funding senior researchers to conduct research in sectoral areas. Both approaches are complementary.
- The PRTLII will focus on enhanced quality postgraduate training and the provision of a wider spectrum of skill sets to postgraduate students. In this context the PRTLII will be the key funder of graduate education initiatives (such as graduate schools).
- Furthermore the PRTLII will continue to encourage interaction between the research environment and education and training at both postgraduate and undergraduate levels so as to maximise the benefits to all dimensions of the higher education system.
- Collaboration between higher education institutions will continue to be a key priority of the PRTLII

### **Science Foundation Ireland**

Science Foundation Ireland (SFI) is central to Ireland's goal of becoming a global knowledge-based economy. Through strategic investments in the people, ideas and partnerships essential to outstanding research in strategic areas, SFI will help build research of globally recognised excellence and nationally significant importance, particularly in the areas of Biotechnology and Information and Communication Technologies.



SFI will provide grants for outstanding researchers through a range of awards normally ranging between €50,000 to €250,000 per year for a three to four year period. Under the Research Professor Awards, grants will be provided for outstanding researchers, with particularly distinguished international reputations, ranging up to €2.5 million over a five year period.

One of the most significant programmes which will be operated by SFI over the course of this Plan is its Centres for Science, Engineering and Technology (CSET) programme. The objectives of the programme are to fund scientists who will build collaborative efforts that develop internationally competitive research clusters allied to industry. Grants normally range from €1 million to €5 million per year for up to five years. It is envisaged that the next call for proposals of the CSET programme will be made on an all-island basis. SFI will also operate a new initiative, the Strategic Research Clusters (SRC), which will create clusters of internationally competitive researchers from academia and industry, particularly Irish-based industry. SRC grants will be awarded for periods of three years and will normally range from €500,000 to €1,500,000 per year.

Under the Women in Science and Engineering Initiative, SFI will provide grants under three programmes designed to support and sustain women in science and engineering research in Ireland. SFI's targeted programmes will be supplemented by SFI Workshop and Conference Grants to support significant international scientific meetings in Ireland and ensure that Ireland's reputation in this key area is continually enhanced by the hosting of events of international significance.

## Research Councils

The three research Councils, the *Irish Research Council for the Humanities and Social Sciences*, the *Irish Research Council for Science, Engineering and Technology* and the *Irish Energy Research Council* will strive to stimulate internationally recognisable excellence in research by providing interlinked research supports for both early stage researchers and small research teams. This activity, which will be funded under this sub-programme will complement the activities of the PRTL itself. The Research Councils, will be working with the Higher Education Authority (HEA) on PRTL to maximise synergies between their respective activities. Thus the key output from the Research Councils will be postgraduate students and well trained researchers i.e. postdoctorates. Postdoctorates will have up to date training and be close to developments in their area, and will be key drivers of research and innovation. These experienced researchers will also play a key role in the transfer of knowledge to students. The scope of the Research Councils, which between them cover all areas of science, engineering, technology, arts and humanities positions them to address the need for postgraduate students across all sectors and dimensions of society.

## Technological Sector Research Initiative (TSRI)

Targeted funding under this Sub-Programme to put in place a foundation for research in the Institutes of Technology, in line with an agreed framework, will be implemented by the Department of Education and Science. These investments will underpin and enable proposed investments through Enterprise Ireland.

## North/South Research Programme

Following from activities under the NDP 2000-2006, the Department of Education & Science (DES) will continue to support North/South research collaboration under this Sub-Programme. To date DES initiatives have enabled collaboration between 116 researchers from 11 institutions north and south of the border, paving the way for an all island research knowledge base. This commitment to cross-border research is recognition of the benefits to be gained by the whole island by having agreed strategy and joint programmes in a variety of areas of interest to the economy and society.



## Infrastructure

World class research requires first class people and also the supportive infrastructure within which to carry out that research. Much of that infrastructure is specialised: technologies such as nanotechnology, for example, require facilities which are very different from the general purpose labs provided for undergraduate education. Under this Sub-Programme, it is intended that appropriate provision should be addressed both through the upgrading of existing facilities and the provision of new infrastructure. The implementation mechanisms will, inter alia, ensure effective linkage between competitive research funding and the provision of associated infrastructure.

The PRTL is the critical mechanism for providing the core infrastructure through which overall delivery of the SSTI will be achieved. The PRTL will fund the building of the physical pipeline — both in terms of the expanded and strengthened physical research infrastructure required to deliver objectives across the spectrum of the SSTI and the key personnel, which will enable new initiatives/entities to be viable and effective.

## Electronic Infrastructure

Development of the physical infrastructure will be complemented by an enhanced electronic infrastructure including such measures as access by researchers in the Higher Education Institutes (HEIs) to electronic journals and the development of a high-speed bandwidth network, HEAnet, to facilitate competitive and collaborative research.

## Enterprise STI Sub-Programme

The Enterprise STI Sub-Programme will invest €1.3 billion under the Plan in promoting the maximum development and optimal use of STI in Irish enterprise. The Sub-Programme will be primarily delivered by Enterprise Ireland and IDA Ireland in support of industry relevant R&D and commercialisation during the course of the Plan. The Sub-Programme has three key elements:

- i. Transforming R&D Activity in Enterprise;
- ii. Industry/Higher Education Institutes Collaboration; and
- iii. Realising the Commercial Potential of Ireland's Research Community.

## Transforming R&D Activity in Enterprise

The objective is to get more firms involved in doing R&D, to increase the amount of R&D that existing performers are doing, and to raise the quality of the R&D they perform. To date, support for in-company R&D has been provided through the development agencies to their client companies largely by means of the R&D Capability Scheme and the RTI Competitive Scheme. Under Technology Ireland, which has been established as part of the implementing structures under the Government's Strategy for Science, Technology and Innovation 2006-2013, the development agencies will implement a more holistic and systematic approach to providing supports to companies. The goal of promoting increased investment in company R&D will be best achieved by a simple, coherent scheme that can be accessed by firms at all stages of development.

In order to encourage small businesses to engage in in-house research, a Knowledge Acquisition Grants Scheme and an Innovation Vouchers Scheme, as recommended in the Report of the Forum on Small Business, will be introduced.

Specific additional initiatives around R&D awareness will be introduced in order to increase awareness of the need for, and benefits from, technological research and innovation, and to encourage existing firms to do more. As part of its single R&D offering Enterprise Ireland will encourage the employment of technically

qualified graduates especially in low R&D performers. The Techsearch initiative, particularly focused on the needs of SMEs, will help companies access and apply new technology.

### **Industry/Higher Education Institutes (HEI) Collaboration**

It is recognised that interaction between industry and the HEIs, which retain the largest pool of researchers and scientists within the national innovation system, must be encouraged and enhanced if the required increases in Business Expenditure on R&D is to be achieved. Enterprise Ireland programmes will be the main vehicle to promote such collaboration and these will include a modified Innovation Partnership Scheme as well as the recently introduced Industry-led Networks. The development of these networks and the promotion of additional networks will be strongly supported over the course of this Plan. EI will support the establishment and development of applied research centres in the Institutes of Technology, aimed at building sufficient scale to allow them to make an impact on industry in their locality through collaboration.

Industry-led research needs to be supported by appropriate infrastructure and support. The development agencies will work together, under Technology Ireland, in the development of competence centres and centres of excellence such as the Tyndall National Institute in Cork.

A National Digital Research Centre (NDRC) will be established that will focus on collaborative translational digital media research. The Centre will increase national research capacity and will increase the capacity of firms to convert research into commercial products and services.

### **Realising the Commercial Potential of Ireland's Research Community**

It is vital that publicly funded research does not remain just as published research but that it is taken forward to the product development and production stages, where the most significant economic benefits can be harvested. The generation, capture, protection and exploitation of Intellectual Property is a major component of the SSTI.

Enterprise Ireland will operate a Commercialisation Fund to support academics in taking research forward to commercialisation. It will also operate an Intellectual Property Fund to assist both third level institutions and firms with the protection and management of patents arising from research. It will support the construction and development of campus-based Business Incubation Centres in all Institutes of Technology and Universities.

A further major initiative will be the operation of a new programme by EI to support each Third Level Institution in developing its own Technology Transfer Office in order to assist the strengthening of the Intellectual Property function in the institutions. In addition, EI will provide expert and specialised centralised support to the institutions thereby maximising the commercialisation of Intellectual Property. Two National Codes of Practice for Managing Intellectual Property, for fully or partly publicly funded research have also been published which will provide assistance and guidance to relevant parties.

### **Agri-Food Research Sub-Programme**

The investment of €641 million will provide a scientific foundation and support for a sustainable, competitive, market oriented and innovative agriculture, food and forestry sector. The business, economic and regulatory climate for agri-food is changing rapidly and the industry will operate in a more open market driven economy without the support of traditional EU subsidies. Agricultural production systems must also be sustainable and operate in harmony with the environment. Environmental quality and food safety, combined with other quality-orientated dimensions, including concern for nutritional value and animal welfare, are now central to the longer-term international competitiveness of the agri-food sector. The industry needs to reposition its product range from basic commodities to more differentiated products with higher added value. Driving

industry up this value chain is a major challenge and is predicated on greater industry R&D involvement, with the support of public funded R&D knowledge and expertise.

Teagasc research covers the entire food chain and its programme will be focused on providing a strong scientific foundation, including use of new technologies to agriculture, food, non-foodland use and the bio-economy generally. To meet the new challenges, Teagasc will invest in centres of excellence that will equip those involved in agriculture and food with the knowledge to improve efficiency, competitiveness and responsiveness to the market. The organisation's resources devoted to the new biosciences will be expanded so that world-class expertise in selected key areas is established. This new direction for research will involve capital investment in projects including an animal science centre, laboratories for a functional food programme, a clinical trials facility and a nutraceutical research facility.

The DAF Agriculture and Veterinary Laboratories will operate as science based centres. Through use of core and competitive funding, they will collaborate with the Universities, Teagasc and other Institutes.

Competitive Programmes — In addition to the core-funded programmes above, competitive public good research in agriculture, food and forestry will continue under the Sustainable Agriculture, Food and Forestry Research Programmes.

### **Research Stimulus Fund (RSF) — Research in Sustainable Agriculture Production**

Funding will be provided to *The Research Stimulus Fund — RSF* for research in sustainable agricultural production, including advances in animal and plant biosciences, animal and plant health, agri-environment and biodiversity, non-food land use, rural economy and other areas not covered in the mainstream programmes.

### **Food Institutional Research Measure (FIRM)**

Funding will be provided for the FIRM programme which will continue to fund research that is relevant to the needs of a diverse modern, innovative, market-led food industry. Research will focus on food quality, safety and nutrition with an emphasis on food for health, including product and process technology development, to underpin the agri-food industry. FIRM funded food safety research will also underpin many of the national food safety programmes which assure public health and support the overall quality image of Irish food on home and international markets.

### **Research in Forestry**

Funding will be provided for a continuation of the COFORD Forestry competitive research programme. The future success of the forestry sector depends on it being able to produce and sell products in a highly competitive market, while at the same time providing public goods and services. Research will focus on the need to position wood production and processing as an internationally competitive sector, as well as to assess and develop the public good benefits of forestry.

### **Energy Research Sub-Programme**

Some €149 million will be invested in the Energy Research Sub-Programme over the period of the Plan. Investment under this Sub-Programme is additional to investment under the Sustainable Energy Sub-Programme of the Economic Infrastructure Priority. The energy sector is a vital, strategic sector. It is characterised by rapid growth, exceptionally high dependency on imported fuels and environmental obligations arising from the Kyoto Protocol and relevant EU Directives. These drivers require Ireland to develop a more competitive contribution from indigenous, and in particular, renewable energy sources, together with major improvements in energy efficiency in transport, energy supply systems, buildings and industry.

Ireland's energy knowledge needs require a tailored research strategy rather than simple duplication of research strategies developed elsewhere. Research capacity poses a major challenge due to the small size of the existing research base and the limited supply of students with potential to become researchers.

The strategic direction for energy research will focus on increasing the efficiency of energy use in order to reduce energy demand and on bringing forward promising renewable energy technologies. Investment will be made in the appropriate intellectual and physical capacity to undertake this research, and to seek to maximise synergies and opportunities for collaboration on an all-island basis, in line with overall government policy. The newly established Irish Energy Research Council will play a vital role in the prioritisation and coordination of the research activities.

## **Sustainable Energy Ireland (SEI) Research**

The SEI's R&D strategy includes consolidation of the successful research actions funded under NDP 2000-2006 and the augmentation of these actions in order to support emerging national energy policy.

Actions will include:

- i. Assessing the potential, costs and development for renewable energy technologies, techniques, research, field trials and demonstrate those likely to be deployed in the Irish Market in particular for:
  - Ocean Energy;
  - Bio-Energy;
  - Wind-Energy;
  - Small scale embedded generation; and
  - Carbon capture and storage.
- ii. Improving the energy and CO<sub>2</sub> performance of the housing stock by proving appropriate technologies and promoting viable market examples in order to stimulate market uptake.
- iii. The House of Tomorrow programme which is designed to develop a least cost path to achieving CO<sub>2</sub> emissions reduction and more sustainable energy designs and features in new Irish housing.

## **Irish Energy Research Council**

The newly established Irish Energy Research Council will advise on priorities for Irish energy research to 2013 and for the longer term. The Council will coordinate existing energy Research Technological Development and Innovation (RTDI) activities and provide analysis and advice. It will complement SEI programmes in the area of large scale demonstration activities and also complement the relevant work of development agencies in this area. It will also advise on the Irish engagement with international energy programmes including the EU framework programme. The work of the Council will have an all-island dimension and this is also reflected in its membership.

Funding will be provided for research recommendations of the Irish Energy Research Council from the overall provision of €149 million referred to above.

## **Charles Parsons Awards**

These awards, the first initiative of the Irish Energy Research Council, will stimulate a significant increase in the number of energy researchers in Ireland. The awards will be made to research groups and will fund PhD students, full time researchers and undergraduate engineers who will work on research projects during

the summer vacation periods. This initiative will address the difficulties concerning limited capacity to undertake research, such as the current small base of energy researchers. The initiative is also designed to attract key international researchers to come to Ireland. The awards will be made to energy research groups located anywhere in the island of Ireland.

## **Marine Research Sub-Programme**

Under this Sub-Programme some €141 million will be invested in developing the potential of production research in the Marine area. The Marine Institute's '*Sea Change: a Marine Knowledge, Research & Innovation Strategy for Ireland 2007-2013*', highlights the key research activities and outputs associated with the marine research component of the NDP 2007-2013. The Strategy will be implemented under the Plan via three Research Measures and two Supporting Measures set out beneath. The funding package will be administered via competitive calls for proposals from the research community (including industry). The Industry support and innovation measures and other relevant sections of '*Sea Change*' have been developed with Enterprise Ireland. The Marine Institute will implement these activities with the close involvement of Enterprise Ireland.

### **Marine Industry Research Measure**

This will strengthen the competitiveness of existing marine industry and support activities that add value to their outputs in an environmentally sustainable manner. The measure targets existing and largely indigenous marine sub-sectors primarily the marine food, ocean energy and shipping and transport sectors. It will support applied industry research initiatives, which improve competitiveness and sustainability and directly influence or create new industrial and commercial opportunities by utilising knowledge and technology arising from research in the natural sciences, engineering and commerce. The measure will support research in the following areas: Shipping & Maritime Transport, Seafood Processing, Finfish Aquaculture, Shellfish Aquaculture, Fisheries Resources, Seaweed, Offshore Oil & Gas.

### **Discovery Research Measure**

This measure will target new research opportunities to seed fund a range of initiatives and to leverage existing capabilities into the marine area. This will result in a new understanding of marine research and additional capacity in the marine related areas such as: Marine Biodiscovery/Biotechnology, Marine Technology, Marine Functional Foods, Renewable Ocean Energy and Rapid Climate Change.

### **Policy Support Research Measure**

This measure will inform public policy, governance and regulation of the sector. It will apply knowledge derived from research and obtained by monitoring the marine environment, to inform marine related decision making in the public and private sectors. The measure will support research into knowledge and information management systems required to capture and disseminate marine data and information. The measure will comprise three elements: (1) Marine Environment, (2) Knowledge & Information Management and (3) Socio-Economic & Legal Research.

### **Marine Innovation Support Measure**

Innovation Support is a cross-cutting support measure appropriate to all three Research Measures outlined above. It will encompass a significant range of technical support measures associated with the management and delivery of the three measures. This will include dedicated programme management resources, third level/industry brokering and facilitation, technical mentoring, the stimulation of international collaboration and support for commercialisation. The main objective of this programme will be to support industry to develop R&D management and development capability and to support the commercialisation of R&D outputs.

## Infrastructure Support Measure

Specialist marine research infrastructures, essential to the delivery of the Marine Research Strategy, have been identified. They represent a significant and long-term financial investment in national marine science and technology infrastructure. Some of the requirements may be amenable to Public Private Partnerships and they will act as “Research and Technology enablers” facilitating the development of niche knowledge based products and services. They will also provide a powerful “attractant” to joint public/private research partnerships with international and multinational companies, in the medical, pharma and energy technology sectors. The following have been identified as key areas under this measure: Seabed & Resource Mapping, High End Computing Capacity, coastal & marine observation & monitoring systems, extension of ocean and coastal monitoring network and research vessels.

## Geoscience Sub-Programme

Some €33 million will be invested under this Sub-Programme in research that impacts on a number of Government priority areas including Energy, Marine, Environment and Transport. Geoscience knowledge is critical to environmental protection and investment planning. Applications include protecting the quality of groundwater, developing strategies to cope with climate change, securing new indigenous sources of energy and the optimal planning of motorways.

## INFOMAR Project

This is the successor programme to the Irish National Seabed Survey. The benefits arising from this survey will place Ireland at a competitive advantage in relation to leveraging international funding for offshore energy exploration, including offshore hydrocarbons, aggregates and renewable energy sources and the siting of a deep sea observatory in Irish waters.

## Resource and Environmental Survey of Ireland (RESI) Project

The *Resource and Environmental Survey of Ireland (RESI)* Project will provide, for the first time, an integrated national baseline survey of Ireland using state of the art airborne geophysical surveying techniques complemented by ground geochemical surveys. This survey data will underpin the assessment of environmental status that assists in the discovery of new mineral and aggregate resources, that help delineate new groundwater resources and inform planning authorities on issues relating to water quality and geo-hazards potential (radon risk, subsidence, landslides etc.).

## Infrastructure Support Project

Historically, Geological Survey Ireland (GSI) have carried out a number of projects, principally for Local Authorities and other Government agencies, to support infrastructural development. Instead of developing as piecemeal coverage, a co-ordinated national study will be carried out to provide a full suite of products to support infrastructural development.

## Geoscience RTDI

A Geoscience Strategy for Ireland (32 County) is in preparation under the auspices of GSI guided by the Geosciences Committee of the Royal Irish Academy. In order to develop what is still an embryonic research sector, funding is provided over the life of the NDP to underpin strategic research in a number of key areas. A geoscience graduate programme, incorporating island-wide networked teaching resources, as well as additional research infrastructure, is designed to support this initiative.

## Health Research Sub-Programme

Some €301 million will be available under the Health Research Sub-Programme to support research which will both benefit the health of the population and contribute to the development of marketable products.

The results of health related research can play a major role in people living longer and healthier lives and increased productivity. Health research and development are key elements for the improvement of the health of the population, not just in the context of the insights and discoveries it provides, but also in attracting to the Irish healthcare system practitioners of the highest calibre and ensuring that we have access to new innovations.

Health Research contributes to providing a world-class standard of care to patients across a range of specialities. The National Strategy for Science, Technology and Innovation 2006-13 identifies two separate pillars of health research — Science for Health and R&D for Health. Science for Health refers to laboratory associated research, including microbiology and molecular biology. R&D for Health refers to population based research, including aspects of public health promotion, environmental health, and the determinants of health. There is a strategic requirement to build up both of these pillars.

Healthcare is a €3.4 trillion industry worldwide and likely to grow with increasing life-expectancy and personal wealth. The pharmaceutical and medical devices industries' presence in Ireland has grown at a faster rate with a higher level of foreign direct investment than in other countries. Ireland can capture more industrial R&D activity with state-of-the-art resources in a range of domains, including basic biomedical sciences, information technology, and bioengineering and drug development. For example, Ireland has been successful through the Health Research Board in recently attracting capital investment of €10 million from the private sector in the establishment of a major clinical research centre at St. James's Hospital.

Health related research investment in the university sector needs to be complemented by the health services to 'translate' this research output into new innovative products and interventions. The investment in research under the Programme for Research in Third Level Institutions (PRTLTI) and Science Foundation Ireland (SFI) is increasing the capacity of the university sector to undertake world class research. Centres of excellence in translational health research with strong foundations in both academia and health services will act to attract the pharmaceutical and medical devices industry, nationally and internationally. These centres will be built through strategic investment in research infrastructure, people and programmes by competitive, peer review awards through the Health Research Board and other funding agencies.

Support will also be made available through the Health Research Board for health research to find better ways of improving the health of the population. Again, the funding will be provided through competitive, peer reviewed calls to researchers in academic institutions and health agencies.

### ***Environment Research Sub-Programme***

Some €93 million will be invested in environmental research which will inform policy development and implementation. The structure of the Sub-Programme will be broadly the same as the Environmental Research Technical Development and Innovation Programme (ERTDI) funded under the NDP 2000-2006. This latter Programme principally supports environmental policy development and implementation through research into environmentally sustainable resource management and, more generally, overall sustainable development. It also co-funds, with the private sector, research into cleaner production methods and finances the National Environmental Research Centre of Excellence operated under the aegis of the Environmental Protection Agency (EPA). The ERTDI is administered by the EPA with funding from the Department of the Environment, Heritage and Local Government. A considerable amount of programme research is undertaken by the academic community under contract with the EPA.

Under the new Environment Research Sub-Programme, particular emphasis will continue to be placed on research to combat the principal environmental challenges identified by the EPA — meeting our international commitments on air quality (CO<sub>2</sub> and acidifying gases), waste management and eutrophication



of surface waters. Research to assist in identifying the best options for implementation of EU environmental legislation will also continue to be a feature of the Sub-Programme.

In Ireland, investment in the environmental sector is now estimated at over €1 billion annually, generating employment for some 6,000 people. The emphasis needs to be on investing in environmental research to promote “first-mover” benefits and exploit the current growth in the environmental technologies market. The key measures under the Sub-Programme will be;

### **Sustainable Development Measure**

Research under this measure is concerned with informing policy development and implementation. The research topics include commitments on air emissions, eutrophication prevention, waste management and the integration of environmental and natural resource considerations into the policies, plans and actions of economic sectors.

### **Cleaner Production Measure**

This measure will part fund and support specific research projects to develop and promote eco-innovations and environmental technologies and is a step towards the practical implementation in Ireland of the EU’s Environmental Technologies Action Plan (ETAP). The Cleaner Production Measure seeks to promote industrial and economic efficiencies while simultaneously contributing to the protection of the environment.

### **Environment and Health Measure**

The relationship between the environment and health will be the focus of research effort under this measure. Human health protection is a fundamental aspect of environmental protection since our health is impacted on, *inter alia*, by the air we breathe, the water we drink and the food we eat. Although very substantial progress has been made in controlling risks to water and air quality from industrial emissions, more remains to be done in this regard, and emissions to air from the transport sector pose challenges in meeting tighter EU standards by 2010. Research and development capacity will be vital to the identification of these risks and the measures required to ameliorate them.

## **Enterprise Development Programme**

Total indicative investment under the Enterprise Development Programme over the period 2007-2013 is estimated at €3.3 billion. This is broken down between the following Sub-Programmes:

- Indigenous Industry Sub-Programme — €1.7 billion; and
- Foreign Direct Investment Sub-Programme — €1.6 billion.

### **Importance of the Enterprise Sector**

The enterprise sector is of vital importance to the economy, accounting for 67% of employment, the vast majority of Irish exports and 91% of productivity growth since 1980.<sup>1</sup> In particular, the internationally trading manufacturing and services sectors are vital to a small open economy like Ireland. Ireland’s long-term economic success will depend on the continued strength of our enterprise base.

This base comprises both internationally trading and domestically focused firms, which are largely small businesses. Internationally trading firms in Ireland employ almost 303,000 people, about 15% of the total

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<sup>1</sup> The enterprise sector is defined as the private sector excluding agriculture and tourism.



workforce.<sup>2</sup> Such firms spent €34 billion in 2004 in wages, raw materials and services and registered exports of €24 billion. This performance had very beneficial effects for the domestic economy.

Over 97% of businesses operating in Ireland today are small, i.e. they employ fewer than 50 people. Small businesses provide regionally distributed employment around the country, deliver a huge range of local services, and contribute to the economic, social and cultural life of the entire population. They employ more than half of the total private sector, non-agricultural workforce.<sup>3</sup> They account for over 70% of gross value added (GVA) in construction, over 40% of GVA in services and 34% of GVA in indigenous manufacturing. In particular, they form an essential part of the supply chain for larger firms, and are part of the support infrastructure needed to attract and retain foreign investment.

## Strategic Context

### **Challenges Facing the Enterprise Sector**

Ireland's export and FDI competitiveness has weakened during the last five years, as illustrated by our recent trade performance. While world trade grew by an average of 6% per year between 2002 and 2005 in value terms, the value of Ireland's exports grew by an average of just 2% per annum over the same period. While the level of foreign direct investment (FDI) in Ireland, relative to the size of the economy, is one of the highest in the world, the growth of international competition for FDI has led to a decline in Ireland's share of greenfield investments. Ireland must, therefore, continue to develop new value propositions and work processes that reflect our strategic competitiveness in an increasingly competitive market place.

Ireland has a relatively narrow export base, heavily dependent on companies in the medical devices, life sciences, ICT, food and financial services sectors, making Ireland vulnerable to sector and company specific developments. Growth trends in manufacturing and services are currently leading to a further narrowing of this base. The chemicals and pharmaceuticals sectors continue to grow what is an already strong world market share, while Ireland's market share in office and telecoms equipment has fallen significantly in recent years. In the services sector, finance and information services have experienced significant growth in recent years, but this appears to have slowed in 2004.

While both manufacturing output and merchandise export levels increased significantly between 2000 and 2005 (by 28.2% and 31.8% in volume terms respectively), the total number of persons employed in manufacturing in Ireland declined by approximately 31,000 over the same period<sup>4</sup>. The positive aspect of this trend is that it suggests that strong productivity improvements have been achieved over the past 5-6 years in the Irish manufacturing sector. The nature of this sector in Ireland has evolved noticeably since 2000, and is likely to continue to do so. In order to sustain and grow the sector going forward, Irish manufacturing enterprises will have to continue the progression to high value added sectors and activities, and continue to increase productivity through investments in human capital, technology and innovation.

Ireland's economic progress also remains closely tied to global economic developments. The build-up of large international macroeconomic imbalances could potentially have adverse effects on the Irish economy.

Today, more than ever before, Irish economic success depends on the growth of our indigenous companies. It is also increasingly important that Irish exports diversify into more foreign markets so that sales are not over-exposed to the economic fortunes of any particular country or region. In the coming years, it is vital that Irish companies are able to compete on the international stage and take advantage of the upside to globalisation by using high value, knowledge-intensive activities to support sustainable jobs and relatively high wage rates. In this regard, Irish-based enterprises are facing two important challenges:

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<sup>2</sup> This refers to agency-supported companies.

<sup>3</sup> The actual figure is 777,000.

<sup>4</sup> The Changing Nature of Manufacturing and Services, Irish Trends and International Context, Forfás, July 2006.

- Between 2000 and 2006, Ireland experienced a significant loss of international price competitiveness, reflecting a combination of higher price inflation in Ireland and an appreciation of the euro against the currencies of many of our trading partners. The emergence of capacity constraints has contributed to higher wage and business costs.
- The overall implications of the new State Aid regimes due to come into force in 2007 will be to significantly reduce the intensity of State support permitted to enterprises, particularly in the GDA, South-West, Mid-West and South-East Regional Authority areas.

The State's primary responsibility in relation to enterprise policy is to ensure that the broad environment and essential framework conditions continue to underpin and support the development of a sustainable enterprise sector.

In line with the recommendations of the Enterprise Strategy Group (ESG) and Small Business Forum (SBF), financial incentives and other supports over the period of the Plan will focus on developing those spheres of activity where Ireland is, or could become, an internationally significant location for FDI and on building capacity in, and creating more knowledge-based, technologically innovative, sustainable and competitive indigenous enterprises. In this context, it is important to recall that the Enterprise sector will also benefit from the provisions of the Enterprise STI Sub-Programme (set out earlier in the Enterprise, Science and Technology Priority). The Plan also separately provides for overall investment of some €88 billion in economic and social infrastructure. This will lead to a further radical enhancement of the quality of our infrastructure and will be particularly beneficial to Enterprise Development. In addition, although outside the scope of the Plan, maintenance of a favourable tax environment for Enterprise will be crucial.

### ***Indigenous Enterprise Sub-Programme***

Continuing the economic success of recent years will require indigenous Irish enterprises to overcome complex new challenges and to harness a range of new opportunities. Enterprise Ireland (EI) is acutely aware of the significant challenges and indeed opportunities that indigenous companies face in this new economy. Their lack of scale is a key issue, as is their need for improved management skills, their need to develop international marketing and sales capabilities, their need to exploit state-of-the-art technology and business processes, and their need to forge strategic alliances and partnerships. The focus of Enterprise Ireland's overall strategy for the period of this Plan will be to maximise export sales through the utilisation of applied research, technology and innovation while wishing to promote regionally balanced economic development.

EI's effort in this regard will be complemented by the supports provided by the County and City Enterprise Boards (CEBs). The role of the CEBs in helping to generate a strong culture of entrepreneurship and the creation of new businesses is important as a generator of wealth and employment at the local level.

Achieving balanced regional development has been a guiding principle in the provision of Enterprise Ireland supports to client companies and in initiatives to improve business infrastructure. The implementation of the National Spatial Strategy as set out in Chapter 3 has the potential to transform a range of locations throughout the country and their broader environs by providing the requisite environment for enterprise development. EI's Regional Strategy, which will be implemented over the course of the Plan, establishes how EI will work with new and existing client companies in the regions to develop the necessary factors for future success. EI will also work with counterparts in Northern Ireland to develop collaboration and enhance business development on an all-island basis. InterTradeIreland will also continue its work providing support for business from all parts of the island developing all-island business networks.

Investment of €1,691 million will be made in the following key measures under this Sub-Programme over the period of the Plan:

- High Potential Start-Ups and Scaling Growth Orientated Companies;

- Increasing Competitiveness and Productivity;
- Developing Management and International Sales Capabilities;
- Access to appropriate Equity and Finance; and
- Support for entrepreneurship and micro-enterprise.

## High Potential Start-Ups and Scaling Growth Orientated Companies

Stimulating the establishment, development and scaling of new High Potential Start-Ups (HPSUs), across a range of high value sectors and markets will be a major priority for EI to ensure the continued development of the Irish industrial base. This approach will focus on stimulating and supporting an increased number of start-ups with high growth potential, particularly in regions outside of Dublin, and improving the quality and sustainability of these start-ups. It will involve working intensively with start-ups with high growth potential to help them access and build export business and achieve scale in their target market.

## Increasing Competitiveness and Productivity

Increasing wage costs will require concomitant increases in productivity if competitiveness in Irish companies is to be maintained. Productivity improvement initiatives will support manufacturing companies to improve competitiveness through technology and training. Firms will be supported in adopting advanced technologies, developing management and skills and investing in capital/machinery/automation, thereby increasing competitiveness and enhancing export readiness and growth prospects. EI will support and promote best practice in supply chain management as a key driver for productivity improvement and competitive advantage.

## Developing Management and International Sales Capabilities

To compete successfully in the international marketplace Irish companies will need to develop world-class management teams. The key areas of focus for EI in this regard will include human resource development, management development and mentoring. To encourage and develop international sales capabilities in client companies EI will provide services and assistance including market intelligence, in-market technical, legal and financial expertise, targeting potential buyers, buyer introductions and facilitating Irish companies to establish overseas. InterTradelreland will also continue to support companies to further develop cross-border trade and links between businesses North and South.

## Access to Appropriate Equity and Finance

A crucial element to the success and growth of start-ups and growing firms is access to early stage and development capital. EI's financial support regime will be geared to the needs of entrepreneurial teams with strong business plans. EI will work in partnership with the private sector to promote and leverage investment opportunities in High Potential Start Up Companies. The continued development of the venture capital sector will be an essential component of EI's strategy. EI will also continue to provide financial planning and advice, access to Business Angel Networks and Investor Ready Programmes to client companies.

## Support for entrepreneurship and micro-enterprise

The nurturing of a positive culture of entrepreneurship and promotion of the formation of new, particularly innovative, enterprises with growth potential will remain a key objective over the timeframe of the Plan. Based on the development of their existing suite of interventions, the County Enterprise Boards (CEBs) will:

- Promote entrepreneurship throughout society through initiatives such as their Start-Your-Own-Business training courses, schools enterprise programmes, awards schemes, networks including the Women-in-Business networks, etc.;

- Support owner/managers of micro-enterprises through the provision of an information service on Government services/requirements and related information needs;
- Assist business start-ups and expansions with appropriate financial supports; and
- Build the management capability of owner/managers of micro-businesses through training and development measures, including mentoring programmes.

EI will continue to focus on improving the enterprise environment in local economies by investing in local enterprise infrastructure through Community Enterprise Centres. A number of specific organisations will continue to be contracted to provide dedicated support at a sectoral/cross-sectoral level in particular the Crafts Council of Ireland and the Business Innovation Centres (BICs).

## **Foreign Direct Investment Sub-Programme**

Foreign Direct Investment (FDI) has been pivotal to Ireland's success over the period of NDP 2000-2006 and this will continue over the period 2007-2013. FDI makes a significant contribution in terms of economic wealth generation, regional development, higher living standards and improved quality of life. It is also a key facet of our international impact and recognition. The investments and activities result in significant economic activity across a broad range of sectors and regional locations.

At the end of 2005, there were over 138,000 people employed in 1,080 IDA supported and Shannon Development client companies. These include many of the leading companies in information technology and communications, life sciences, international services, engineering and financial services. The challenge for both agencies over the period of the Plan is to sustain, embed and grow these investments and to entice new investments.

In developed economies such as Ireland, new global business models will continue to create quality investments and high skilled job opportunities in areas that require knowledge and skills based on design, Research, Development & Innovation (RD&I), and leading edge manufacturing. Activities in sectors such as Pharmaceuticals, Bio-Pharmaceuticals, Medical Technologies, ICT, Globally Traded Business, and International and Financial Services will continue to present opportunities for high value inward FDI. In the global economy the countries and regions that will benefit most will be those with a combination of highly skilled labour force, high quality infrastructure, research capability, and an efficient and business friendly regulatory and business environment. These aspects must have the capacity to embrace change, retain flexibility, develop intellectual property and promote knowledge intensive economic activity.

In addition to financial incentives, FDI will be attracted by a business-friendly and efficient operating environment, with good education facilities, quality access infrastructure, world-class telecommunications and pro-business public policy. Foreign investors will be drawn to locations because of the positive pull of the individual location rather than because they are pushed to that location by financial incentives. Ireland has now established a reputation globally as a location for advanced manufacturing, sophisticated business services and, increasingly, for leading research and innovation. Each of these areas will be of critical importance to our continuing success.

The timely provision of the major investments under the Plan, especially in infrastructure and education will be powerful assets to Ireland in attracting FDI. The implementation of the Regional Development Strategy set out in Chapter 3 will assist a better regional spread of FDI.

IDA Ireland continues to develop new value propositions and work processes that reflect Ireland's strategic competitiveness in an increasingly competitive market place. A key element in these value propositions is the greater emphasis on attracting and maintaining quality investment by focusing on, and influencing, the overall "*business ecosystem*". The business ecosystem recognises that it is the integration and interaction

of a wide range of areas and institutions in Ireland that ultimately determines our success in attracting high quality FDI. The implementation of this approach will be one of IDA Ireland's strategic priorities throughout the Plan period to 2013 and will include:

- Concentrating more resources on helping to underpin the competitiveness of existing overseas companies in Ireland, by encouraging and supporting existing clients to move up the value chain into higher value products and services and into higher order functions, such as R&D;
- Seeking out niches of business in which Ireland can carve out world market leadership;
- Developing new networks and relationships to work towards developments in new areas such as strengthening links between business and third level institutions and other research centers with a view to increasing innovation; and
- Pursuing high quality new FDI that is in keeping with the competitive characteristics of the evolving Irish economy today.

IDA Ireland and Shannon Development (in the Shannon Free Zone) will continue to use several instruments to promote FDI and to respond to the needs of existing and new client companies. Broadly speaking, instruments to promote FDI can be classified into two groups. The first refers to financial products such as capital, employment and RDI grants and the second, client services, such as the provision of information and advice, facilitation, representation and property/infrastructure solutions.

Investment of €1,632 million under this Sub-Programme will therefore be provided under the following measures:

- Financial Products; and
- Client Services.

### **Financial Products**

A range of financial products to support investments by existing or new client companies will be provided over the period of the Plan. These grants will support capital, employment, training and RD&I investments. The number of RD&I projects supported will continue to increase substantially and this is the direction of future investment where third level graduates are required to fill a significant portion of the new jobs created and where highly qualified people are rewarded with good starting salaries and career prospects.

This is a result of both the evolution of the competitive characteristics of the economy and a policy shift towards attracting very sophisticated high skill and knowledge intensive activities such as RD&I. This trend coupled with the increasing quality of what Ireland can offer to investors in terms of skills, research capability, high quality infrastructure and business ecosystem, are essential to compensate for the lower EU regional state aid grant limits from 2007 onwards.

In addition, a strong focus will be maintained on maximising the capability of regional locations to absorb a greater proportion of high quality FDI. In line with the Regional Development Strategy in Chapter 3 this will be facilitated through a combination of fostering rapid progress on key infrastructure, skills development, and research capability in "Gateway" locations around the country that can act as the catalyst for the overall economic development of different regions.

### **Client Services**

This measure will provide information and advice for activities like business plan development, economic appraisals and EU notifications as well as facilitation and representation services. High quality sites (including large scale-sites) and office or technology space will be provided in business & technology parks that are serviced with the infrastructure required for modern enterprise including telecommunications and

physical access. The development of value propositions, which are based on research and analysis will promote and support the movement of clients up the value chain by supporting them in adding strategic functions and deepening their competencies so that they increase their strategic value to the parent corporation.

## **Tourism Programme**

Total indicative investment under the Tourism Programme over the period 2007-2013 is estimated at €800 million. This is broken down between the following Sub-Programmes:

- International Marketing — €335 million;
- Product Development and Infrastructure — €317 million; and
- Training and Human Resources — €149 million.

## **Strategic Context**

Tourism is an important indigenous industry with a high employment intensity (150,000 direct jobs), generating an estimated €4.6 billion in foreign revenue earnings in 2006. Moreover, the income generated by tourism is largely retained within Ireland. The industry possesses the capacity and the capital stock to achieve further growth in the future and to help promote regional development at a time when many indigenous sectors face major structural and trading difficulties.

The more detailed strategic policy framework for the development of tourism is set out in the Report of the Tourism Policy Review Group "*New Horizons for Irish Tourism: An Agenda for Action*" which was published in September 2003 and subsequently endorsed by the Government and the tourism sector. This report identifies the nine key drivers of success, includes strategic targets for the 10 year period to 2012 and a two year action plan, incorporating over 70 recommended actions. Implementation Groups have been established to oversee development of the strategy and have reported progress regularly since then, including a scorecard of performance against the recommended actions.

The strategy incorporates not only specific policy measures in the areas of marketing, product development and human resources development, but also seeks to positively influence the broader agenda which impacts on sustainable tourism development e.g. access and internal transport, competitiveness, the natural and built heritage, the environment, the marine and rural development.

The key targets set out in the New Horizons Report, are to double overseas tourism revenue to €6 billion over the period 2003-12, with an associated increase in visitor numbers from just under 6 million in 2002 to 10 million in 2012. Targets have also been set for promotable visitor numbers, domestic tourism and regional spread. These targets will be subject to review as the Plan progresses.

In line with the strategic policy framework, the key Tourism State Agencies (Tourism Ireland and Fáilte Ireland) are rolling out annual and corporate plans incorporating a range of programmes and policies to deliver on the objectives. These include a new Human Resource Strategy for the Tourism sector which was launched in May 2005, a strategy for the international marketing of the island of Ireland as a tourism destination and a new product development strategy which was completed in July, 2006.

## **International Marketing Sub-Programme**

The International Marketing Sub-Programme will invest €335 million in marketing Ireland abroad as a tourist destination. The rationale for the provision of Exchequer funding for the international marketing of Ireland as a tourism destination is well established on the basis of economic principles of market failure. The



industry itself undertakes product-specific complementary marketing activities through its own marketing budgets and in cooperative campaigns with the Tourism State Agencies. There is also a strong level of industry involvement in the development of annual marketing programmes through the Tourism Marketing Partnership when the industry's plans for its spend is attuned to Tourism Ireland's campaigns to ensure a cohesive and coordinated message. The key marketing objective over the 7 year period of the Plan will be to increase tourism revenue and visitor yield and to help achieve a wider regional and seasonal distribution of tourism business in line with the strategic targets set for the industry.

The strategy to achieve the objectives outlined above is to market Ireland internationally on an all-island basis as a tourism destination, supporting the marketing of new access routes and the international marketing of niche special interest products — particularly those which have a strong regional and rural impact. This will be funded through the Tourism Marketing Fund.

Funding in this area will be directed towards TV/radio/press/print advertising, direct marketing, trade and media promotions and production of tourism promotional literature and research. Over the life of the Plan there will be a particular emphasis on mobilising an increased use of e-marketing and websites in line with general industry trends and in building capacity/competitiveness in the industry and the State Agencies in this area. Periodic brand redevelopment will be required over the life of the Plan. Support will be provided also for the branding and marketing of special interest products with a particular emphasis on improving marketing capability within these areas. New and development markets and segments will be targeted in line with policy objectives to broaden the source market base and to open up opportunities in new markets such as China and India. Particular emphasis will be placed on research, evaluation of spend and the tracking and review of performance.

Tourism Ireland is a North/South body established under the Good Friday Agreement and is responsible for the marketing of the island of Ireland as a tourism destination. The allocation of funding for the marketing of the destination is provided on a 2:1 South/North basis. Fáilte Ireland is responsible for support for the marketing and development of special interest products and regional tourism, in association with Tourism Ireland.

### ***Product Development and Infrastructure Sub-Programme***

This Sub-Programme will make an investment of €317 million in enhancing our tourism product and infrastructure. While there has been a significant and welcome expansion in the product base of Irish tourism over the past fifteen years in particular, much of the investment involved has been in the provision of accommodation, associated facilities and conventional attractions providing passive engagement for visitors. Ireland now has a very modern stock of tourist accommodation and capacity is regarded, at present, to be at an optimum level given the current average room occupancy rate of 62% (2005) in hotels compared with the international norm of 70%. Product development strategy must also fully address and keep up-to-date with comparable attractions in the international tourism market.

In late 2005, Fáilte Ireland established an expert group to research and address the issue of product innovation and development in tourism. The objective was to provide guidance — for both public and private sector investment — in relation to the future market and sectoral trends, product development trends in competitor destinations, consumer expectations and reaction to existing products. The Group examined potential product opportunities, investor and stakeholder expectations, particular and specific regional development opportunities, as well as carrying out a national product audit and quality assessment. The report of the Group was completed in July, 2006 and its recommendations for tourism product development have been taken into account in developing this Sub-Programme.

The new product development strategy will be different in nature to previous programmes, taking into account the impact of investment in recent years, the absence of EU Structural Funds and a more rigorous EU State Aids regime for support for private sector investment.

The strategy proposes a framework and policy guidance for the long-term development of the tourism product in Ireland. It will cover areas that include:

- capital investment in visitor attractions and visitor activity facilities;
- infrastructure and services relevant to tourists; and
- the physical environment.

On the basis of the analysis, the new strategy will be market-driven and will optimise the industry's areas of strength so as to capture the maximum economic benefit.

There will be no support for the provision of standard accommodation. Investment will rather be targeted on tourism infrastructure, major new events and other innovative products that will attract additional visitors.

The focus will be on providing high-quality ancillary services and integrating existing products to provide a stimulating and rewarding product for consumers.

This NDP will support a number of measures including:

- i. a fund to support tourism infrastructure;
- ii. a fund for encouraging product innovation, feasibility studies and the development of a small number of major annual events; and
- iii. a fund to support investment in "soft adventure" products, heritage and rural culture.

The provision of a National Conference Centre in Dublin, in line with the commitment in the Government's Agreed Programme, will constitute an essential element of national tourism infrastructure. This Sub-Programme includes provision for the PPP funded capital cost of the NCC. The Conference Centre, when fully operational, is expected, according to a number of independent estimates, to generate additional foreign revenue earnings of between €25 million and €50 million per year.

### ***Training and Human Resources Sub-Programme***

The Tourism Training and Human Resources Sub-Programme will invest €149 million in this area. The Human Resource development strategy published by Fáilte Ireland in May, 2005, "Competing Through People", recognises that tourism must look to the people working in the industry to serve as a principal source of competitive advantage. It is estimated that there will be an additional 6,000 jobs created in tourism annually for the next 10 years. This will require careful and targeted investment in the education and training of the tourism workforce, both domestic and non-national, over the life of the Plan. It will involve, in addition to sustaining structured education opportunities in the third level colleges and Institutes of Technology, the roll out of initiatives, in collaboration with organisations recognised as experts in the personnel, marketing and financial management areas, aimed at improving management capability and networking in SMEs and micro-enterprises at regional level. The format, delivery and location of such programmes will meet existing patterns of demand and minimise the disruptive effect of formal off-site training for certain categories of employees.

### **Agriculture and Food Development Programme**

The Agriculture and Food Development Programme will involve investment of some €8.0 billion over the period of the Plan on three Sub-Programmes:

- Agriculture and Forestry Competitiveness — €1,711 million;
- Enhancement of the Environment and Countryside — €6,028 million; and
- Food Industry (capital infrastructure and marketing) — €289 million.



It should be noted that some of the investment under this Programme will attract EU co-funding under the EU Rural Development Programme which is being negotiated with the European Union.

## **Strategic Context**

Investment in the Agri-Food Programme will be guided by the strategy for developing the agriculture and food sector in the Agri-Vision 2015 Report. The strategy is based on the creation of a competitive, consumer-focused agri-food sector, which will contribute to a vibrant rural economy, society and environment and exploit opportunities in non-food areas.

The agri-food sector has been transformed in recent years by changes, in the EU policy framework, in consumer tastes and demands, in international food markets as well as structural change in agriculture and the food processing industry. The process of change will continue to create more competitive EU and world commodity and food markets which will demand more complex and innovative responses on an on-going basis. These trends will be intensified by increased trade liberalisation, consolidation at retail and production levels, and increased competition from lower cost production regions of the world which, taken together, represent major challenges for the future.

The industry's future competitiveness will be based on efficiencies and a strong knowledge base across the entire supply chain. Product differentiation and the capability to satisfy evolving consumer requirements will be essential. On-going improvements in infrastructure, technology and innovation will be the key to the development of efficiency and growth in a changing marketplace.

Against this background, a range of measures will be implemented based on the central themes of

- innovation, to meet the demands of a fast changing world;
- competitiveness at farm and processor level, so that Ireland can compete in high value EU and world markets; and
- an emphasis on the consumer, focusing on high value markets in terms of food safety and quality, animal welfare and environmental responsibility.

Structural improvements, higher levels of knowledge and skill, both at farm and industrial level, increased efficiency and innovations together with use of cutting-edge technology will all be necessary for the sector to thrive in the new environment. This will be facilitated by the measures in this Programme and the support for agri-food research in the Science, Technology & Innovation Programme. The latter is particularly relevant in ensuring that the industry is underpinned by a sound scientific and innovative base that will allow anticipation of and response to the needs of the market.

The agri-food sector will make an increasingly important contribution to environmental and social sustainability. The public good aspect of agriculture such as its contribution to the landscape, biodiversity and heritage is recognised in the "European model of agriculture" which is based on the principles supporting the viability of farm families and encouraging the provision of environmental and other benefits to the wider community. The Agri-Vision 2015 Action Plan recognises the multifunctional role of agriculture and emphasises that increased competitiveness must be achieved in tandem with respect and enhancement of the environment. That role is also reflected in the EU rural development framework, which stresses agriculture's importance in terms of issues such as water quality, biodiversity and climate change.

## **Agriculture and Forestry Competitiveness Sub-Programme**

Some €1,711 million will be invested in measures that will address structural weaknesses, the challenges posed by changing EU and other policies and the development gaps that need to be filled to maximise the potential of this sector.

## **Structural Improvement Measure**

Poor age structure, coupled with low levels of appropriate education of many farmers, has been identified as a structural problem for Irish agricultural development. With continuing pressure on farmers to maintain viability and improve their competitiveness, the importance of attracting young and trained people into farming remains key to the sector's long-term future.

In order to promote continued structural reform in the agricultural sector, and thereby enhance competitiveness and sustainability, two complementary measures will be continued. Support for the setting up of young farmers will be provided to encourage the continued rejuvenation of the farming profession. Linked to this support will be a measure to facilitate the early retirement of older farmers and farm workers with the aim of creating opportunities for younger farmers to enter farming or to increase/consolidate their holdings.

## **Education and Training Measure**

Teagasc will provide continued support for agricultural training in response to the increased competitive pressures in farming. There will be two elements to this support. Young entrant training will target young people seeking careers in farming, agri-business and agri-services sectors while adult farmer training will contribute to the improved viability and sustainability of farms. Provision will also be made for direct assistance to bodies providing educational and training schemes for workers and trainees in the equine sector.

## **Teagasc Capital Investment**

Teagasc will invest in facilities required to enable agricultural colleges and local training centres to achieve best educational practice and provide students with a top class-learning environment.

## **Teagasc Advisory Services**

The services will address both the needs of commercial farmers and the growing number of farm families who will need supplementary income from either more efficient farming, supplementary farm-based alternatives or businesses, or an off-farm job. They will also reflect the changing policy and regulatory environment facing farmers in the future, particularly in regard to product quality, the environment and the need for increased efficiency and competitiveness at farm level.

The services will:

- i. address the realities of the post-decoupling farming and WTO regime, helping farmers to produce food in an environmentally sustainable manner that complies with relevant standards;
- ii. foster innovation and provide cutting edge technology to those highly commercial farmers who can successfully compete in a more liberalised world food market. The service will focus on providing technical, financial and labour efficiency advice together with assisting in achieving greater scale; and
- iii. provide training and advice to give farming families the competence to set up new on-farm enterprises and/or to pursue other options for the future.

## **On-Farm Capital Investment Measure**

The revised Farm Improvement Scheme will assist farmers with the capital costs of modernisation. Support will be provided for investments that improve overall performance and market orientation, while respecting applicable EU and national standards. It will include sub-measures covering the potatoes, horticulture and organics sectors and related off-farm investment in the latter case. Particular emphasis will be attached to

projects with a renewable energy element. In the context of energy crops, support will be provided for the establishment costs associated with the planting of miscanthus.

Support will also be provided under this heading for the revised Farm Waste Management Scheme, introduced in March 2006. The Farm Waste Management Scheme makes a vital contribution to Ireland's programme for meeting the requirements of the EU Nitrates Directive. It encourages, through capital grant assistance, the development of facilities for the storage of farm wastes during periods when weather and soil conditions make water sources particularly vulnerable to leaching of nitrates spread on land. It contributes to the objectives of reducing water pollution caused by nitrates from agricultural sources, preventing further such pollution, improvement of water quality and safety and preventing eutrophication of rivers and lakes.

### **Improving the Competitiveness and Quality of Agricultural Products**

To maximise the potential of breeding and production of the cattle, sheep and equine sectors, support will be provided to ensure continued improvement in quality through breeding improvement and development actions.

The Beef Quality Assurance Scheme will also support the objective of continued penetration in high value export markets. The aim is to increase participation to 30,000 farms by end of 2008. A similar Lamb Quality Assurance Scheme will also be established.

### **Downstream Investment in the Forestry Sector**

From the late 1980s, the level of afforestation in Ireland grew significantly. These forests are now reaching the stage of first thinning. The majority of this planting was by farmers with little background in forestry, posing many challenges in terms of the skills and training required to maximise the returns from the national forest resource. Against this background, a range of interventions will be established.

### **Enhancement of Environment and Countryside Sub-Programme**

Some €6,028 million will be invested in addressing the public good aspect of the agri-food sector and, in particular, its contribution to the environment and the countryside, including the enhancement of biodiversity, water quality, heritage and environmentally-friendly systems of farming. The continuation of farming in the disadvantaged agricultural areas and well-planned forestry also contribute positively to biodiversity. Forestry also has an important role to play in climate change mitigation.

### **Compensatory Allowances Measure**

Compensatory allowances seek to compensate those farming in agriculturally disadvantaged areas. 75% of Ireland's utilisable agricultural area is currently classified as disadvantaged and this classification will remain in place until at least 2010. The new EU Rural Development Regulation recognises the continuing need to support such areas. The scheme ensures continued agricultural land use thereby contributing to maintaining the countryside. The compensatory allowances scheme is area-based. Support will be provided based on the degree of disadvantage.

### **Rural Environment Protection Scheme (REPS)**

REPS will support Irish farmers who enhance the environment to a level above mandatory requirements. Payments will be made under the scheme to farmers who, on a voluntary basis, make agri-environmental commitments that go beyond the relevant national and EU mandatory environmental requirements. Participants in REPs will also be eligible to receive support for the implementation of Natura 2000.

## **Suckler Cow Animal Welfare/Breeding**

From both an animal welfare and competitive perspective, it is desirable to improve animal welfare standards up to and including weaning stage in the suckler herd and generally to improve the quality of the national beef herd. The aim is to encourage farmers to adopt high standards of animal welfare by providing support where animal husbandry goes beyond the relevant mandatory standards and current working practices. Breeding quality will also be improved through support for participation in the Irish Cattle Breeding Federation's animal events recording system and to upgrade the genetic merit of female cattle breeding stock using the results of the data collected.

## **Organics**

Direct support will be available to organic farmers both during conversion and after full organic status has been achieved. Previously, such support payments were available only through full participation in REPS.

## **Afforestation**

With only 10% of land area under forestry, Ireland remains one of the least afforested countries in Europe. Apart from economic gains from increased afforestation there are also environmental and social gains including the benefits of an indigenous renewable energy source. Support will be provided for continued afforestation and the integration of forestry with agriculture, adopting a whole-farm approach and encouraging the establishment of agri-forestry systems. The cultivation of fast-growing species, for the purposes of biomass production, will also be separately addressed. Support will be provided for practices that are required to prevent damage by deer and squirrel and practices that are required to complement objectives under the Birds and Habitats Directives. Investments related to environmental or public amenity objectives will also be supported.

## **Food Industry Sub-Programme**

The Food Sub-Programme will invest €289 million in capital infrastructure and marketing. In addition the sector will have access to the full range of enterprise supports available to other sectors, including research and development, technology initiatives and human resource development programmes. Food and drink is one of Ireland's most important indigenous sectors, accounting for 50,000 jobs directly and a multiple of that number indirectly dispersed throughout rural areas. The Agri-Food sector accounts for some 8.6% of GDP at factor cost, equating to over €12 billion of Gross Valued Added (GVA) in the economy for 2005. Exports of over €8 billion in 2006 represented a very significant source of foreign earnings.

With the increased emphasis on health, nutrition and convenience, the industry must create the optimum environment for enterprise, innovation and marketing in order to respond to consumer demands. The investment provided by way of capital investment and marketing will address the specific needs of the industry in a targeted way and enable it to maximise this potential through improved competitiveness and market orientation and by responding to changing consumer requirements.

Government and State agencies will work together on a partnership basis with this key indigenous sector to drive innovation and new product development to meet ever-changing consumer demand. The investment in R&D will enable the Irish food and drink sector to embrace science and technology so as to provide valuable and unique solutions in emerging product areas.

Production of food to the highest possible standards remains top priority and the Department of Agriculture and Food, in close co-operation with the Food Safety Authority of Ireland and other relevant Government Departments/agencies, will continue its monitoring, surveillance and inspections services along the links of the food chain.

## Capital Investment

Support will be provided for capital investments in the marketing and processing of agricultural products where there are real market opportunities. This will consequently ensure the repositioning of the industry as a diverse modern, innovative and market focussed food sector in a manner consistent with the Department of Agriculture and Food's Agri-Vision 2015 Action Plan. Such investment will be directed towards improving structure, scale and efficiency of production of high quality product.

## Marketing

An understanding of market and consumer requirements, strong marketing expertise and identification of emerging opportunities are crucial to the sustainable development of the Irish food, drinks and horticulture sectors at this time of huge market and competitive challenges. Strategic generic assistance will be made available to the agri-food sector by Bord Bia by way of a portfolio of leading edge market intelligence, promotion and market development services for companies engaged in developing increased and value-added business, particularly in Continental EU and Asian markets. Small and speciality food enterprises will be supported through specific services tailored to their needs. Funding will also be made available for generic initiatives to promote consumption of fruit and vegetables and to promote the marketing by industry of new and innovative products to cater for new consumer tastes and needs.

## Rural Social and Economic Development Programme

Total indicative investment under the Rural Social and Economic Development Programme over the period 2007-2013 is estimated at €844 million.

The Rural, Social and Economic Development Programme will comprise the following Sub-Programmes:

- Rural Social Scheme — €214 million;
- CLÁR — €141 million;
- Western Investment Fund — €28 million; and
- LEADER/Rural Economy — €461 million.

## Strategic Context

The chapter on the 'Development of the Rural Economy' outlines the challenges facing rural communities in the coming years. One of the main challenges will be achieving an appropriate balance between supporting farming as the traditional source of income in rural areas on the one hand — and fostering sustainable economic diversification in rural areas on the other. Measures to address these challenges are set out in the Rural Social and Economic Development Programme and in the Agriculture and Food Development Programme referred to above.

## Rural Social Scheme Sub-Programme

Over the course of the Plan, this Sub-Programme will provide €214 million in income support to low-income farmers and fishermen, as well as certain services of benefit to local communities.

The Sub-Programme will be delivered at a local level by the LEADER companies and in the Gaeltacht by the LEADER companies, in conjunction with Údarás na Gaeltachta. Work undertaken by participants on the Scheme will include projects relating to (i) the maintenance and enhancement of way-marked ways, agreed walks, bog roads etc.; (ii) village and countryside enhancement projects (iii) maintenance and caretaking of community and sporting facilities and (iv) care of the elderly, community after-school support groups and community pre-schooling support groups.

## **CLÁR Sub-Programme**

The CLÁR Sub-Programme will provide €141 million for regeneration measures targeted at areas of specific population decline. This programme will co-ordinate existing sources of public and private finance and will provide additional stimulus funding for the provision of small scale economic and social infrastructure to help rural communities overcome local difficulties and achieve access to a range of essential services such as water supply, sewerage disposal, road access, broadband communication, community and economic infrastructure, etc.

## **Western Investment Fund Sub-Programme**

The Western Investment Fund (WIF), which is operated by the Western Development Commission, was established to address market failure in private sector risk capital funding mechanisms. The Western Development Commission is a statutory body charged with promoting, fostering and encouraging economic and social development in the Western Region comprising counties Donegal, Sligo, Leitrim, Mayo, Roscommon, Galway and Clare. The WIF provides funding by way of ordinary share capital, preference share wealth and loan stock or combinations thereof. In the period 2000-2006, it invested €17 million in 66 enterprises. Over the period 2007-2013, it is expected to invest some €28 million in similar enterprises.

## **Leader/Rural Economy Sub-Programme**

This Sub-Programme, which will be co-funded by the EU, will invest €461 million over the period of the Plan and will focus on a number of measures as set out below:

### **Rural Recreation**

Under the NDP, it is envisaged that action will be taken to develop countryside recreation, along the lines of the recent Comhairle na Tuaithe report on the development of a National Countryside Recreation Strategy, which sets out the broad principles for managing sustainable countryside recreation into the future. This will include the development of quality rural tourism products, through the LEADER Groups, the Rural Social Scheme and the Community Services Programme. The Department of Community, Rural and Gaeltacht Affairs will consult with the Department of Arts, Sports and Tourism, and other State agencies such as Coillte, Bord na Móna and Iarnród Éireann in planning developments in this area.

### **Rural Enterprise**

This measure will provide for the creation of new rural micro-enterprises and development of existing initiatives focusing on the development of indigenous rural resources in artisan food, forestry, marine, rural/agri-tourism, cultural heritage and community promoted enterprises. Support will also be provided for further diversification into non-farming activities by farm families, including expansion of the agri-tourism initiative building on the work of Comhairle na Tuaithe in the development of a Countryside Recreation Strategy.

### **Rural Development Fund**

The Rural Development Fund will invest in a broad range of projects, including supporting research by organisations and third level institutions on rural development issues to provide information and advice to policy makers. A number of pilot schemes aimed at encouraging community development, including training to increase employment skills and enterprise opportunities for rural dwellers, will also be supported under the Fund.

## **Development of Local Infrastructure And Services Essential To Community Well Being**

Lack of adequate cultural and leisure facilities in rural communities is a serious impediment to the development of local rural communities. While the needs of more remote rural communities and peri-urban

areas may differ, support will broadly address the provision of amenity and leisure facilities, cultural activities, arts facilities, local sport, community and recreational infrastructure.

### **Village and Countryside Enhancement**

Villages and small towns are the focal point for a significant section of the rural community and, as such, must be a priority for infrastructural development. The focus for improvement will be on the provision of small-scale infrastructure aimed at enhancing the environmental, amenity and surface structural aspects of these communities.

### **Environmentally Friendly Initiatives and Conservation of Areas of High Natural and Cultural Value**

Priorities will include the restoration of ancient structures, habitations and protection plans for areas of high natural value such as locally important geological or ecological sites. Assistance for such sites will be addressed in conjunction with the development of local tourism products.

Adaptation of alternative sustainable energy sources appropriate to the specific needs of local rural communities will be supported.

### **Training, Skills Acquisition and Animation**

Priority will be given to actions aimed at enhancing the training levels and skills capacity of rural dwellers. These actions would encompass the need to provide support to raise ICT awareness to expanding use of electronic public services, as well as initiatives to increase the involvement of rural dwellers in local community and economic activity.

### **Farm Relief Services**

This measure will further develop the farm relief services through better training for the operators; research and development and improved infrastructure.

## **Gaeltacht and Islands Development Programme**

The Gaeltacht and Islands Development Programme will provide €457 million in investment towards the development of the Gaeltacht, and off-shore islands and will fund three Sub-Programmes as follows:

- Gaeltacht Sub-Programme — €98 million;
- Údarás na Gaeltachta Sub-Programme — €233 million; and
- Islands Sub-Programme — €126 million.

Continued investment in upgrading Gaeltacht Infrastructure will remain a priority for the duration of the Plan, as well as initiatives to maintain and strengthen the use of the Irish language. The primary goal for the period will be to continue to respond to the challenges that Gaeltacht communities face in a changing society and to provide the necessary supports to ensure that critical infrastructural deficiencies are overcome so that real and sustained progress can be achieved.

The three Sub-Programmes will target investment at areas, which of their very nature, are geographically peripheral and which are of unique importance in view of the linguistic dimension. This Programme will complement the efforts of other Plan investment to promote an integrated strategy for regional development, assisting our major urban centres, our towns, our villages and our rural areas. The Údarás na Gaeltachta Sub-Programme will focus on the promotion of enterprise development in Gaeltacht areas. The objective of



the Islands Sub-Programme is to improve the fabric of island life through support for environmentally sustainable social and economic development, thus enhancing the attractiveness of the islands as places to live and work and as tourist destinations.

### **Gaeltacht Sub-Programme**

This Sub-Programme will provide €98 million for capital investment in the Gaeltacht. The Sub-Programme is designed to overcome the challenges facing Gaeltacht communities such as:

- infrastructural deficiencies that are an impediment to social and economic progress;
- the continuing decline in traditional employment opportunities; and
- the threat to the survival of Irish as a living community language.

The Gaeltacht Improvement Schemes aim to promote linguistic, cultural and social development, as well as supporting economic development. Through investment in Gaeltacht strategic roads, piers, harbours and other infrastructural improvements assisted by the investment priorities of Údarás na Gaeltachta, the core objective of maintaining a vibrant and culturally rich Irish-speaking communities can be met.

The continued development of an enhanced network of high quality roads in the Gaeltacht will take place under this Sub Programme, resulting in improved access and enhancing the attractiveness of the region for inward investment and tourism. The Sub-Programme will also assist the development of walking, cycling, angling, cultural, language and other activity based tourism.

Implementation of the measures outlined will have a positive impact on achieving balanced regional development. The correction of infrastructural deficiencies in peripheral and disadvantaged areas in the Gaeltacht will bring lasting social and economic benefits to these communities. As the Gaeltacht is almost exclusively rural, with no urban centres greater than 1,500 persons, villages are focal points and therefore village enhancement works under Gaeltacht Village Renewal will have positive benefits.

### **Údarás na Gaeltachta Sub-Programme**

Údarás na Gaeltachta is the designated authority with responsibility for economic, linguistic and cultural development of all Gaeltacht areas. The Údarás na Gaeltachta Sub-Programme will involve an investment of €233 million in the promotion of enterprise development in Gaeltacht areas over the period of the Plan, broken down into two measures, Enterprise Development and Labour Force.

There will be three significant aspects to the Sub-Programme:

- fostering indigenous enterprise across a wide range of sectors and creating employment through attracting external investment;
- building new development platforms for specific sectors requiring substantial capital investment; and
- improving the economic, social and cultural infrastructure of the Gaeltacht.

### **Enterprise Development Measure**

Enterprise Development will focus on the technological and services sector. Enterprises will be encouraged to improve efficiency and competitiveness through product development and enhancing workforce skill levels. There will also be a focus on natural resource based sectors such as cultural tourism, seaweed processing and the development of added value products in fish farming.

Údarás is moving from lagging sectors towards the untraded and internationally traded service sectors. In tandem, it is also adjusting its allocation of resources to that of providing for:



- Multi-functioning Facility Development; and
- revised Financial Assistance to Industry.

Multi-functioning Facility Development is designed to optimise resource allocation. It will involve the funding of a small number of multi-functional facilities encompassing services such as a library, crèche facility, cultural/arts block, modern office type accommodation and a small innovation centre community sports and leisure facilities. Three to four projects of this nature will be replicated in the Gaeltacht over the term of the NDP.

Financial Assistance to Industry will focus on job creation in language-based employment, modern traded services, marine resources and cultural tourism. There will be a focus also on sectors such as music, the arts and linkages to third-level institutions and other cultural and educational institutions at national and international level.

Workspaces and incubation centres will be made available for small businesses and expertise will be developed in management, mentoring and business development skills. A particular emphasis will also be placed on realising the full potential of indigenous natural resources, e.g. by exploiting marine activities.

### **Labour Force Measure**

In line with the Údarás Strategic Development Plan 2005-2010, this measure will focus on facilitating contemporary education and lifelong learning opportunities. Continued support will be provided for the provision of third-level education through Irish in centres in the Gaeltacht. Údarás will increase expenditure on upgrading skills and on initiatives that enhance the capacity and quality of the workforce to increase the competitiveness of the existing companies and to ensure that there will be a suitable labour pool available to attract modern service industries.

### **Islands Sub-Programme**

The Islands Sub-Programme will invest a total of €126 million in developing and sustaining our island communities.

The primary goal for the period will be to continue to respond to the challenges that island communities face in a changing society and to provide the necessary supports to ensure that critical infrastructural and service deficiencies are overcome so that real and sustained progress can be achieved.

A continued programme of investment in island infrastructure and services is a prerequisite if the full potential of our islands as part of our national heritage is to be realised.

Issues to be addressed under this Sub-Programme include the completion of a programme of pier construction commenced under NDP 2000-2006, the provision of modern facilities for tourists and islanders using ferry ports, the continued improvement of ferry and air services, the promotion of small enterprises and the development of environmentally sustainable energy solutions on the islands. Investment will also continue to be made in social, health and educational facilities on islands.

A flagship measure under this Sub-Programme will be the implementation of major improvements to the piers and harbours of the three Aran Islands. Resources will be concentrated on the measure with the aim of ensuring that these improvements will be completed within the current decade.

## Marine and Coastal Communities Programme

The Marine and Coastal Communities Programme will invest €442 million in the following three Sub-Programmes over the period of the Plan:

- Seafood Development — €216 million;
- Fisheries and Coastal Infrastructure — €203 million; and
- Coastal Protection — €23 million.

### Strategic Context

In the marine sector, growth and development faces important regulatory and environmental hurdles. Significant changes are required if the industry is to grow in a more competitive international food market. The scale of development in the economy generally has posed challenges for management of the Irish marine environment and coastal infrastructure.

€216 million is earmarked for the Seafood Development Sub-Programme and a further €203 million for the Fisheries and Coastal Infrastructure Sub-Programme — in all €419 million for this important sector. The strategic vision as set out by the Seafood Strategy Review Group<sup>5</sup> will determine and prioritise the allocation of this funding in the NDP. A further €118m may be made available over the life of the Plan depending on the willingness of the sector to undertake and co-operate with, in a verified manner, changes in the industry. The realisation of the leveraging of private sector funding, envisaged in the Cawley Report,<sup>5</sup> will also need to be taken into account. The prioritisation and allocation of funds will be based on a detailed assessment of the likely impact of the recommendations.

The central goal is to ensure the long term economic, social and environmental sustainability of this industry, thus maintaining the value of its activity to the coastal and rural communities who rely upon it, and to the economy as a whole.

The imperative for the sea fishing sector will be the maintenance of economically and environmentally sustainable levels of fishing, by balancing capacity with available resources and achieving a better return on this volume through increases in unit value. Key to the success of the industry as a whole in the future will be the differentiation of Irish seafood products from the international competition in an increasingly discerning market place, both at home and abroad.

There is substantial scope for increasing fishing activities operating out of Irish harbours through exploiting our geographical competitive advantage. Development works will continue to be required to improve fishery harbour infrastructure to ensure the viability of the fishing industry into the future, to bring the Fishery Harbour Centres up to international practice, to reduce congestion at the harbours and improve safety for the fisheries sector. Developments will also enable the maximisation of the long-term sustainable use of the fisheries resource by overseas and domestic anglers and other recreational users by providing and improving access to existing inland and sea angling fisheries and developing new fisheries. The safety issue is a priority at the major state owned fishing centres.

The overall goal of coastal protection is to ensure the sustainable development and management of the marine coastal zone by addressing priority coast protection requirements.

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<sup>5</sup> The Seafood Strategy Review Group was established by the Minister and the Minister of State at the Department of Communications, Marine & Natural Resources in June 2006 with the objective of consulting with all stakeholders to devise a strategy for the 2007-13 period for the delivery of a sustainable and profitable seafood industry in Ireland. Its recommendations have informed the strategic investment priorities identified here.

## **Seafood Development Sub-Programme**

The Seafood Development Sub-Programme will invest €216 million over the period of the Plan. Drawing on the recommendations of the Cawley Report, the vision for the Irish seafood industry by 2013 is one where all sectors can be described as “*a sustainable, profitable, competitive and market-focused seafood industry making the maximum long-term economic and social contribution to coastal communities and Ireland as a whole.*”

The achievement of this vision will require a set of integrated, market led actions to improve competitiveness and profitability across all the sectors of the industry — sea fishing, aquaculture, processing and marketing — by targeting investment so as to achieve the highest possible level of value generation within the Irish seafood industry.

The future success of the industry will lie in the differentiation of Irish seafood products from the international competition in an increasingly discerning marketplace. This must be underpinned by environmentally responsible fishing practices, certified environmental management systems, internationally accredited quality assurance schemes and market led innovation, thereby ensuring that the industry continues to act as an important economic engine for Ireland’s coastal communities.

The Irish seafood industry is based on the utilisation of a high quality, indigenous natural resource, which has excellent potential for added value. The industry is already worth over €700 million to the Irish economy annually and provides jobs for 12,000 people.

The period of NDP 2000-2006 saw the beginning of the process of restructuring and transformation of the industry across all its sectors in the face of a range of developmental challenges, primarily relating to declining stocks and a consequent structural imbalance at catching and processing levels. This has led to weakening profitability and low levels of investment in R&D and value added development, with the result that the industry is not at present strongly positioned to take full advantage of favourable market opportunities where the global demand for quality seafood offerings continues to grow. The following measures under this Sub-Programme will address the key strategic development priorities.

### **Sea Fisheries**

The key objectives of this Measure will be to manage the transformation required in the fishing fleet so as to achieve a balance between fleet capacity and the resources available. It will also support quality supply that is reliable and competitive and the actions required in environmental management and the maintenance of the economic and social fabric of fishing communities.

### **Aquaculture**

This Measure will support the application of technological innovation to further develop environmentally sustainable techniques, including organic farming, and achieve successful diversification into new species, while ensuring the highest international quality standards are met. It is anticipated that the period 2007-13 will see the emergence of a smaller number of larger operators in this sector, working on greater economies of scale.

### **Seafood Processing**

To accelerate the development of scale, competitiveness and investment in R&D and innovation, the Seafood Processing Measure will adopt a “Step-Up” approach, aiming to attract investment from the wider food processing industry, to facilitate the restructuring of the sector and the development of an appropriately scaled processing industry capable of competing within an increasingly cost competitive market and of attracting investment from the wider food industry.

## **Seafood Marketing**

The main objective of the Seafood Marketing Measure will be to exploit the growth potential for Irish seafood up to 2013 in order to achieve a targeted sales increase of 44% in exports and a minimum 10% growth in domestic sales. In order to achieve this objective, it is essential to differentiate Irish seafood as a premium proposition in key markets. This will require support for innovation and value-added development and the achievement of internationally recognised standards of excellence. It will also require strategic account management and a strengthening of Ireland's market research and intelligence capability.

The Measure will fall under the direct responsibility of Bord Iascaigh Mhara but will be implemented in close partnership with both Enterprise Ireland and Bord Bia through the strengthening of existing inter-agency co-operation agreements.

## **Seafood Training**

To complement the above measures, the Seafood Training Measure will address specific training needs arising from: the rapidly changing EU and national fisheries policy and regulatory framework; competitiveness; sustainability; traceability and environmental impacts as well as focussing on quality and market innovation in support of the aims of the Seafood Development Sub-Programme

## ***Fisheries and Coastal Infrastructure Sub-Programme***

Some €203 million will be invested under the Fisheries and Coastal Infrastructure Sub-Programme to ensure the future viability of the fishing industry, to bring the Fishery Harbour Centres up to international practice, to reduce congestion at the harbours and to improve safety for the fisheries sector.

## **Fishery Harbour Development**

There is substantial scope for increasing fishing activities operating out of Irish harbours through exploiting our geographical competitive advantage. As energy costs increase the global fishing industry will have to change patterns of traveling long distances to fish off Ireland. In order to capitalise on location and to attract a greater proportion of EU landings our harbour infrastructure will be developed to facilitate increased landing and downstream activities at the harbours, especially at the five Fishery Harbour Centres, Howth, Dunmore East, Castletownbere, Ros-An-Mhíl and Killybegs. Subject to feasibility and prioritisation of resources, other strategic harbours such as Greencastle, Kilmore Quay and Cromane will be developed to meet increased demands.

The current situation of many fish stocks and the need for sustainable management will continue to constrain the output from the Irish Sea Fishing Fleet. In that context, and in order to sustain the communities dependent on fishing, it will be necessary, in addition to attracting business from other fleets, to maximize the scope for diversification to marine leisure and other activities through the utilisation and development of our Coastal infrastructure. It will therefore be necessary during the Plan period to develop other industries such as aquaculture, tourism and the leisure industry to provide alternate means of employment for communities dependant on fishing. The development of port infrastructure and port service facilities will help to accommodate this.

## ***Coastal Protection Sub-Programme***

Some €23 million will be spent under this Sub-Programme to protect the coastline from erosion and manage the problem of coastal flooding so as to minimise its impact on the commercial and social activities of coastal communities.

The planned investment under the NDP will be a mixture of risk evaluation, development of procedures and guidance for scheme selection, Planning and Development assistance and capital projects of both a hard and soft engineering nature. In areas where protection is not provided, the establishment of surge forecasting and warning systems can help to significantly mitigate flood damage. A list of prioritised capital projects to be carried out under the Plan will flow from the information framework developed under the Plan.

Funding will be provided for the completion of the National Coastal Protection Strategy Study. This will identify areas at risk from erosion and flooding and will quantify damages arising. The situation, with or without global warming induced sea level rise, will be examined. Initial results from a pilot area on the East coast are expected to be available in Spring 2007.

In areas where the necessity for protection schemes are identified, funding will be provided to the relevant Local Authorities by means of a grant payment. Funding will be on a 75% contribution by the Department of Communications, Marine and Natural Resources and 25% contribution from the Local Authority.

# Human Capital Priority

### Objective of Priority

Investment under the Human Capital Priority of NDP 2007-2013 is indicatively estimated at €25.8 billion. The investment and funding source by Programme is set out below.

#### Human Capital Priority

Programme	All figures in € million current prices					
	Exchequer	PPP	Local Auth.	State Bodies	NTF*	Total
Training & Skills Development	4,785	0	0	104	2,829	7,718
Schools Modernisation & Development	4,521	540	0	0	0	5,061
Higher Education	12,422	595	0	0	0	13,017
<b>Human Capital Total</b>	<b>21,727</b>	<b>1,135</b>	<b>0</b>	<b>104</b>	<b>2,829</b>	<b>25,796</b>

\*National Training Fund.

Lifelong Learning is the guiding principle for education and training policy in the context of the Lisbon Agenda. The major outputs under this Priority will be:

- To upskill the workforce through promoting access to appropriate training and lifelong learning;
- To implement the National Skills Strategy with the goal of increasing the skill levels of a significant proportion of those at work in support of Ireland's aims of improved competitiveness and moving jobs quality up the value chain;
- To expand the workforce through the activation of groups such as the unemployed, people with disabilities, lone parents, Travellers, ex-offenders, women and older people as well as the implementation of an appropriate skills based migration policy;
- Continued high investment levels in third level infrastructure — 35 large scale priority projects will be delivered by the end of 2010 in addition to significantly increased investment in the further modernisation and expansion of higher education infrastructure;
- To drive the reform and modernisation of the third level sector by enabling institutions to align their strategies with national priorities through the implementation of the new funding arrangements and the impact of major investment under the Strategic Innovation Fund;
- To significantly increase the numbers of high quality graduates as well as widening participation in third level education;
- To provide sufficient school capacity at first and second levels in light of the growing school population;
- To provide the teachers and accommodation needed for improvements in special education provision;

- To provide for the modernisation of subjects at post-primary level;
- to provide for investment in Information and Communications Technology in schools; and
- To provide for curriculum reform and the National Framework of Qualifications.

It should be noted that there are also Human Capital Priority elements in the Sub-Programmes under the Marine Development Programme and in the Údarás na Gaeltachta Sub-Programme in the Enterprise, Science and Innovation Priority.

With regard to the potential for North/South co-operation, work is underway to enhance the efficiency of the island's labour market and to ensure that sufficient and appropriate skills are in place to encourage sustained growth.

## Role of Human Resources

Investment in education, training and upskilling, broadly termed as investment in human capital, has played a very important role in Ireland's successful economic performance. It has provided a well skilled and flexible labour force and thereby helped make Ireland a major attraction for domestic and foreign enterprises. Ireland was particularly successful in harnessing European Social Fund (ESF) receipts to very good effect. Human Capital funding in the Plan 2007-2013 will be domestically generated but the objective will still be to ensure access to a very good standard of education and training for all and, in particular, to provide the labour force with the skills and adaptability to meet the challenges of the future. There are also strong linkages between the availability and quality of human capital and the competitiveness of Irish regions. Investment in human capital will have an important role in promoting the development and competitiveness of the regions over the period of this Plan.

Accordingly, continued high levels of investment will be necessary under this Plan in the areas of Labour Force Development, Higher Education and School Modernisation. The level of investment proposed under this Priority reflects the importance Government attaches to maintaining an educated, skilled and adaptable labour force in Ireland.

The competitiveness of the Irish economy depends on a well-functioning labour market. In line with the Lisbon Agenda, the overall policy objective is the development of our economy into one that is knowledge-based, innovation-driven and inclusive. Labour market and education policies will play a significant role in achieving this goal.

Ireland's labour market situation is currently very favourable with forecast 2006 employment growth of 4.4% and an unemployment rate of just 4.4%<sup>1</sup>. In the second quarter of 2006, total employment exceeded 2 million for the first time in the history of the State. For the year as a whole, total employment in 2006 is estimated at 2.039 million compared to 1.614 million in 1999. This equates to an annual average growth rate of 3.4% over the period and far exceeds the 2% annual growth projection forecast in the previous NDP.

Over the period of this Plan, Ireland will continue to implement policies which will support higher levels of employment, improve the quality and productivity of work and enhance social cohesion. Delivering on these challenges will require focused and flexible policies and measures that are monitored and evaluated on an ongoing basis, to ensure their continued relevance and impact. In addition a number of interventions under this Priority are closely related to measures in the Social Inclusion Priority and close liaison will be maintained to ensure optimal use of all resources in this area.

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<sup>1</sup> Department of Finance, Budget 2007.

Ireland has moved from being a country of emigration to one of immigration in a remarkably short period. In 1986, the unemployment rate was over 17% and almost 45,000 people emigrated. Twenty years later, the Irish economy has undergone a major transformation and we now have significant inward migration. Over the period of the Plan, a skills-based migration policy will operate, made up of returning Irish nationals, workers from the European Economic Area — including the new accession States, non-EEA nationals and also considerable numbers of students.

The Enterprise Strategy Group Report and the Government's Action Plan to implement it has set the overall context for labour force development policy in the context of enterprise development, with the objective being the development of our economy into one that is both knowledge-based and innovation-driven.

The Enterprise Strategy Group Report identified two critical areas of focus for skills development and life-long learning:

- Continuing efforts to expand the workforce, with an appropriate skills-based immigration strategy; and
- Introducing formalised approaches to lifelong learning with priority policy interventions for low-skilled workers in order to foster the continual acquisition of the knowledge, skills and competencies required to meet the demands of an economic environment of constant change.

To achieve this, labour force development policy will focus on two key areas:

1. Ensuring an adequate supply of labour to meet the needs of the economy and to sustain economic growth. Labour will be supplied through a number of sources: the underlying population increase; increased female participation rates; increased participation by the unemployed and those outside the labour force; and inward migration; and
2. Ensuring the development of a high skilled, adaptable workforce through continued emphasis on lifelong learning and training of those in employment.

Having met the 50% EU employment rate target for older workers and the 60% participation rate for females, Ireland will strive to reach and, if possible, exceed the other target for 2010 of 70% for the overall employment rate.

## **Training and Skills Development Programme**

### **Programme Objective**

Investment under this Programme will amount to €7.7 billion broken down between the Sub-Programme for Upskilling the Workforce (€2.8 billion) and the Sub-Programme for the Activation and Participation of Groups outside the Workforce (€4.9 billion).

### ***Sub-Programme for Upskilling the Workforce***

This Sub-Programme will encompass some €2.8 billion over the period of the Plan. The Sub-Programme has four themes. These are to improve training for people in employment, help upskill those affected or likely to be affected by industrial restructuring, improve and enlarge the apprenticeship system and provide progression opportunities for school-leavers.



## Training for those in Employment

The private sector will always play the greatest role in the training of those in employment. However, the public sector does have a role in encouraging and providing guidance for that investment and in providing training in cases of market failure, such as for the low and unskilled and for those working in the SME sector.

Additional funding has recently been provided for this training which is being channeled through FAS (sectoral training initiatives, the Competency Development Programme and Excellence Through People programmes), business-led skills networks and other agencies. Continued training in this area will be supported under the Plan over the next seven years. The Workplace Basic Education Fund will also continue to be supported to provide literacy/numeracy training initiatives in the workplace.

## National Skills Strategy

The Enterprise Strategy Group (ESG) Report stated that Ireland needs to pursue a knowledge-based, innovation-driven economy in order to maintain competitiveness into the future. A key input in the coming years will be the National Skills Strategy based on the findings of the Expert Group on Future Skills Needs report, entitled *Towards a National Skills Strategy*. Investment under this sub-programme will be informed by the Strategy. The objective is to ensure that we have, over the period to 2020, the skills required to achieve the ESG'S objective and to remain competitive in the global marketplace.

The Expert Group on Future Skills Needs has articulated a vision where 48% of the labour force would have qualifications at NFQ (National Framework for Qualifications) Levels 6 to 10 (post-Leaving Certificate to PhD levels), 45% would have qualifications at levels 4 & 5 (Leaving Certificate) and the remaining 7% would have qualifications at levels 1 to 3 (Level 3 is Junior Certificate) by 2020. This would be achieved by both improvements in the education of young people coming through the education system and improved training of those of working age. Within this objective, Ireland would build capability at fourth level and double its PhD output (Level 10) by 2013, approximately 172,000 additional people would be upskilled to levels 6 to 10 of the NFQ, and 300,000 additional workers would be trained up to Leaving Certificate level or equivalent.

This vision would require maximising the skills of the resident population through both education and training and at the same time continuing to attract a highly skilled migrant cohort.

These skills needs would be met by maximising the use of the National Training Fund resources, existing capacity in educational institutions and the private sector contribution to training and education, in order to raise skill levels in the labour force and protect competitiveness.

## Lifelong Learning

The Government is committed to the implementation of a Lifelong Learning policy and to the modernisation of the workplace. Under *Towards 2016*, it was agreed that one of the high level objectives to be reached is to drive the lifelong learning agenda by enhancing access to training, the development of new skills, the acquisition of recognised qualifications and progression to higher level qualifications. The frameworks for the development of these policies were set out in the White Paper on Adult Education — “Learning for Life” — published in 2000, the Taskforce on Lifelong Learning Report and in the Report of the Forum on the Workplace of the Future and these frameworks will inform policy over the period of the Plan. The continued implementation of policy in these areas will be supported through providing second chance education and training for those with low skills and addressing access barriers through a strengthening of supports, guidance, counselling and childcare services and increased flexibility of provision.

## Industrial Restructuring

As well as the broader challenges posed by globalisation, there are more specific areas that are under threat from industrial restructuring and competition from lower cost economies. For example, traditional low

technology manufacturing and production employment is under threat and the sectors most affected need targeted measures to assist the workers in these industries in obtaining the necessary skills and education levels to enable them to become re-employed as quickly as possible. This requires actions to upskill the employed as well as the unemployed and to seek new and innovative policies and delivery mechanisms. Support from this Sub-Programme will be available for the retraining and education of those affected by industrial restructuring and global competition.

### **Apprenticeships**

Provision by FÁS of the statutory based apprentice training system will be supported. FÁS will continue to review the curricula, assessment process and delivery mechanisms for apprenticeships. In addition, FÁS is developing 5 additional occupations in consultation with stakeholders and is considering a further 2 occupations for designation.

### **Progression for School Leavers**

The policy in this area will be to seek to ensure that persons with little or no education/skills are not isolated and vulnerable to potential economic downturn. This will be delivered through measures which address early school leaving through combining education with labour market participation and upskilling. Ireland supports the European Youth Pact which identifies the need to provide education and training to address the labour market challenges facing young people.

The success of programmes dedicated to preparing participants for employment has been maintained. In 2005, 95% of students who completed Post Leaving Certificate courses progressed to employment or further education. In the case of Youthreach, the figure was 75% and for VTOS (Vocational Training Opportunities Scheme) it was also 75%. FÁS will continue to work in partnership with Community Training Centres to provide early school leavers with basic skills and work experience and to aid progress towards further training or employment.

### ***Sub-Programme for Activation and Participation of Groups outside the Workforce***

This Sub-Programme will encompass investment of almost €4.9 billion over the period of the Plan. The key objective of this Sub-Programme will be to provide targeted training and services to groups outside the workforce such as the unemployed, people with disabilities, lone parents, Travellers, prisoners as well as encouraging the increased participation of women, older workers, part-time workers and migrants in the workforce.

### **Activation: Unemployed**

In general, the priority for this measure is to help the unemployed to find or return to employment as quickly as possible, thereby ensuring that the numbers unemployed are as low as possible over the period of the Plan. The measure will be implemented through the continued operation of:

- The National Employment Service, which is comprised of FÁS Employment Services and the Local Employment Services;
- The Employment Action Plan (EAP), under which intensive support is given to help people on the live register access the labour market; and
- Existing training and employment programmes.

These processes and programmes will increasingly focus on the long-term unemployed, unemployed 16-23 year olds with labour market access difficulties (such as early school leavers) and 'non-progression ready' unemployed.

The EAP process is currently being extended on the following basis:

- Reducing the engagement threshold from 6 to 3 months; and
- Extending the process to 55-64 year olds. This will complement the phasing out of the Pre-Retirement Allowance, where older workers were not required to be available for work.

In addition, as outlined in *Towards 2016*, increased emphasis will also be on engaging with lone parents and people with disabilities in a systematic way as currently occurs for persons on the live register. This will include increased expenditure on training and education for these groups and the outcome should see an enhanced labour supply and participation rates from these groups.

There will be an increasing focus on greater provision of training for the unemployed and an increase in the training provision on employment programmes. The Social Partnership Group on Labour Market Issues will continue to provide a forum for dialogue between the social partners and the Government on a broad range of labour market issues.

### **Activation: People with Disabilities**

The implementation of sectoral plans under the Disability Act 2005 will be supported, thereby assisting in the mainstreaming of services for the disabled and the increase of labour market participation by people with disabilities.

In relation to the labour market programmes, the policy emphasis will be to ensure that disabled people have an equal opportunity to participate in mainstream employment and training programmes. Where this is not possible, there are a number of training and employment supports targeted specifically at people with a disability which will continue to be provided, including vocational training by Specialist Training Providers and the Supported Employment Programme. In addition, policy also aims to raise awareness amongst employers of the contribution disabled employees can make. The Equality Authority is currently reviewing the implementation of the Government's mainstreaming policy in relation to the training and employment of disabled people, and further developments will be considered on foot of this review.

The implementation of the Wage Subsidy Scheme, with other initiatives such as the Employee Retention Grant Scheme, Work Equipment and Adaptation Grant, etc., that help people with disabilities make the transition into mainstream employment will also continue to be supported. The Wage Subsidy Scheme provides financial support to employers employing individuals with a disability who work 20 hours plus per week.

### **Activation: Lone Parents**

Following the consultation process on the Government's Discussion Paper on Proposals for Supporting Lone Parents and Parents on Low Income, proposals will be brought forward aimed at supporting the movement of lone parents and lone parents on low income into employment. This will involve reform of social welfare payments and address supports such as access to childcare, flexible training and education programmes. Priority consideration will be given to extending the National Employment Action Plan referral process to include lone parents and parents on low income and funding for the Community Services programme, which targets lone parents among others, is to be increased.

### **Activation: Travellers**

The *Report and Recommendations for a Traveller Education Strategy* has been prepared by the Advisory Committee on Traveller Education and was launched by the Minister for Education and Science in November 2006. The report covers aspects of Traveller education from pre-school right through to further and higher education within a lifelong learning context and includes recommendations across the education spectrum for parents, pre-schools, primary, post-primary, further, higher education and other areas. The

implementation of the Committee's recommendations will be assisted under this Sub-Programme, as appropriate.

### **Activation: Ex-offenders**

Support will be provided for the work of the Irish Prison Service to review and update work and training activities and courses to ensure that ex-offenders can access marketable skills and vocational qualifications to improve their prospects of employability in the labour market on their release.

### **Participation: Women**

Measures to encourage greater female participation in the workforce will also be supported. These measures will take into account the National Women's Strategy which is being prepared by an inter-Departmental group chaired by the Department of Justice, Equality and Law Reform and supported by a social partnership consultative group. This is intended to provide a framework within which the outstanding gaps in the position of women in Irish society are addressed over a 10-year period.

The measures supported will include those which are part of the Government's Childcare Strategy and Investment Programme. FÁS's Expanding the Workforce (ETW) process which assists women to return to the labour market will also be continued. In this regard, specific attention is being given to lone parents, the majority of whom are women.

The implementation of a range of Government policies (including childcare, equality legislation, education, tax reform and employment rights) aimed at reducing the gender pay gap and occupational segregation will also be pursued. Future policy directions with regard to gender mainstreaming will be supported as part of the development of the National Women's Strategy.

### **Participation: Older Workers**

It is Government policy to facilitate those who wish to extend their working lives to do so. In the past decade the employment rate for those aged 55-64 has increased by 10%. The average exit age from the workforce has also been increasing, with Eurostat data for 2004 indicating that the exit age in Ireland is 62.8 years, somewhat higher than the EU average of 60.7.

Part of meeting the challenge of an ageing society will be to consider encouraging older workers to remain in employment where appropriate. In this regard, a range of issues may be considered, including:

- Providing for flexibility in the retirement age;
- Creating incentives for workers who want to remain in or return to the labour market after age 65;
- Facilitating a gradual move into retirement through changed working arrangements;
- Tightening the conditions for early retirement; and
- Increasing the contributions required for full pensions.

### **Participation: Part-Time Workers**

Another area in which there is potentially significant scope for increased labour force participation is that of part-time workers. An increase in the involvement in the labour market of part-time workers would increase labour market supply and the scope for this will be explored.

### **Participation: Migrants**

As previously noted, the transformation of Ireland, from being a country of emigration 20 years ago to being one with significant inward migration today, has been dramatic. It is estimated that the number of migrants

in employment in 2006 was some 200,000. These employees are making a very significant contribution to the economy and the challenge will be to ensure that the labour force migration policy continues to be one which makes a positive contribution.

Our own recent experience teaches us that economic migration policy must be responsive to different stages of economic development and to labour market conditions. Economic migration policy for nationals from outside the EEA will be vacancy-driven rather than based on quotas or points. That means that the core of the policy is the offer of a job. Policy will be transparent and have the potential to react to changing labour market conditions as well as provide protections for migrant workers from potential abuse by unscrupulous employers.

The Government has introduced a new framework for this area through the enactment of the Employment Permits Act that provides a framework within which there is the flexibility to adapt and use different migration policy instruments to respond to changes in both the economy and the labour market as they arise. The Act establishes a statutory foundation that will be built upon to implement an active and managed economic migration policy. The three pillars of this employment permit policy will be Green Cards, an Intra-Company Transfer Scheme and a revised Work Permits system. It also provides a number of new and important protections for migrant workers in the Irish labour force.

## **Schools Modernisation and Development Programme**

### **Programme Objective**

Nearly €5.1 billion will be invested in the three Sub-Programmes in this Programme: Schools Infrastructure; Schools Development; and Information and Communications Technology in Schools. The first will deal with the need to update the physical fabric of existing facilities at first and second level as well as providing additional facilities to meet new demands. The second will be concerned with continuing the improvements in the level of education provided as well as attuning it to the needs of a modern knowledge-driven economy. The third concerns the implementation of an ICT strategy in schools.

### **Schools Infrastructure Sub-Programme**

The Schools Infrastructure Sub-Programme will invest €4,490 million in the nation's first and second level schools over the next seven years.

### **Strategic Context 2007-2013**

In recent years, a sustained Government drive to tackle an acknowledged historic educational infrastructural deficit across all sectors has produced a marked improvement in the quality of educational facilities across the country. As already noted, educational infrastructure, including schools infrastructure has been a central plank of Plan 2000-2006 where the measure performed very satisfactorily. Significant inroads were made in tackling the historic deficit within the schools sectors whilst continuing to meet emerging needs. The emerging needs lie in rapidly developing areas, reflecting major demographic changes on the one hand and an increasingly complex, rapidly changing social and cultural landscape on the other. These two distinct requirements emphasise the need for diversity in the delivery of education. The innovative methodologies, introduced under NDP 2000-2006, aimed at expediting the delivery of accommodation while adhering to core principles of value for money and public procurement investment, will be continued and enhanced as appropriate. These methodologies include Public Private Partnerships (PPPs), design and build contracts, the use of generic designs which allow a quick response and reduce expenditure on the repeat design of schools and the increased devolution of responsibility to school level in order to progress projects speedily.

It is projected that the primary school-going population will increase by approximately 100,000 over the lifetime of the Plan. The actual number of classrooms required for this period will depend on such factors as the spread of the additional pupils and the capacity, or otherwise, of existing schools to meet this demand. Schools will be built to high standards to ensure that they are sufficiently robust to pass the test of time, cater for new and developing needs and ensure the achievement of commitments made under *Towards 2016*. The Sub-Programme will aim to:

- Provide new schools in rapidly developing areas;
- Provide appropriate facilities to teach all subjects within the revised Primary Curriculum particularly Science and Physical Education;
- Provide accommodation for additional teachers made available by improvements in special education provision, language support and reduced class sizes;
- Provide for the introduction of revised subjects at post-primary level such as Technology and Art that have specialist IT and equipment requirements; and
- Provide improved facilities for the practical work required by the post-primary science syllabus and support the completion and assessment of practical coursework in the Leaving Certificate examination.

The main focus will be on the provision of additional school places in rapidly developing areas. The Department's strategies to deliver this include:

- Pro-active planning by close and regular engagement with local authorities;
- The implementation of a partnership approach with local authorities to deliver community facilities in tandem with new schools;
- The active participation where possible of school management authorities;
- Early involvement in education provision in strategic development zones;
- Publication and implementation of area development plans; and
- Use of Generic Repeat Designs and Design & Build contracts for new primary and post-primary schools and an openness to the delivery of schools by innovative methods intended to reduce waiting times for permanent school accommodation.

The level of work being done under the schools building programme is at an all-time high and is transforming school accommodation throughout the country. While increased investment is a central reason for this — €500 million in 2006 alone — radical changes in how projects are planned and managed have also made a major difference in ensuring that, in the majority of cases, provision will be delivered in line with demand and in line with the Department's prioritisation criteria.

## **Schools Development Sub-Programme**

This sub-programme will cover curriculum reform and professional development and the National Qualifications Framework. €318 million will be invested in these actions over the lifetime of the Plan.

### **Curriculum Reform and Professional Development**

This measure will provide for investment in curricular reform and teacher professional development to ensure that the provision of first and second level education maintains high quality and relevance to emerging social and economic needs. It covers such costs as equipment, in-service and pre-service training, and diversification of languages in schools.

## Strategic Context and Objectives

The need for Ireland's economy to move up the value chain depends on the availability of a well trained and skilled workforce. This in turn depends, as does the effectiveness of the major programmes of investment in R&D, in large part on the foundation of knowledge, skills and interests nurtured in students in the first and second levels of the system. The education system in Ireland is already undergoing rapid change. A new Primary Curriculum is being implemented on a phased basis over the period to 2007. While the evaluation of implementation to date has been positive, key areas requiring further attention relate to school and classroom planning, assessment for learning, promoting active teaching and learning approaches, nurturing of higher order thinking skills, embedding ICT across the subjects, and supporting engagement with parents. Ensuring appropriate strategies for the inclusion of pupils with special needs, promoting interculturalism and anti-racism, addressing disadvantage and ensuring literacy and numeracy are also important priorities at primary level.

The ongoing relevance of curricula to changing social and economic needs, allied with the quality and effectiveness of teaching and learning, are key factors in ensuring that young people are equipped with the skills for participation in the knowledge society and for active citizenship. They are also central to addressing social inclusion issues and ensuring optimum completion rates in upper second level education.

At post primary level, important objectives are to strengthen the technical and vocational dimensions of curricula, to embed key skills such as learning to learn and ICT, to develop higher order thinking skills, to diversify and strengthen language learning, to modernise the technology subjects at senior cycle, and to increase the take up of the physical sciences at senior cycle. Achieving these will require:

- Strengthening language learning by, for example, increasing emphasis on oral competence in syllabuses and in the certificate examinations, and diversifying language learning where appropriate;
- Modernising the technology subjects at senior cycle;
- Increasing the uptake of the physical sciences at senior cycle and building on the hand-on investigative approaches, which are a feature of the revised Junior Certificate Science syllabus;
- Reforming approaches to post primary mathematics teaching and learning; and
- Broadening the range of assessment approaches.

Assessment has been identified in evaluations as a specific area where primary teachers need very significant professional development. A major programme for assessment for learning is being introduced by the National Council for Curriculum and Assessment, and standardised testing is being mainstreamed in literacy and numeracy at primary level.

The *Report of the Expert Group on Future Skills Needs "Languages and Enterprise — The Demand and Supply of Foreign Language Skills in the Enterprise Sector"* published in June 2005 points to back office supports as a key area for development and expansion which could be met by Irish workers with languages. In these cases near native proficiency is not required, but good language skills allied with a higher professional or technical qualification are needed. Accordingly, an important goal is to continue to invest, as appropriate, in language learning, building on the success of the primary and post primary modern language initiatives. In this regard the development and implementation of an integrated language policy as recommended in the Council for Europe Language review (final report due in early 2007) will be a priority.

In addition to the above, the need for a reformed model of professional development for teachers has been identified, which will:

- Provide for regionalised access to a full spread of curriculum expertise for schools;
- Provide for more intensive training, school focused where possible, to enhance pedagogical skills, classroom management, assessment and the ability to become reflective practitioners;



- Provide a continuum from pre-service training through induction to continuing professional development, adapting and rebalancing training programmes as needed; and
- Provide enhanced opportunities for accreditation, the development of mentor programmes and school focused supports.

The objective is to progressively increase strategic investment in curricular reform and professional development to enhance the quality and relevance of education to a level in keeping with best international practice on a phased basis.

## National Framework of Qualifications

This measure covers the operational costs of the National Qualifications Authority of Ireland (NQAI), the Further Education and Training Awards Council (FETAC), and the Higher Education and Training Awards Council (HETAC). The framework was funded in NDP 2000-2006. The three bodies were established in 2001 under the Qualifications (Education and Training) Act 1999. The main functions of NQAI are to develop a national framework of qualifications and policies and criteria for the framework, evaluate the functioning of the Awards Councils (FETAC and HETAC), ensure compliance with policies and criteria for access, promote transfer and progression for learners by DIT and Universities and review the operation of the framework.

The main functions of the Awards Councils (FETAC and HETAC) are to determine standards for awards, develop criteria for quality assurance and validation of awards, accredit awards on the basis of compliance with criteria and undertake regular reviews of providers whose awards are accredited. The main concerns of the Awards Councils are that providers have: satisfactory quality assurance arrangements that comply with the criteria; adequate support and protection for learners; internal and external evaluation with learner feedback; assessment procedures which are fair and consistent; and information for learners on access.

## Strategic Context and Objectives

The OECD report "*Moving Mountains — How can Qualifications Systems promote lifelong learning?*" highlights the key role of national qualifications systems in promoting learner access, transfer and progression, mobility and quality, and in supporting responsiveness and flexibility in adapting to changing needs.

The National Framework of Qualifications can play a key role in facilitating flexibility and access, through its placement of education and training awards at a variety of levels on the framework, its focus on learning outcomes irrespective of duration or the learning site, its increased emphasis on progression, and its inbuilt capacity for the accumulation of credits over time towards the achievement of an award. It provides for the recognition of awards in formal education and training centres, in the non-formal sector and in workplace and community settings. It supports enhanced quality in keeping with international standards. In addition, the developments in terms of the recognition of international awards and the evolution of the European Qualifications Framework (EQF) provide new opportunities for mobility of learners, researchers and workers. This is seen to be a critical part of the Lisbon Agenda to support competitiveness.

The National Framework of Qualifications will continue to play a vital role in promoting international recognition and mobility. The quality of education and training systems has been identified as an important factor in encouraging inward investment, employment growth and competitiveness, which are an essential foundation for social cohesion.

## ICT in Schools Sub-Programme

Investment of the order of €252 million will be made in ICT for schools over the period of the Plan. A detailed ICT strategy will be published by the Department of Education and Science in 2007. In summary, this



strategy will deal with: developing an e-Learning culture in schools that will ensure that ICT usage is embedded in teaching and learning across the curriculum; teacher professional development; the maintenance of a national broadband network for schools; the upgrading and renewal of hardware; and the provision of software and digital content for learning. The planned investment will also address maintenance and support requirements.

In order to benefit from the investment, individual schools will be required to prepare and implement an eLearning strategy for the school as an integral part of whole school planning and development. Resource allocation will be directly related to, and contingent on, the degree to which the school is able to demonstrate concrete actions and strategies for utilising and embedding ICT in teaching and learning practice in the school. The school's eLearning plan must be persuasive as regards the potential usage levels arising as a result of the investment and must clearly indicate how Value for Money will be achieved by addressing the expected outcomes and achievements for students along with indications as to how these outcomes and achievements will be measured. In that regard, evaluation of eLearning outcomes will be integral to the school self-evaluation commitments required from schools and teachers under the *Towards 2016* agreement.

## **Higher Education Programme**

### **Programme Objective**

€13.0 billion will be invested in this Programme over the life of the Plan. This encompasses the indicative estimate of all expenditure of the higher education system. It has been decided to include the totality of expenditure because of the significance of the higher education sector and the major reform agenda that is being undertaken there. The Programme has three Sub-Programmes: Higher Education Infrastructure, Higher Education Development and the Strategic Innovation Fund.

### **Strategic Context**

While the primary purpose of education is to enable people to reach their full potential as individuals and as active citizens, the critical role that higher education plays in fostering economic prosperity and a dynamic cohesive society is widely acknowledged. The higher education sector (which includes not only the third level sector, but also the increasingly important fourth level sector) has assisted Ireland to position itself to meet the challenges of a rapidly changing global economic environment. The sector continues to produce graduates and post-graduates of a very high standard to meet identified skills needs in the market place as well as assisting the upskilling of professionals. Ireland's capacity to attract mobile international inward investment against an increasingly competitive background can be attributed in large measure to the success and strength of the higher education system. The sector's continuing work in fostering innovation and promoting research is enabling Ireland to optimise the development of a knowledge-based society.

At third level there has been a sustained expansion in the number of places. Over 30,000 places have been created in the last nine years bringing the overall number of full time third level students in the 2005/06 academic year to almost 136,000. This increase has assisted the widening of access to groups in society traditionally under-represented at this level. Third level participation rates have increased substantially in recent years, rising from 44% in 1997 to 55% in 2004 and they are expected to further increase throughout the lifetime of the Plan.

The OECD *Review of Irish Higher Education* makes a series of far-reaching recommendations for reform and development of the sector. This Report is the catalyst for the major reform and modernisation agenda being undertaken in the Universities and Third Level Institutions as set out in this Chapter. The Government

approved the broad reform agenda outlined by the OECD. This in turn has been used as a basis for extensive consultation and policy formulation that will drive the reform agenda throughout the sector.

In implementing the strategic investment in higher education over the next seven years, the following development needs must be addressed:

- Increased participation and improved access;
- Encourage a greater flexibility of course offerings to meet diverse student population needs in a lifelong learning context;
- Promote the quality of teaching and learning;
- Significantly increase PhD numbers and research activity;
- Effective technology transfer; and
- Safeguard and re-enforce the many roles of higher education in providing independent intellectual insights and in contributing to our broader social, human and cultural understanding.

### ***Higher Education Infrastructure Sub-Programme***

The Higher Education Infrastructure Sub-Programme will see investment of some €1,975 million over the next seven years. This level of investment reflects the immense significance that the Government attaches to higher education at all levels and indicates the critical role that higher education will continue to play in sustaining economic growth and promoting social cohesion. The investment will assist Higher Education institutions plan for continuing growth in participation rates. It is estimated that 62% of net new jobs which employers are expected to create in 2010 are likely to require third level education, compared with less than 30% of existing jobs in 2001. The investment will assist Ireland develop from being a technology-importing, low cost economy to an innovation-based, technology-generating society with research and innovative indigenous enterprises becoming the new drivers of economic development and of the country's international competitiveness.

In terms of specific details, the investment will ensure that identified key priority projects that are necessary to support the skills needs and innovation requirements of the economy will be delivered. In this regard, projects in areas such as engineering, architecture, digital media, information technology, teacher training, catering and tourism will be delivered. Institutions delivering large scale capital projects will be required to develop and implement the design and delivery of these projects in a manner that delivers on the change agenda in Third Level institutions and which supports the development of Fourth Level education. Ongoing commitments in respect of research infrastructure made under NDP 2000-2006 will also be funded under this Sub-Programme. Overall the investment will allow Institutions addressing both third and fourth levels in Ireland to continue to compete internationally and to maintain the quality of Irish graduates at its current high level.

The investment will also be targeted on meeting new and emerging priorities in the context of overall national strategy, including the Strategy for Science, Technology and Innovation and the National Skills Strategy. Projects will be delivered either by conventional procurement involving direct exchequer funding or will be procured under the Public Private Partnership (PPP) initiative. The projects selected will be consistent with the Regional Development Strategy set out in Chapter 3. In this context, over the period of the NDP, a major project which will see the development of a large site in Grangegorman, Dublin as a location for education, health and other facilities will be progressed. The site will house the new Dublin Institute of Technology Community Campus.

## Higher Education Development Sub-Programme

Over the period of the Plan, expenditure will amount to some €10.5 billion. It should be noted that some €1.5 billion of this complements the Science, Technology and Innovation Programme under the Enterprise, Science and Technology Priority.

The 2005 European Commission paper entitled “Mobilising the Brainpower of Europe: enabling Universities to make their full contribution to the Lisbon Strategy” concluded that:

- Europe’s economic structure will change fundamentally over the next 20 years as its manufacturing base continues to shrink;
- Future growth and social welfare will rely increasingly on knowledge-intensive industries and services, and ever more jobs will require a higher education qualification; and
- European Universities, which have to be the motors of this new, knowledge-based paradigm, are not in a position to deliver their full potential contribution to the re-launched Lisbon Strategy.

The document went on to state that:

“Europe must strengthen the three poles of its knowledge triangle: education, research and innovation. Universities are essential in all three. Investing more and better in the modernisation and quality of universities is a direct investment in the future of Europe and Europeans”<sup>2</sup>

In its *Review of Higher Education in Ireland* published in September 2004, the OECD said that “Ireland was one of the first European countries to grasp the economic importance of education and economists suggest that this upskilling of the labour force accounts for almost 1% per annum of additional output over the last decade or so”.

The future capacity and quality of Ireland’s higher education system is vital to our social, cultural and economic well-being. The Higher Education system requires clear national strategic goals set in the international context and against EU objectives. The reform and modernisation agenda at third level needs to be driven to provide for the creation of an expanded fourth level to transform the research landscape further and allow Ireland to be among the leaders of a global knowledge economy.

At third level, there are five broad strategic goals each incorporating a number of objectives. There is a high level of interdependency among these goals and each needs to be progressed to achieve a unified strategy for the system overall. Appropriate targeted capital expenditure as provided under the Higher Education Infrastructure Sub-Programme above will also be critical to the development of the sector. The five strategic goals to be advanced through actions funded with the Sub-Programme allocation are as follows:

- (a) To widen participation and increase student and graduate numbers at third level
- (b) To reform and modernise programme delivery;
- (c) To achieve world-class quality in higher education;
- (d) To advance institutional and structural reform at third level; and
- (e) To reform the public funding framework to ensure that institutional strategies pursued by Higher Education institutions are aligned with national priorities.

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<sup>2</sup> Mobilising the Brainpower of Europe: enabling universities to make their full contribution to the Lisbon Strategy Communication from the Commission April 2005. Universities are taken to mean all institutes of higher education in the document.

## To widen participation and increase student and graduate numbers at third level.

An increase in student numbers and participation rates is crucial in terms of improvement of individual quality of life and for social inclusion purposes. An increase is also necessary to feed an expanded fourth level demand for post-graduates and to satisfy the demands of the 21<sup>st</sup> Century workplace and this has been identified in a number of recent studies<sup>3</sup>. Although a general expansion in numbers is required, there will also need to be targeted strategic expansion in student numbers and places to ensure a steady skills supply to areas identified in the national interest by the Expert Skills Group and specific reports.<sup>4</sup> It will also be critical to future development to target recruitment into science and technology courses at all levels. The following measures will be implemented to ensure the expansion necessary to offset this predicted deficit:

- Lifelong learning and upskilling will be facilitated;
- Access for disadvantaged and under-represented groups will be widened;
- Student retention rates will be improved;
- Recruitment into science and technology courses at all levels will be actively targeted;
- Recruitment of international students into Irish higher education institutions will be promoted;
- An adequate skills supply will be ensured with reference to the findings of the Expert Group on Future Skills Needs and other working groups reporting on national skills requirements such as the undergraduate medical education and training working group;
- Strong links between business and industry and higher education will continually be developed and strengthened to ensure the provision of necessary skills for the 21<sup>st</sup> century workplace.

## Medical Education and Training

There will be substantial investment over the period of the Plan in the area of medical education and training. The health service is dependent on both the quality and quantity of doctors trained in Ireland. It is important that enough doctors are suitably trained to meet the requirements of the Irish health reform programme and that optimum Value for Money is achieved. At postgraduate level, the Department of Health and Children holds responsibility for medical education and training, while at undergraduate level, responsibility lies with the Department of Education and Science. Two Working Groups, one for each area, were established in 2003 and reported to Government in early 2006<sup>4,5</sup>. The broad thrust of their recommendations was accepted and as a result, significant investment has been committed to the reform of medical education and training in Ireland during the period of the Plan.

On the undergraduate side, the measures to be implemented include an increase in the numbers of EU medical students, changes to the entry criteria for medical courses, the introduction of graduate entry to medicine and curricular reform. On the post-graduate side, the measures include the introduction of robust governance structures, graduate retention measures, addressing skills deficits in the area of training and measures to safeguard training during the implementation of the European Working Time Directive. An Inter-Departmental Policy Steering Group is responsible for the ongoing development of strategy and policy on undergraduate and postgraduate medical education in accordance with Government policy.

## To reform and modernise programme delivery

Critical to educational provision for a wider diversity of students is reform and innovation of programme delivery assisted by the following measures:

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<sup>3</sup> "Ahead of the Curve", Report of the Enterprise Strategy Group ESRI Mid Term Review.

<sup>4</sup> "Medical Education in Ireland, a New Direction", Report of the Working Group on Undergraduate Medical Education and Training (Fottrell Report)

<sup>5</sup> "Preparing Ireland's Doctors to meet the Health Needs of the 21<sup>st</sup> Century", Report of the Post Graduate Medical Education and Training Group (Buttimer Report).

- Support and development of models of part-time programme delivery and modularisation;
- Development of innovative models of course delivery including use of ICT, e-learning and distance learning;
- Promotion of access, transfer and progression and incentivising of stronger inter-institutional collaboration in the development and delivery of programmes; and
- Providing student access to innovative courses that will specifically prepare them for a working life in the knowledge economy.

### To achieve world class quality in higher education

As referred to previously, the achievement of world class quality in higher education has been identified as one of the primary challenges for European higher education<sup>6</sup>. A recent review of quality assurance in Irish Universities has pointed the way forward to develop further the quality assurance process here<sup>7</sup>. Closely allied to this is the need to co-ordinate policies through the Bologna Process at a European level to establish the European Higher Education Area by 2010.<sup>8</sup> Supports need also to be put in place in terms of teaching and learning to enable the reform of programme and course delivery. The following actions will be undertaken:

- The achievement of standards of excellence in teaching and learning;
- The introduction of teaching and learning reforms including enhanced teaching methods, programme restructuring, modularisation and e-learning;
- Providing for improved performance management systems;
- Provision of staff training and support requirements associated with the reform of structures;
- Linking of quality assurance outputs to strategic management of higher education institutions;
- Support of quality improvement initiatives aimed at excellence; and
- Development of European and national frameworks for qualifications.

### To advance institutional and structural reform at third level

The OECD *Review of Higher Education* in Ireland referred to earlier made a compelling case for the rationalisation and reform of the higher education system.<sup>9</sup> The report recommends the retention of continuing distinct roles for the University and Institutes of Technology sectors with a clear differentiation of mission. Current Government policy endorses this view and the strategy is to allow each of our existing Universities and Institutes of Technology to be supported in developing and enhancing their roles according to their existing strengths as part of a unified higher education system that aspires to world class standards. Key structural reform is required in the arrangements for strategic objective setting, oversight and funding allocation for the sector. Reform of institutional governance, internal structures and systems, decision-making processes and human resource policies, together with significant overall investment, is called for to achieve the national objective for Ireland's higher education system to be at the front-rank of performance within the OECD. Achievement of the objectives set out below will facilitate this process:

- To complete the process of creating a unified system by bringing the Institutes of Technology under the remit of the Higher Education Authority;
- To develop any necessary legislation for structural reform of the sector;

<sup>6</sup> Mobilising the Brainpower of Europe: enabling universities to make their full contribution to the Lisbon Strategy.

<sup>7</sup> "Review of Quality Assurance in Irish Universities" Report of the European University Association April 2005

<sup>8</sup> "The European Higher Education Area — Achieving the Goals", Bergen Communiqué, May 2005.

<sup>9</sup> Review of Higher Education in Ireland, Examiners Report, September 2004.

- To incentivise and reward internal restructuring and rationalisation efforts at an institutional level;
- To promote good governance and accountability in the higher education institutions; and
- To encourage collaboration between Institutions to ensure that the strengths of each Institution are fully exploited.

### **To reform the public funding framework to ensure that institutional strategies pursued by Higher Education Institutions are aligned with national priorities**

Underpinning all of the above strategic goals will be the reform of the current funding allocation model. The Higher Education Authority (HEA) is currently phasing in a new funding system for the higher education sector. The new funding system will place a very strong emphasis on strategic planning in the institutional context.

This will be complemented by a Strategic Innovation Fund (see below), which will support and incentivise internal restructuring and rationalisation efforts at an institutional level, lending state support to the Higher Education institutions that have demonstrably embarked on a process of major reform. Future objectives to achieve this goal will be

- To complete the introduction of the new funding system with HEA; and
- To encourage institutions to access diversified funding sources including private investment.

### ***Strategic Innovation Fund Sub-Programme***

The Strategic Innovation Fund (SIF) will amount to €510 million between 2007 and 2013 and is designed to promote innovation and restructuring in the third level sector.

### **SIF Objectives**

The objectives and priorities of the Fund reflect and support the reform and modernisation agenda that is being pursued at both a national and a European level. There is a growing recognition that the strength of the Irish Higher Education System, which consists of a relatively large number of institutions with diverse missions, will only be fully realised through inter-institutional collaboration. The Irish Higher Education System aims to build world class quality and capacity and it is intended that this Fund will allow institutions to draw on their considerable respective strengths and form strong partnerships across sectoral and other barriers.

The key objectives of the SIF are:

- To enhance the delivery of core activities of education and research, through effective and creative institutional and inter-institutional collaboration and including, where necessary, appropriate internal restructuring and rationalisation efforts;
- To support enabling measures to prepare for the expansion and development of post-graduate education (including expansion and development of graduate schools), including both intra- and inter-institutional collaboration;
- To support innovation and quality improvement in teaching and learning, including enhanced teaching methods, programme restructuring, modularisation and e-learning; and
- To support access, retention and progression both at individual institutional level and through inter-institutional, sectoral and inter-sectoral collaboration.

As a competitive Fund linked to performance outcomes, institutions must compete with each other through ambitious yet attainable plans for the future to secure additional funding. Annual reviews of the fund will

provide accountability on the spending and the outcomes achieved. Furthermore, the fund should be seen in tandem with the reform of the public funding framework for the Higher Education institutions to ensure that their institutional strategies are aligned with national priorities.

The impact of the Strategic Innovation Fund will be critically reviewed in 2010 to inform the assessment of policy in this area thereafter and the €225 million funding for the years 2011-2013 is therefore provisional and dependent on the satisfactory outcome of that review. The review will feed into the overall mid-term review of the NDP in the same year.



# Social Infrastructure Priority

### Introduction

Investment under the Social Infrastructure Priority of NDP 2007-2013 is indicatively estimated at just over €33.6 billion. This investment will be spread across the following Programme areas:

#### Social Infrastructure Priority

Programme	All figures in € million current prices					
	Exchequer	PPP	Local Auth.	State Bodies	Other	Total
Housing	15,455	255	858	4,507	140	21,214
Health Infrastructure	4,555	415	0	0	0	4,970
Justice	1,551	795	0	0	0	2,346
Sports, Culture, Heritage & Community Infrastructure	3,312	288	31	0	0	3,631
Unallocated Capital Reserve	636	814	0	0	0	1,450
<b>Social Infrastructure Total</b>	<b>25,509</b>	<b>2,567</b>	<b>889</b>	<b>4,507</b>	<b>140</b>	<b>33,612</b>

The main outputs under this Priority will be to:

- Meet the housing needs of some 140,000 new households;
- Enhance our hospital infrastructure;
- Enhance primary community and continuing care facilities, particularly for older people;
- Modernise prison infrastructure;
- Overhaul Courts infrastructure;
- Enhance Garda infrastructure and supports; and
- Provide new facilities in the areas of sport, culture and community infrastructure as well as protecting our natural and built heritage, including waterways.

### Role of Social Infrastructure

Social Infrastructure has a key role to play in promoting social inclusion and improving the quality of life of our citizens especially those who are disadvantaged economically and socially. A major enhancement of social infrastructure took place under NDP 2000-2006 and this was especially evident in the output of social and affordable housing and in the improvements in health infrastructure.

The very substantial investment in social infrastructure in the NDP 2007-2013 underlines the ongoing commitment to promoting social inclusion. As well as investing in economic development and infrastructure, this Plan will ensure that the fruits of our economic success continue to be distributed as widely as possible.

As such, much of the investment under the Social Infrastructure Priority will complement the efforts made under the Social Inclusion Priority (see Chapter 11) to combat social exclusion.

## **Housing Programme**

Investment under the Housing Programme will total some €21.2<sup>1</sup> billion over the period of the Plan and will be delivered through two Sub-Programmes:—

- Social Housing Provision and Renewal (€17 billion); and
- Affordable Housing and Targeted Private Housing Supports (€4 billion).

### **Strategic Context and Objectives 2007-2013**

Good quality housing is fundamental to the social and economic development of the country and the economic well being of its people. As an important component of national infrastructure, housing is central to social development, competitiveness and ultimately economic growth.

Over the period of the NDP 2000-2006 investment in water, sewage and transport services has helped to underpin improvements in housing supply with an estimated 480,000 completions. As a result, Ireland is providing new homes at a much faster rate than other countries in Europe, with about 20 new homes produced annually per 1,000 population compared with 5 per 1,000 on average in the EU. There is also relatively strong activity by first time buyers in the market with an estimated 45% in this category in 2005. In addition, the average age of first time buyers in 2005 was 30: this compares with a corresponding average age in the United Kingdom of 34.

As Chapter 3 indicates, population growth will underpin significant housing demand in all regions into the future, with the population likely to increase to over 5 million by 2020. Therefore, maintaining the impetus for the delivery of housing at affordable prices to meet demand remains at the centre of housing policy. The social partnership agreement, *Towards 2016*, and the *Housing Policy Framework: Building Sustainable Communities*, jointly set out the broad approach being taken to housing policy under the NDP 2007-2013.

The bulk of housing output over the period of the NDP 2000-2006 was provided by the private sector and this will continue to be the case under this Plan. However the overall policy approach recognises that the market alone will not address the housing needs of all sections of the population. There has been a sustained targeting of less well-off households through social and affordable housing schemes and an expansion in the range of supported housing is being provided under the Plan. The Housing Programme will be structured around the two Sub-Programmes — Social Housing Provision and Renewal, and Affordable Housing and Targeted Private Housing Supports. The make-up of these Sub-Programmes reflects the variety of policy responses required in a complex housing market and local authority multi-annual housing action plans provide the basis for the coherent and integrated planning and delivery of the programmes. These actions are complemented by the provision of tax relief on mortgage interest. The value of this relief was significantly increased in Budget 2007 especially for first time buyers.

*Towards 2016* sets out the objective of addressing the accommodation needs of some 60,000 new households over the period 2007-2009. In this context, it is estimated that the accommodation needs of some 140,000 new households (excluding persons assisted under the Social Welfare Rent Supplement Allowance - 60,000 per annum at present) will be assisted through the various social and affordable housing measures over the period of the Plan. Further households will have the quality of their homes improved through housing renewal or adaptation schemes, leading to better quality of environment and quality of life.

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<sup>1</sup> Includes a provision for Supplementary Welfare Allowance (Rent Allowance).

A critical factor in determining housing interventions is the requirement for a clear perspective as to the scale and nature of need, including local variations. The life cycle approach, adopted in *Towards 2016*, has a particular significance in the area of housing and in framing responses, account will be taken of individual and family circumstances and each person's position in the life cycle. The approach will also seek to encourage choice, personal autonomy and a sense of community involvement for all those across the life cycle. To advance these goals, a new means of assessing housing need is being developed to provide a better basis for policy development and service delivery to ensure that all people can live with maximum independence within their community.

### **Social Housing Provision and Renewal Sub-Programme**

A total of €17.1 billion (including a provision for rent supplement) will be invested under this Sub-Programme over the period of the Plan. This investment is being targeted at the provision of an expanded range of tailored social housing support and an accelerated programme of renewal and improvement of the existing stock. Some 200,000 households currently receive housing support provided by local authorities, voluntary and co-operative housing associations or in private rented accommodation. It is expected that over the period of the Plan, a greater range of options will be available to households within a growing level of provision and an improved quality of housing.

The aim of the Sub-Programme is to deliver greater quantity of social housing options and at the same time to improve the overall quality of this tenure. This will involve a commitment to delivering high quality development in mixed community settings with proper attention to the planning and design of new housing to ensure that developments do not contribute to or reinforce social segregation.

### **New Social Housing**

To achieve these objectives, some 27,000 new homes for people in need of social housing will be commenced or acquired over the period 2007-2009. These homes will come through a combination of local authority, voluntary and co-operative housing and Rental Accommodation Scheme (RAS) contractual arrangements. Over the period of the Plan there will be a gradual movement from rent supplement provided under the Social Welfare Rent Supplement Allowance to RAS. This will benefit additional households whose long-term accommodation needs will be met through contractual arrangements with landlords for existing properties transferring from rent supplement.

Progress will be reviewed following the first three years of activity under the Plan and will feed into the overall 2010 mid-term review. This will inform the proposed delivery under the next series of multi-annual local authority housing action plans, taking account of housing needs, market developments and capacity. Overall, it is estimated that the Sub-Programme allocation will fund the provision of over 60,000 new units (comprising local authority, voluntary and RAS) over the Plan period 2007-2013.

Targeted programmes are also in place to address the particular accommodation needs of the homeless and Travellers. The Plan will build on the significant progress made over the period of the previous NDP in meeting the needs of these groups together with the special housing needs of people with a disability and older people.

In addition to the capital programme, this Sub-Programme includes substantial provision of Exchequer monies to support the provision of accommodation in the private rented sector for those with a housing need. There are two vehicles for funding this: the Social Welfare Rent Supplement Allowance (RS) operated by the Health Service Executive and the Rental Accommodation Scheme (RAS) run by housing authorities. In the region of 60,000 households currently receive support through these two programmes. As already indicated, over the period of the NDP, there will be a gradual movement of households with long-term housing need from RS to RAS.

## **Community Sustainment and Housing Renewal**

Chapter 3 highlighted the role that investment in the regeneration of social housing estates may play in enhancing the attractiveness of the National Spatial Strategy Gateways as places of investment often as part of wider urban renewal objectives.

Investment under this Sub-Programme will be used to intensify efforts to rejuvenate and, where necessary, regenerate existing social housing communities. It will allow for the completion of the current phase of the regeneration of Ballymun under the Master Plan for that area. Further renewal schemes will be rolled out nationwide, part-funded by the resources made available through the sale of dwellings.

## **Affordable Housing and Targeted Private Housing Supports Sub-Programme**

A total of €4.2 billion will be invested under this Sub-Programme from Exchequer and other sources over the period of the Plan. The objective is to provide support for people seeking accommodation in the owner-occupied sector through the provision of affordable housing. It will also assist in the upgrading of the physical condition of certain categories of private housing with particular emphasis on those who are most in need including the disabled and the elderly.

### **Affordable Housing**

Home-ownership remains the preferred option of the majority of people and, in this context, the commitment to the provision of assistance to low-income households to acquire affordable accommodation within the private sector will continue. Output under affordable housing has expanded in recent years and the Government is committed to delivering some 17,000 new units over the period 2007-2009. Progress will be assessed in the 2010 mid-term review of the Plan and any new targets will be set in the light of market development and needs. The financial framework reflected in the Plan will allow for broadly similar levels of output beyond 2009, resulting in some 40,000 households benefiting from affordable housing over the period of the Plan.

The Affordable Homes Partnership, established in 2005, has made good progress in accelerating affordable housing in the Greater Dublin Area. It will build on this growing experience to assist, in the early part of the Plan, in the roll-out nationally of certain initiatives, e.g. affordable housing communications campaigns.

Exchequer funding is focussed on the provision of subsidies to make homes affordable, while other expenditure relates to funding of mortgages by means of loans raised through the Housing Finance Agency (HFA). In many cases, local authorities will act as enablers of affordable housing provision and will be in a position to offer homes on their own lands, State lands or under arrangements with private developers at discounted prices without the need for financial subvention. In these instances the beneficiaries can access mortgage finance for their homes through a number of financial institutions.

In addition to Exchequer expenditure, a number of PPP type projects will be progressed over the period of the Plan under the Sustaining Progress Affordable Housing Initiative. This Initiative involves the making available of surplus State lands and property to private developers, thereby enabling the latter to provide private housing at more affordable prices.

### **Targeted Private Housing Support**

Support will also be provided under this Sub-Programme to people with special housing needs and acute affordability problems, including people with a disability and older people.

## Non-Exchequer Funding

Of the total funding under the Housing Programme of some €21.2 billion, the local authorities will fund some €858 million from their own resources and the HFA will fund some €4.5 billion.

## HFA Funding

While many of the 40,000 households likely to benefit from affordable housing may avail of mortgages from financial institutions, substantial resources are being made available through the HFA over the period of the Plan. This will fund loan finance for low income households and ensure that access to finance is not an obstacle to home ownership for this group. The HFA also assists local authorities in the delivery of programmes through the provision of loan finance for land acquisition and bridging finance to cover the costs of developing affordable housing. Some 50% of output delivered through various collaborations with the voluntary and co-operative sectors under the Plan will also be facilitated by HFA loans.

## PPPs and Housing

There is a range of interaction with the private sector in the provision of social and affordable housing. Successful public/private partnerships, funded by private finance, have been promoted by local authorities, particularly in the area of major regeneration projects such as Fatima Mansions and O'Devaney Gardens. This model will be used to develop other projects throughout the programme period.

More recently, PPP arrangements have been undertaken as part of the Rental Accommodation Scheme. These partnering roles will be expanded under the Plan and will include investing the equivalent of some €255 million of capital funding over the period. New procurement options will also be advanced whereby social housing is provided by private companies which will be responsible for the design, construction and maintenance of units, often in co-operation with the voluntary and co-operative sector.

## Health Infrastructure Programme

The Health Infrastructure Programme will invest some €5 billion over the period of the Plan and will comprise three Sub-Programmes:

- Acute Hospital Care (€2.4 billion);
- Primary, Community and Continuing Care (€2.1 billion); and
- Health Information and Communications Technology (€490 million).

## Strategic Context

Capital investment of the order of €3.3 billion under the National Development Plan 2000-2006 has brought about a significant improvement in the standard of facilities across all care programmes. However, despite this unprecedented level of investment, a significant proportion of Irish health building stock must be upgraded for contemporary clinical and healthcare use. There is also a need to build on the major progress made under the previous Plan 2000-2006 in capital investment in primary and community care.

Health Infrastructure planning must take account of trends in medical innovation, healthcare practice and demography. Trends in healthcare performance have led to more people surviving serious illness and, therefore, living longer with chronic conditions and disability. At the same time, in line with international trends, there has been a consistent effort in recent years to refocus the delivery of services towards primary healthcare and community based care. Services traditionally provided in institutions will continue to be relocated to more appropriate community based settings. New technologies, improving skill levels and increased investment will underpin this development.

Overall, the more significant trends and factors affecting the type and quantity of health capital infrastructure are:

- The total population of Ireland will grow over the lifetime of the Plan while trends may vary somewhat by region;
- The impact of increasing life expectancy and population ageing will also be significant;
- Disability rates are likely to increase as a result of reducing mortality from serious illness;
- While progress has been made, the benefits of improving health status and increasing longevity have not been experienced equally by all sectors of the population. There are continuing disparities in access and outcomes by ethnicity and income;
- The necessary shift towards a greater team-based provision of services in all aspects of health care will be supported;
- Health infrastructure will be developed in line with best practice, the highest standards, maximum patient safety and the requirement for efficient and effective services;
- There are likely to be significant gains in the efficiency of some of our health service delivery e.g. length of stay;
- Advances in medical technology create the potential to facilitate moving care from hospitals and other institutions into more appropriate and effective community settings. Better diagnostic techniques, as well as newer medications and medical or surgical interventions, are likely to be associated with fewer complications thereby facilitating less dependence on in-hospital care; and
- In future, service providers will be more integrated through electronic linkages, common information systems and electronic records.

These factors will inform the prioritisation and delivery of Health capital investment over the period of the Plan. A key determinant will be that capital investment should be seen as a way of securing desired health service objectives and improved health outcomes. Capital investment in health infrastructure under the Plan will therefore be targeted at the provision of the best possible service, in terms of effectiveness, safety and quality, to service users. In this context, the Government is reforming the health delivery system, the key elements of which include:

- Developing and improving primary care services;
- Improving and enhancing home and community supports;
- Improving timely and appropriate access to key services;
- Delivering and sustaining reform and innovation, including driving value and process efficiency; and
- Reforming organisational arrangements.

Government policy aims to maximise the health and social well-being of the population. The primary focus is the promotion and protection of the health of the whole population, with particular emphasis on reducing health inequalities. It takes account of all the factors that can influence the health and well-being of the population, such as demographics, socio-economic factors, chronic disease and health technology. It also recognises that everyone has a responsibility to promote and protect their own health and the health of others.

Healthcare studies have shown that a well-designed and well maintained health estate improves patient recovery rates. Investment in health infrastructure under this NDP will aim to provide a healthcare environment, which, in terms of design and ambience, will benefit patients. A well designed healthcare environment can lead to faster recoveries, reduced suffering for patients and reduced risks of infection.

There is a strong correlation between the location of major health infrastructure and the Gateways identified in the National Spatial Strategy (NSS). Health infrastructure investment can play a significant role, in conjunction with other major public investment programmes, in the implementation of the Regional Development Strategy set out in Chapter 3 of the Plan. It will be an important reference point for Health infrastructure investment over the period of the Plan.

Arising from the above, Health capital investment over the period of this National Development Plan includes the following priorities.

### **Increasing the emphasis on primary care and health promotion**

In the past, the major share of the Health capital programme was spent on the acute hospital system. In order to deliver the type and range of primary and community care facilities required, a more balanced approach will be taken under the new NDP to the allocation of capital investment between the acute and primary, community and continuing care sectors. By increasing its emphasis on primary care, integrated accessible services can be provided to people in their own communities. This approach will ensure that preventative services and high quality care can also be provided, through community-based primary care teams, to people with stable chronic diseases, such as diabetes, heart disease and chronic obstructive airways disease, within their own communities.

#### ***Freeing up the hospital care system***

By shifting care, where appropriate, from hospitals to the community, hospitals will be better positioned to focus on meeting acute secondary, tertiary and quaternary patient care needs, driven by international best practice and delivered through the integration of clinical practice, education and research.

#### ***Ensuring integrated care***

Well integrated hospitals and primary, community and continuing care service will enable the health system to function as a single service delivery unit and make it easier for people to access the right service in the right place at the right time, through, for example, agreed care pathways, protocols for referral and joint planning for discharge.

#### ***Improving health outcomes***

By seeking to improve the health and well being of the whole population and, in particular, the health of population sub-groups, survival rates from heart disease, five year survival from cancer, and the social well-being of older people and disadvantaged groups will increase.

#### ***Improving quality and safety***

By strengthening quality and risk management governance structures and processes, the goal of improving the ability of all health and social care providers to offer a safe and seamless service to the highest international standards will be supported.

#### ***Promoting equity***

There is a strong social class gradient in health status. Those in the lowest socio-economic group have the highest death rates and the lowest survival rates for major preventative diseases such as cancer or cardiovascular conditions. To narrow this gap, actions will be developed to influence the major factors which determine the health and well-being of the population by targeting resources to those most in need.

#### ***Current Expenditure Implications***

The rollout of capital investment under the Health Infrastructure Programme will be managed in a planned way that ensures that any additional current expenditure requirements are accommodated within the overall Health Group Vote for current expenditure as agreed over the period of the Plan. As regards staffing



implications, it will also be necessary to comply fully with Government policy in relation to public sector numbers.

## **Acute Hospitals Sub-Programme**

A total of some €2.4 billion will be invested in acute hospital infrastructure over the Plan period under the following headings.

### **Accident and Emergency Services**

A&E Departments deal with over 1.2 million persons annually. Capital expenditure will focus on the development and expansion of minor injury units, chest pain clinics and respiratory clinics, the provision of Acute Medical Assessment Units, and the development of transit wards in A&E Departments. Additional long-term care and rehabilitation facilities will be developed to address problems in A&E units which are exacerbated by the number of delayed discharges. Funding will also be available to continue the modernisation of the ambulance service.

### **Acute Hospital Bed Capacity**

The ESRI evaluation of priorities for the NDP identified a need to undertake a comprehensive analysis of the need for additional acute hospital beds. A review of acute hospital bed capacity requirements over the period to 2020 is currently being undertaken by the Health Service Executive. This review will take into consideration projected population growth, age profile and birth rates. The outcome of the review will inform Plan investment at project level.

### **Infection Control**

The prevalence and spread of Health Care Associated Infections, including MRSA, presents a significant challenge to health care providers. Investment in new hospitals and the refurbishment of existing hospitals will take account of the need to guard against such infections.

### **Re-Configuration of Acute Hospital Services**

Patient safety must be paramount and must be the key driver in the re-configuration of the acute hospital services and, indeed, services generally. Investment under this measure will focus on the reconfiguration of acute hospital services to achieve better standards of care and greater efficiencies. The objective will be to build up regional self-sufficiency in certain specialities and to improve the infrastructure supporting the delivery of supra-regional and national services.

### ***Co-location of private hospital facilities on public hospital sites***

In July 2005, the Minister for Health and Children issued a policy direction to the Health Service Executive (HSE), which is aimed at freeing up to 1,000 additional beds for public patients through the development of private hospitals on public hospital sites. The intention is to transfer private activity to those hospitals thereby freeing up capacity for public patients.

Apart from increasing bed capacity for public patients, this policy will:

- Encourage the participation of the private sector in generating extra capacity;
- Maximise the potential use of public hospital sites;
- Promote competition among public and private acute service providers; and
- Offer improved quality and choice to all patients.



The HSE is currently engaged in a procurement process with the private sector to build and operate private hospitals on a number of public hospital sites.

### ***New Children's Hospital***

Funding will be available under this measure to build a new independent national tertiary paediatric centre on a site to be made available by the Mater Hospital in Dublin.

### ***Maintenance of Facilities and Equipment***

Proper maintenance of the extensive health infrastructure is essential to a modern health system; this includes maintenance of facilities and equipment; equipment replacement and ambulance fleet renewal. Funding will be made available to ensure proper estate management in a planned and efficient way.

### ***Specific Specialty/Service Developments***

Funding will be available to improve service in specific areas, including kidney dialysis, organ transplantation, cystic fibrosis and diabetes.

### ***Cancer Control Strategy***

The Acute Hospitals Sub-Programme will include a major investment in the development of facilities to treat people affected by cancer.

A new National Cancer Control Strategy, launched in June 2006, will be funded under this Sub-Programme. The service delivery model will involve the establishment of four Managed Cancer Control Networks, each serving a population of about 1 million people. Networks will consist of primary, hospital, palliative and supportive care. Cancer Centres will deliver and lead the delivery of care, including acute care, in each network which will also involve other acute hospitals. Infrastructural investment will include modern diagnostic equipment and facilities, adequate day and outpatient facilities for cancer patients, modern facilities for the administration and preparation of cytotoxic drugs and ICT platforms to support high resolution data transfers between hospitals.

### ***Radiation Oncology***

A National Network for Radiation Oncology Services was announced in 2005. The Network will consist of four large centres in Dublin (two), Cork and Galway with satellite centres in Waterford and Limerick. This will require a substantial increase in capacity and will involve significant capital investment. Most of this extra capacity will be procured as a Public Private Partnership by the National Development Finance Agency on behalf of the HSE.

### ***Advances in Health Technology***

Rapid developments are taking place in relation to diagnostic imaging which provides a better biological and molecular understanding of diseases. Positron Emission Tomography (PET) allows for more advanced imaging of tumours, organs and tissues. The technology supports better and more accurate diagnosis and hence more effective treatments. In addition, drug therapies can be more effectively targeted and monitored to determine effectiveness. Funding will be made available during the Plan period under this heading from the Acute Hospitals Sub-Programme. The Health Information and Quality Authority will have a statutory role in the evaluation of the clinical and cost effectiveness of health technology.

## ***Primary, Community and Continuing Care Sub-Programme***

This Sub-Programme will invest some €2.1 billion in the primary, community and continuing care infrastructure over the next seven years. Access to a quality multi-disciplinary primary care service is one of the issues raised in public consultations on poverty and social inclusion. The NDP will help to improve the physical facilities required to implement the national policy on team-based primary healthcare.

Disadvantaged groups have greater requirements for the varying elements of such a service and therefore potentially more to gain from it. These groups are also those most dependant on the public hospital system. A well developed primary care service will provide a more appropriate and effective alternative to hospital care for an increasing range of diseases and conditions with a proportionately greater gain and outcome for those who experience greatest disadvantage. Improved physical infrastructure for people who are disabled, for those who are mentally ill, and for children in need of care and protection will not only benefit individuals, but will also help alleviate the burden on carers, families and communities.

Capital investment in primary and community care under this Plan will support the following overall strategic approach:

- Developing modern primary care infrastructures at local level;
- Ensuring the delivery of local services in an integrated way;
- Achieving the fullest possible integration between hospital and community based services;
- Providing better or increased access to services; and
- Developing strong community based supports for vulnerable or targeted population groups.

### **Primary Care Services**

Modern, well-equipped accessible premises are needed to support the effective functioning of primary care teams and the wider primary care networks of professionals. The “Towards 2016” partnership agreement contains a commitment to the development of primary care services, drawing on the National Primary Care Strategy. This will entail ongoing investment to ensure integrated, accessible services for people within their own community with a target of 300 primary care teams by 2008, 400 by 2009 and 500 by 2011. A review of these targets will be undertaken in 2008.

Funding will be provided to support a range of approaches to the provision of an appropriate infrastructure. Capital developments will take place according to local circumstances and service needs. These will range from 100% State-funded facilities to joint projects with other interests involving a lesser degree of State contribution. In other instances, there may be no need for State capital investment, e.g. if the HSE became a tenant in a third-party-owned facility. There will also be scope for resources to be realised from the disposal by the HSE of existing unsuitable older premises.

In addition to capital investment in Primary Care Services, there will be substantial ongoing current expenditure at this level over the period of the Plan notably through the GMS and Drug Payment Schemes.

### **Services for Older Persons**

In the next 10 years, the numbers of over 65's will increase by about 165,000. The demographic pressures will increase further over the following 20 years so that, by 2036 about one fifth of the population will be over 65 compared to about 11% now. Accordingly, this trend will require ongoing investment in developing residential and community care for the elderly.

Much of the investment over the lifetime of the Plan will focus on community care services which will enable Older People to live independently in their own homes for as long as possible. Supports will include Home Care Packages, Home Helps, Day Care and Respite Services.

With regard to Residential Care, the HSE has completed a Needs Assessment which identifies three priority areas: increasing bed capacity, replacing existing bed stock and completing necessary refurbishment and upgrading. This work will be progressed in the context of the overall funding for Services for Older People and Palliative Care.

### ***Palliative Care***

A Baseline Study, launched in 2006, showed that the number of patients who needed palliative care in 2002 was 10,350. This will rise to 12,500 by 2016. The Study also highlighted that there are regional variations across the country in the provision of hospice/specialist palliative care. Support will be provided to develop specialist palliative care bed in-patient units, palliative care community support beds, day services and ancillary supports.

The HSE has worked with key stakeholders to prioritise capital projects for palliative care. These projects will be progressed in the context of overall funding for Services for Older People and Palliative Care.

### ***Services for People with Disabilities***

The special needs of people with disabilities will be supported under this Sub-Programme and will enhance the Multi-Annual Investment Programme 2006-2009 which provides for capital expenditure of €220 million in that period. Funding will be available for community-based residential and respite services; residential accommodation for those currently in inappropriate settings such as psychiatric hospitals, nursing homes and older campus style accommodation; day centres and resource facilities; aids and appliances, including assistive technology; specialist facilities for those who require a more intensive level of care; and ongoing maintenance of existing and expanded infrastructure.

### ***Mental Health***

A national policy framework for the modernisation of the mental health services “*A Vision for Change*” — *Report of the Expert Group on Mental Health Policy* has been accepted by Government as the basis for the future development of mental health policy. Following on from this report, a programme of capital and non-capital investment in mental health services will be implemented in a phased way under this Sub-Programme over the period of the Plan, in parallel with the reorganisation of mental health services.

Funding will be provided in respect of child and adolescent in-patient units, community mental health centres, mental health crisis houses, upgrading of crisis houses for homeless people, continuing care beds for people in later life and with challenging behaviour, day hospitals, day support centres, user-run day support centres, staffed hostel places and intensive care rehabilitation unit places. A plan to bring about the closure of all mental hospitals to fund this new mental health infrastructure will be drawn up and implemented.

Over the period of the Plan, a new mental health facility will be provided in North Co. Dublin to replace the Central Mental Hospital, Dundrum. It is intended that this project will be funded through the sale of the existing site in Dublin.

### ***Child Welfare and Protection***

Physical infrastructure for children in the care of the State and in respect of children in need of family based support, will primarily be located in local community settings. As part of the development of Family Support structures in collaboration with other agencies, local multi-purpose facilities located in areas of disadvantage will be developed during the period of the NDP.

Specialist provision will also be required. This will include Sexual Assault Treatment Units, strategically located across the country in large population areas. Support for troubled and troublesome children will be more community-based and will require capital investment in designated areas to respond to the local needs. For some areas, residential care will still be part of the range of services and will require upgrading and refurbishments.

The HSE has reported that, as part of improving the integration of service delivery, it will require enhanced hardware and improved networks and specific ICT developments to provide comprehensive recording of service interaction with the client which will also facilitate information management and assist service planning.

The capital development projects are a continuation of the localising theme of the previous NDP and further development in this manner throughout the period of the new Plan is in keeping with overall strategy in developing a more community-based response to at risk children, with the aim of reducing reliance on residential care as an intervention measure.

### ***Health Information and Communications Technology Sub-Programme***

Capital funding of €490 million will be provided under this heading in the Health area under the Plan. The vital importance of the availability of comprehensive and relevant information in support of the delivery of appropriate and effective health care is widely recognised by health providers and consumers worldwide. Health is one of the most information dependent industries of all, with the delivery of good health care being critically dependent on the availability of good information. ICT is therefore a crucial enabling factor for achieving high performance.

ICT enabled health care is essential to ensuring that care is delivered in a safe and more efficient manner by providing complete, accurate, and timely information at the point of care, whether within the hospital setting, in the community, or in the home. In addition, comprehensive information is essential to those working in support of front line care delivery professionals to ensure that health services can be appropriately planned, monitored and evaluated. The National Health Information Strategy (NHIS), published in 2004, confirms the importance of ICT in making the health service more people-centred, improving the quality and safety of care, helping staff to make better use of their time and expertise and promoting greater efficiency.

While there have been significant advances in the deployment of ICT in healthcare over recent years, there is still very significant scope for its greatly enhanced use. The NHIS clearly sets out the value of comprehensive information systems across the health service and identifies a number of key objectives, including the development and deployment of electronic health records, communication of appropriate information to the point of care and the measures necessary for proper information governance. In essence, the strategy maps out the way forward to a significantly improved position where appropriate, timely and comprehensive information is available to all those working within the health service, so as to ensure that services can be effectively and efficiently delivered and planned. From the health consumer's point of view, the strategy is designed to deliver optimised care while greatly enhancing and protecting confidentiality.

Developments in the areas of Telemedicine and Telecare will utilise ICT to facilitate the greater delivery of healthcare services over considerable distances. These developments will employ advanced communication technology between doctors, other carers and hospitals and will be increasingly focused on enabling care delivery in the community and in the home, thus offering significant opportunities for improving the way in which healthcare is delivered.

The funding being made available under this Plan represents a significant and sustained recognition of the increasing importance of ICT support within healthcare, and will enable the NHIS to be further progressed during the period of the Plan. ICT and health-related information systems will be implemented in accordance with an overall ICT and information management strategy for the HSE.

## **Justice Programme**

The Justice Programme will involve a total investment under Plan 2007-2013 of €2.3 billion capital expenditure.

### **Strategic Context**

It is a key social responsibility of Government that it provides a safe living environment for its citizens. This involves a multi-faceted approach which requires the imposition of sanctions for crime and the putting in place of interventions to address the social factors which tend to lead to crime. Capital investment under this Programme will help implement this approach.

The promotion of social inclusion is also critically important to dealing with crime and promoting a safer environment. Accordingly investment under this Programme will complement the framework for promoting Social Inclusion and the various Sub-Programmes set out in Chapter 11. Other Plan investment in areas such as social housing and human capital are also important in this regard.

### **Garda**

The Government is committed to improving the standard of Garda stations and facilities throughout the State. Following on from the recent development work at Templemore Garda Training College and at a number of Garda stations, investment under the programme will be targeted on construction, extension and refurbishment of a number of further Garda stations, starting with a new Garda station at Ballymun as well as the provision of a new Forensic Science Laboratory.

The provision of appropriate support facilities is of crucial importance to the effective operation of a modern police force. The Plan will make available the funding required to address these needs, through the continued development of IT and communications infrastructure and equipment, as well as the accommodation requirements of the force.

### **Detention and Rehabilitation Facilities**

The Irish Prison Service is embarking on a major capital programme involving the replacement of the four prisons on the Mountjoy complex (Mountjoy, Training Unit, Dóchas Centre and St. Patrick's Institution) with a new modern prison complex at Thornton, North County Dublin. The existing Mountjoy Complex is wholly incapable of serving as a centre for rehabilitation and detention of prisoners in the 21st century.

As part of the Prison Service capital programme to modernise the prison estate, the provision of a new complex in Munster to replace existing facilities will be progressed. Together, these developments will enable the Prison Service to develop modern rehabilitative facilities for prisoners in accordance with its mission statement and objectives.

### **Juvenile Detention**

Over the period of the Plan investment under this heading will deliver the necessary redevelopment of existing detention facilities and the development of new facilities, if required, to meet the provisions of the Children Act 2001 in respect of offending children under 18 years sentenced to detention by the courts

While detention of children is to be a measure of last resort under the Children Act 2001, children who are detained need safe, secure and appropriate facilities. The existing detention facilities for children under 16 consist of five industrial and reform schools which are currently run by the Department of Education and Science. Under the new youth justice arrangements, four of these schools will transfer to the Irish Youth Justice Service. The Irish Youth Justice Service will also assume responsibility for the detention of young

people aged 16 and 17 years. A number of the existing facilities are in need of major redevelopment and this will be funded under this Sub-Programme.

## **Courts**

The Courts Service is committed to improving the standard of court buildings and facilities throughout the State and is planning, in addition to the Exchequer funding available under the Plan, to use PPP projects to develop its infrastructure. The new Criminal Courts Complex in Dublin is being developed as a PPP project. In addition there will be ongoing investment in Courthouses in various locations over the period of the Plan.

## **Sports, Culture, Heritage and Community Infrastructure Programme**

The Sports, Culture, Heritage and Community Infrastructure Programme will provide some €3.6 billion towards a comprehensive programme of investment in Ireland's sporting, cultural and community life. The funding will be provided under the following Sub-Programmes:

- Sports;
- Culture;
- Built Heritage;
- Natural Heritage;
- Waterways; and
- Community Infrastructure.

## **Strategic Context and Objectives 2007-2013**

There has been increasing emphasis on the need to put in place a range of appropriate public infrastructure in the areas of sports, culture and heritage. Such facilities can provide attractive recreational outlets for individuals and can also provide benefits for society at large. Investment under this Programme is important in improving the attractiveness of places to live in and can also be important tourism attractions. This type of investment can play an important role in improving the attractiveness of the NSS Gateway centres. Under NDP 2000-2006 there was a significant increase in investment in these areas and this will be consolidated and built on in Plan 2007-2013.

## ***Sports Sub-Programme***

Under this Sub-Programme, an investment of €991 million will be made in sports infrastructure over the period of the Plan. There is a growing realisation that the pace of living today involves negative aspects such as stress, obesity and other health concerns which can be alleviated by physical activity and exercise, most readily accessed through sporting activity. Participation in sport, whether at the level of competitive sport, recreational sport or active leisure activity can yield physical and psychological well-being as well as fostering social development both in terms of the individual and the community. Participation in sport also teaches discipline and team activity generates positive inter-personal skills.

To ensure that as many as possible can tap into the benefits of participation in sport, there is a need to encourage and maintain an interest in sport and to create an attractive, well-equipped, well-managed and

easily accessible sporting infrastructure. At a broader level, there is a need to provide supports and facilities that will allow Irish athletes to compete on an equal footing with their international competitors.

Sport also has a role in increasing economic activity — it can be an asset in attracting foreign tourists and business investment and it can in itself provide significant employment as a growing service activity. Sport can act as an alternative diversion for young people at risk of engaging in anti-social activity, drug abuse or other criminal activity.

Recognising the potential which can be delivered by sport, and aware of the need to foster such development with Exchequer support, the Government wish to reinforce their support for the availability of a range of sporting facilities at local, regional and national level to meet the needs of Irish people (whether as recreational or elite participants or as spectators). This will benefit a wide section of the population whether professionally involved in sport or participating for health, recreation, relaxation and enjoyment.

The objective of the investment under this Sub-Programme is therefore:

- To support the availability of a range of facilities which will be available for sporting, exercise and recreational purposes. This will ensure that those with the interest and ability have an opportunity to develop their talent and which will allow those who are appropriately gifted to excel and achieve elite sports status and to compete on an equal level with top international competitors;
- To contribute, as a preventative measure, to a healthier nation which is conscious of the benefits of a healthy and active lifestyle;
- To generate a positive impact by building stronger communities; and
- To support employment in the sports service sector and encourage sports tourism.

### **Proposed Measures — Sports**

Under the NDP 2007-2013 funding will be provided for the following developments under the Sports Sub-Programme:

- Development of a Campus of Sports Facilities at Abbotstown;
- Redevelopment of the Stadium at Lansdowne Road;
- Continuation of the Local Authority Swimming Pool Programme;
- Provision of sport and recreational facilities on a nationwide basis; and
- Continued development of Horse and Greyhound racing industries

#### **The development of a campus of sports facilities at Abbotstown**

The Government has undertaken to develop, on a 500 acre State-owned site in Abbotstown, a Campus of sports facilities which would meet the needs of Irish sports people (both at elite and recreational levels), on a par with the best standard of facilities available in similarly developed economies. Funding is provided for the development of Phase I of the Abbotstown site. Consideration to the further phased development of the site will be given later in the Plan period.

#### **The Redevelopment of the Stadium at Lansdowne Road**

The Government has agreed to provide funding of €191 million towards a joint IRFU/FAI project to redevelop the existing Stadium at Lansdowne Road, at a total cost of €365 million. The project will involve the demolition of the existing stadium and its replacement by a curvilinear stand, enclosing all four sides of the ground. It is intended that there will be seating for 50,000 spectators with attendant state of the art facilities,



including hospitality, for both players and spectators. When the stadium project is completed it will meet the international rugby and soccer fixture requirements of the Irish Rugby Football Union and the FAI.

### **The provision of sport and recreational facilities on a nation wide basis**

Under the Sports Capital Programme, significant funding will continue to be allocated to the provision of sporting and recreational facilities at local level by sports clubs and community groups; to supporting the development of a range of municipal multi-sports centres and meeting the needs of National Governing Bodies of Sport for sport specific national facilities. In the identification of the locations to be supported, full account will be taken of the Regional Development Strategy in Chapter 3.

### **Local Authority Swimming Pool Programme**

The current round of the Local Authority Swimming Pool Programme has been closed to new applications since 2000. The projects identified for support under the current programme should be in use by 2008. A new programme, which will be introduced in 2007, will apply refined selection criteria, prioritising need and disadvantage, developed as a result of a review of expenditure on the existing programme.

### **Investment in Horse and Greyhound Racing Facilities**

Support for the Horse and Greyhound racing industries will assist the development of a network of modern, well-managed facilities for both industries which will continue to be attractive to the general public. Horseracing, in particular, gives beneficial economic impacts both nationally and regionally. It is estimated that some 16,500 are employed in this industry. In addition, it has major potential to increase domestic and foreign tourist numbers already exemplified by successful racing festivals such as Galway and Punchestown.

### **Culture Sub-Programme**

The Culture Sub-Programme will invest €1,130 million in Ireland's cultural infrastructure and the Irish language over the period of Plan 2007-2013. The strategic rationale for investment in the Culture Sub-Programme lies in the need to protect and showcase our cultural heritage, both for the benefit of people today and of future generations; the need to support the Government policy on universal access to arts and cultural facilities; the desire to enrich the lives of the people of Ireland; and to assist the tourism industry in product development in this area.

A main objective of the Sub-Programme will be to ensure that the National Collections are housed in appropriate modern facilities and displayed in the most appropriate fashion. Enhanced facilities will be a valuable national resource, which will enable Ireland to celebrate its history, to foster its literary and cultural legacies, to enhance the lives of its citizens through access to art and music and to establish itself in the international cultural tourism market. Improved facilities will also enable the National Cultural Institutions to pursue positive educational and outreach programmes expanded to take account of the multi-cultural society which now exists in Ireland. Funding will be available under the Plan for a new National Concert Hall, a new National Theatre and for the provision to the National Cultural Collecting Institutions of additional facilities for conservation and safeguarding of their collections.

The Culture Sub-Programme will also take account of the regional development strategy in the NDP. This Sub-Programme will contribute to the development of cultural facilities in the NSS Gateways, including by way of exploiting the potential for sharing by the Dublin-based institutions of national resources with regional institutions. The Sub-Programme includes a new Access Programme which will aid arts and culture facilities throughout the country.

The Government policy on universal access to arts and cultural facilities will be supported by the exploitation of technological developments through the commencement of a digitisation programme. The digitisation of the collections of the National Collecting Institutions will be supported under this Programme. The proposed digitisation will give the potential for access country-wide and from abroad to the national collections. It is an essential element in broadening access to elements of the National Collections and will form the nucleus of public education in arts. The Culture Sub-Programme will also take account of the North/South dimension.

The development of pro-active exhibitions and outreach programmes and North/South co-operation and the enhancement of the facilities of the major cultural institutions to contribute to the celebration of the centenary of the 1916 Rising, is part of the strategic policy framework. The cultural facilities will be used for the celebrations.

In addition to the Irish Language measure, the Culture Sub-Programme will therefore include the following four measures:

- Cultural facilities and infrastructure;
- A new ACCESS Programme which will aid arts and culture facilities throughout the country;
- Exhibitions, Outreach and Co-operation; and
- Digitisation in the context of education, research, scholarship, preservation, and North/South co-operation.

## **The Irish Language**

The Government affirms its support for the development and preservation of the Irish language. A twenty-year strategy for the Irish language will be developed to increase the use and knowledge of the language nationally.

Against this background, direct support will be provided under this Sub-Programme to support the Irish language through the Department of Community, Rural and Gaeltacht Affairs.

Promoting interest in, and extending usage of, the Irish language as widely as possible is a key strand of Government policy. In order to realise this objective, assistance will be targeted across a broad range of measures, including support for the provision of high quality Irish language courses by third level institutions, both in Ireland and abroad.

## **Built Heritage Sub-Programme**

The Built Heritage Sub-Programme will invest €373 million in a range of measures to conserve and protect our architectural and archaeological heritage. Expenditure on heritage typically involves small to medium amounts of grant aid for a large number of projects. Thus expenditure on Heritage will have a considerable local impact across a broad geographical area. As such, it benefits a large number of local communities by supporting tourism, enhancing quality of life and assisting balanced development.

The specific measures funded under this Sub-Programme are as follows.

### **Archaeological Heritage**

Funding will be provided under this Sub-Programme for a range of measures to support archaeological heritage protection. In archaeological terms, this Sub-Programme has the overarching aim of developing a relevant research agenda and the broadest possible dissemination of knowledge in the most accessible manner. The Record of Monuments and Places (RMP) is the statutory record of archaeological sites. Over the period of the Plan funding will be provided to update the record, which will be published on a county

basis, to ensure statutory protection to newly discovered sites. Work will also continue, through Plan funding, on the Archaeological Survey of Ireland (ASI), which is a descriptive survey of the archaeological heritage of the State. The ASI's archive, the RMP and the Archaeological Inventory series are essential tools for the protection of the State's archaeological heritage.

### **Architectural Protection Expenditure**

In addition, the Sub-Programme will fund the ongoing National Inventory of Architectural Heritage (NIAH) the function of which is to record and evaluate structures of architectural interest.

This expenditure is for major capital projects, carried out mainly by the Office of Public Works, on heritage sites of national and international importance in State ownership. Ongoing capital investment will be carried out under Plan 2007-2013 on a range of important heritage properties, of which there are in excess of 700 in State ownership or guardianship, and many of which are of major national and international significance. Investment will focus, not only on the conservation and presentation of the properties, but also on the capacity to attract visitors. In addition, the Heritage Council will continue to co-fund under this Sub-Programme major renovation works on heritage properties in private ownership, where it is important to ensure their conservation and where the owners are not in a position to meet the cost in full.

### **Local Authority Architectural Protection Grants**

The Sub-Programme will fund the scheme of grants administered by Local Authorities for the conservation of protected buildings (i.e. those on the Record of Protected Structures in Local Development Plans). This is an ongoing commitment to support smaller-scale local effort to ensure conservation of the built heritage.

### **Architectural Heritage Conservation Grants — Civic Structures**

The Sub-Programme will also fund, from the overall allocation, grants for the conservation of the architectural heritage, which supports local authorities, Civic Trusts, and other "not for profit" bodies to upgrade buildings of significant architectural heritage merit and which are in public ownership or open to the public generally.

### **Irish Heritage Trust**

An independent Irish Heritage Trust has been established with Government support and has a mandate to acquire, for public access, major important heritage properties where the State does not wish to acquire them directly and where there is imminent risk to their heritage value through neglect, or where an appropriate use cannot be brought forward through sale to a private sector investor. As part of the Sub-Programme, it is estimated that capital funding of some €35 million will be provided for this purpose over this period.

### **Natural Heritage Sub-Programme**

Investment in nature conservation will help to preserve Ireland's unique natural heritage, providing significant, measurable and lasting benefits to the economic, social and overall sustainable development of the State. Continued investment in nature conservation is also needed to help meet Ireland's legal obligations arising from EU Directives and other international obligations. Under the NDP 2007-2013, a programme of capital expenditure amounting to €167 million on National Parks is envisaged under three main categories:

- (i) *Purchase of Designated Lands, including acquisitions for the National Parks and Nature Reserves*  
Acquisition of targeted Natura 2000 sites comprising Special Areas of Conservation (SACs) for habitats and species and Special Protection Areas (SPAs) for birds to allow follow-up implementation of enhanced management planning for the sites. A programme for the acquisition

of habitat-rich sites is also planned for the National Parks and Nature Reserves to build upon recent strategic purchases.

*(ii) Purchase and Restoration of Designated Raised Bog*

Ireland is unique within the EU in having particularly heavy obligations to protect our raised bogs. Now that the designation of such sites has been completed, this NDP will provide funding for the purchase of key designated sites of raised bogs and for their restoration and conservation management.

*(iii) Development of Visitor Facilities for the National Parks and Nature Reserves*

Enhanced visitor facilities are planned for National Parks and Nature Reserves, especially, but not exclusively, those, which are identified as being near the NSS Gateways. 5-year Management Plans are being put in place in each of Ireland's six National Parks and these will form the basis for the selection of important strategic projects.

## **Waterways Sub-Programme**

Some €75 million will be available over the period of the Plan to support the Waterways Sub-Programme.

Restoring the navigation system remains a strategic priority. The waterways run through some of the less developed areas of the country and their effect in acting as regeneration catalysts for rural tourism has been demonstrated for example by the impact of restoration of the Erne navigation; the latter project also has an important all-island dimension. The inland navigations open up access to rural Ireland to boaters and to walkers, providing leisure opportunities for an increasingly urbanised population as well as tourists from outside Ireland, and providing opportunities for entrepreneurs, and thereby driving regeneration in towns and villages around the navigation routes. This helps the development of rural areas especially, enhances the attractiveness of Ireland to foreign tourists, provides facilities for leisure and outdoor activity for Irish people and helps preserve an important part of our economic and historical heritage.

The Waterways Sub-Programme will fund the following general activities:

- Putting in place both onshore and water based facilities to serve the local communities and the visitors to the waterways and to attract additional people to the existing network; and
- Investigating the feasibility of providing additional destinations and extending the navigations to provide social and recreational opportunities, opportunities for local regeneration and rural tourism and to attract visitors to areas of relative disadvantage.

Restoration and development of the waterways is an area of practical co-operation between North and South through Waterways Ireland, a North/South implementation body. As referred to in Chapter 5, the Government will also examine the possibility of restoring the Ulster Canal to provide a major inland waterway for the border region.

## **Community Infrastructure Sub-Programme**

The Community Infrastructure Sub-Programme will invest some €895 million over the period of the Plan. The primary objective is to improve the fabric of the built environment in support of social and economic development, enhance the attractiveness of urban areas as places to live and work, promote environmentally sustainable development and support tourism development. It will also fund essential services such as Libraries, Fire Services and Flood Risk Management. This programme will be broken down into the following measures:

- Urban and Village renewal;
- Public Libraries;
- Fire Services; and
- Flood Risk Management.

## Urban and Village Renewal

The public realm — e.g. streetscapes, public buildings, squares, parks and green spaces, riverfronts, street furniture, cycling and pedestrian facilities — is a key element of the overall urban fabric, and an important contributor to visual amenity, safety and a sense of place.

Investment in urban renewal under the new NDP will have a strategic and highly visible impact, reinforcing the sense of place, identity and attractiveness of each location concerned. Accordingly, in allocating funding, priority will be accorded to projects encompassing and demonstrating good urban design, innovation, appropriate scale and cost effectiveness. Projects will, therefore, be required to compete for funding under the new investment programme. A range of criteria will be developed to ensure a minimum project standard is assured before funding is allocated.

A particular focus will be the Gateways and Hubs identified in the National Spatial Strategy, but support will also be available for county and other towns. Funding will also be available to support renewal and remediation works in small towns and villages, with an element of competitive assessment.

## Developing Public Libraries

Investment will be targeted at library infrastructure provision, ICT provision, improvements in the range and quality of stock and improvements in service provision.

## Enhancing Fire Services

Plan investment under the Fire Services Capital Programme will seek to assist and support local authorities in their role of ensuring that people, property and local infrastructure are protected from fire and other emergency situations. This will include funding for the construction/upgrading of fire stations, for the procurement of fire appliances and equipment and for the implementation of centralised communications infrastructure.

## Flood Risk Management

In broad terms, the focus of Plan investment under this heading is on (a) relief from flooding where such occurs (b) preventing the creation of new problem areas and (c) the maintenance of existing defences. This will be achieved through structural works involving the construction of Flood Relief Schemes in a number of locations throughout the country. This programme of structural works is being designed and implemented in many areas at flood risk throughout the country. The spending in this area in the coming years will benefit, in many cases, older, less developed areas of towns which have had less development for the very reason that they are at risk from flooding. All these schemes will be implemented in an environmentally friendly fashion as far as possible, taking account of the principles of the Government's National Biodiversity Plan, which requires that:

- Damage to biodiversity is kept to a minimum and where possible, mitigation measures are implemented;
- Significant damage to biodiversity is avoided; and
- Where possible biodiversity is enhanced.

In addition a range of non-structural measures will be funded. These include the Flood Hazard Mapping Programme which is already well under way. This programme will map areas which, based on historical data, are known to be at risk of flooding countrywide, and make this information available to the planning and development process in a timely manner. Early Flood Warning Systems are also being developed for those areas most at risk and where flood protection depends on the erection of defences when flooding is predicted.

OPW is also using its resources to highlight the dangers of flooding and remedial action which can be taken, and is promoting a Public Awareness Campaign, which endeavours to help people to take the appropriate action when flooding is forecasted. A website has been developed which will advise the public on flooding issues and the measures to be undertaken during and after a flooding situation. The site also highlights the dangers to the public in the aftermath of a flood, such as water contamination, gas leaks and structural undermining, and offers some guidance on how to deal with them. It gives contact details of different organisations which can help in the event of a flood.

Overall, the major programmes being undertaken to underpin the non-structural measures include:

- Flood Risk Assessment and Management Studies;
- Flood Forecasting and Warning Programme;
- Emergency Response Development Programme;
- Planning and Development Programme;
- High-Risk Channel designation; and
- Research Programmes.

# Social Inclusion Priority

Investment of some €49.6 billion, all funded by the Exchequer, will be made under the Social Inclusion Priority. The priority will consist of the following Programmes:

### Social Inclusion Priority

Programme	All figures in € million current prices					
	Exchequer	PPP	Local Auth.	State Bodies	Other	Total
Children Programme	12,290	0	0	0	0	12,290
Working Age — Education	4,201	0	0	0	0	4,201
Working Age — Social & Econ. Particip.	1,160	0	0	0	0	1,160
Working age — Justice	300	0	0	0	0	300
Older People	9,725	0	0	0	0	9,725
People with Disabilities	19,250	0	0	0	0	19,250
Local & Community Dev.	1,862	0	0	0	0	1,862
Horizontal Prog.	848	0	0	0	0	848
<b>Social Inclusion Total</b>	<b>49,636</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>49,636</b>

### High Level Goals for Social Inclusion

The Government is committed to a coherent strategy for social inclusion based on the life cycle approach set out in *Towards 2016*, with implementation supported by the NDP and the National Action Plan for Social Inclusion. While both Plans identify a wide range of targets and interventions, the Government has also identified a number of high level social inclusion goals to achieve the overall objective of reducing consistent poverty. Based on the lifecycle approach, these goals aim to:—

#### Children

- Ensure that targeted pre-school education is provided to children from urban primary school communities covered by the Delivering Equality of Opportunity in Schools (DEIS) action plan.
- Reduce the proportion of pupils with serious literacy difficulties in primary schools serving disadvantaged communities. The target is to halve the proportion from the current 27%-30% to less than 15% by 2016.
- Work to ensure that the proportion of the population aged 20-24 completing upper second level education or equivalent will exceed 90% by 2013.

#### People of Working Age

- Introduce an active case management approach that will support those on long term social welfare into education, training and employment. The target is to support 50,000 such people, including lone parents and the long term unemployed, with an overall aim of reducing by 20% the number of



those whose total income is derived from long term social welfare payments by 2016. This target will be reviewed in the light of experience.

### **Older People**

- Continue to increase investment in community care services for older people, including home care packages and enhanced day care services to support them to live independently in the community for as long as possible.

### **People with Disabilities**

- Increase the employment of people with disabilities who do not have a difficulty in retaining a job. The immediate objective is to have an additional 7,000 of that cohort in employment by 2010. The longer term target is to raise the employment rate of people with disabilities from 37% to 45% by 2016 as measured by the Quarterly National Household Survey. The overall participation rate in education, training and employment will be increased to 50% by 2016. These targets will be reviewed in the light of experience and the availability of better data.

## **Communities**

### **Housing**

- Deliver high quality housing for those who cannot afford to meet their own housing needs and to underpin the building of sustainable communities. An important element will be the enhanced housing output reflected in *Towards 2016*, which will result in the accommodation needs of some 60,000 new households being addressed over the period 2007 to 2009. This will embrace meeting special housing needs (the homeless, Travellers, older people and people with disabilities).

### **Health**

- Develop 500 primary care teams by 2011 which will improve access to services in the community with particular emphasis on meeting the needs of holders of medical cards.

### **Integration of Migrants**

- Develop a strategy aimed at achieving the integration of newcomers in our society. As an initial action, resources for the provision of 550 teachers for language supports in the education sector will be provided by 2009 and access to other public services through translation of information and supports will be improved.

## **Objectives of Social Inclusion Priority**

Building on and complementing these high level goals, the major objectives of the Social Inclusion Priority will be to:

- Address the shortages in supply of childcare places by the creation of an additional 50,000 places by 2010 with subsequent targets to be set after the 2010 Mid-Term Review of the Plan;
- Provide for the protection and care of children at risk;
- Provide support for recreational facilities for children;
- Help children with special needs in the education system to reach their full potential;
- Provide those from disadvantaged backgrounds with the education, skills and training necessary for employment and active participation in society;
- Assist people of working age to access further education and third level education as well as supporting those returning to work and education;
- Promote equity of access to Higher Education;

- Support the reintegration and rehabilitation of prisoners and offenders;
- Assist older persons to live independently in their own homes and communities for as long as possible and to support the provision of quality residential care for older persons who are no longer able to live at home;
- Provide quality services and opportunities for people with disabilities;
- Assist communities, particularly disadvantaged communities, to identify and address challenges and problems in their area; and
- Develop a more inclusive, intercultural society in Ireland based on a commitment to inclusion.

## The Challenge of Social Exclusion

The central theme of this Priority is combating poverty and social exclusion. Poverty and social exclusion are defined as:

*“People are living in poverty if their income and resources (material, cultural and social) are so inadequate as to preclude them from having a standard of living which is regarded as acceptable by Irish society generally. As a result of inadequate income and resources people may be excluded and marginalised from participating in activities which are considered the norm for other people in society”.*

The strong performance of the Irish economy over the last decade has been an important factor in combating poverty and social exclusion. Firstly, the enormous growth in employment has made a very significant reduction in unemployment, facilitated increased participation of women in the labour force, reversed the previous phenomenon of involuntary emigration and produced a real increase in standards of living. Accessing and retaining employment has proved to be one of the most important routes out of poverty. Success in this area has been complemented by the introduction of the minimum wage, the reform of the tax system and the greater flexibility of the social welfare system aimed at supporting people into employment.

Secondly, the success of the economy has produced the resources to significantly augment public investment in tackling social inclusion. This has been manifested not only in the large increases in income of those dependent on social welfare payments but in the public investment made under the previous NDP in housing, health services, childcare, education inclusion, training, community development and social inclusion generally.

The Government, in 2002, set a target to reduce the numbers of those who are consistently poor to 2% and, if possible, to eliminate consistent poverty as then defined. A major discontinuity between the Living in Ireland Survey 2001, previously used for monitoring progress, and the introduction of the EU Survey on Income and Living Conditions (EU SILC) in 2003 means that it is not possible to compare trends in consistent poverty in that period. However, the low levels of unemployment and the substantial resources devoted to Social Welfare and other social services strongly support the view that the downward trend continued since 1997. Since 2003, the new EU Survey on Income and Living Conditions is being used as the basis to monitor trends for the future. This indicates that the consistent poverty rate has reduced from 8.8% in 2003 to 7% in 2005. The National Action Plan for Social Inclusion will contain the Governments revised targets for addressing poverty and social exclusion.

However, despite unprecedented economic performance over the last decade and an overall increase in living standards for everyone, some groups and communities continue to experience poverty and social exclusion. These include: households headed by a person working in the home, particularly lone parents; retired persons; people with disabilities; and those who are unemployed, although the number in this latter

group has declined significantly. Certain minority groups, such as Travellers, face particular problems, while newcomers in Irish society present new challenges to achieving social cohesion.

Despite the fact that all groups in society have benefited from economic growth, the evidence shows that those in employment, particularly those in two-income households, have achieved most while households headed by a person outside the labour force have not gained to the same degree. These groups require particularly focussed efforts if they are to be removed from this situation. The problems faced by some persons in these groups are multi-dimensional in nature and require integrated multi-policy responses across a range of policy areas. The adoption of the lifecycle approach in this Plan will assist the development of such policies.

## The Strategic Framework for Tackling Social Exclusion

Ireland first adopted a strategic approach to combating poverty with the publication of the National Anti-Poverty Strategy (NAPS) in 1997. This process was further developed in 2001 when Ireland produced its first National Action Plan against Poverty and Social Exclusion as part of an EU-wide effort. These processes recognise the multi-faceted nature of poverty and the need for a coordinated multi-policy response. The Government emphasised this strategic approach to combating poverty when it made social inclusion a key horizontal element of the NDP 2000-2006. That Plan provided for substantial investment in social infrastructure (such as housing and childcare), capacity building in relation to employment and training, educational inclusion and community development.

The strategic framework for social inclusion will now be significantly enhanced. For the first time, the numerous processes, that have heretofore made up the overall strategy for promoting social inclusion, will be brought together in an integrated framework that will ensure that economic and social development go hand in hand. This will be achieved through streamlining the goals and implementation of several key processes:

- the new partnership agreement, *Towards 2016*;
- the recent National Report on Strategies for Social Protection and Social Inclusion (NSSPI), submitted to the EU in September 2006;
- the new National Action Plan for Social Inclusion (NAPinclusion) which will be published shortly; and
- this Social Inclusion Priority chapter and other important elements of the NDP (2007-2013).

This strategic framework will help to create more coherent and integrated structures and facilitate reporting and monitoring across the wide spectrum of government activity in the area of social inclusion.

The framework for tackling the challenges outlined above has largely been agreed in the context of *Towards 2016*. This agreement, negotiated and ratified by all social partners, sets out a shared overall goal to realise a new vision for Irish society of which the following elements are of particular relevance to social inclusion by:

- Nurturing the complementary relationship between social policy and economic prosperity;
- Re-inventing and repositioning Ireland's social policies; and
- Deepening capabilities, achieving higher social and economic participation rates and more successfully handling diversity including immigration.

From a social policy perspective, the most significant feature of the new agreement is the development of the lifecycle approach, which offers a comprehensive framework for driving forward a streamlined, cross-cutting and visible approach to tackling poverty and social exclusion, and improving health outcomes throughout the lifecycle. The key lifecycle stages are identified as: *Children; People of Working Age; Older*

*People and People with Disabilities*. The agreed 10 year strategic vision and key long-term goals for each stage of the lifecycle, together with agreed priority actions for the initial phase of the agreement, form the basis for the measures outlined below.

## **Delivery within the Framework for Tackling Social Exclusion**

The strategic framework referred to above will help to create more coherent and integrated structures and facilitate reporting and monitoring across the wide spectrum of government activity in the area of social inclusion. Delivery of the priority goals for social inclusion will be achieved by strengthening administration through greater coordination and integration of procedures across Government at national and local levels, as well as between these levels. It will include regular monitoring and evaluation of progress, and consultation with stakeholders on performance. It will require service delivery that is accessible, flexible and focused on the needs of the individual.

This focus on delivery requires an openness to change, including closing or adapting programmes when they are not delivering results, requiring Departments and organisations to work together effectively and overcome traditional barriers to co-operation; service delivery must be more accessible, flexible and focused on the needs of the individual. Given the critical importance to society of promoting social inclusion, it is important from the viewpoint of the target audience that the measures in place are working. This is obviously also important from a Value for Money standpoint. An important element of this will be the development of outcome indicators for the wide range of programmes set out in this Priority. Particular care will also be exercised to avoid duplication of effort and to keep administrative costs to the minimum so that resources can be maximised directly to the assistance of the socially excluded.

The Office for Social Inclusion (OSI) has been given responsibility for co-ordinating a single annual social inclusion report. This report, which aims to streamline existing reporting processes, will review progress at each stage of the lifecycle, following the framework of *Towards 2016*. It will encompass the National Action Plan for Social Inclusion, Ireland's social inclusion input to the NSSPI 2006-2008 and the social inclusion aspects of this NDP. In the case of the latter it will feed into the overall NDP reporting and monitoring arrangements.

Implementing social inclusion measures requires actions to be taken at local level. The RAPID (Revitalisation of Areas by Planning Investment and Development) programme provides a mechanism by which Exchequer funding programmes can prioritise investment in 46 of the most disadvantaged urban and provincial areas. Social inclusion issues are also incorporated in the work of local authorities through their Corporate Plans and through their various programme groups, including planning, housing and infrastructural provision. *Towards 2016* also contains a commitment to the establishment of social inclusion units in half of all county/city local authorities by the end of 2008.

The involvement of local interests, particularly local authorities and County/City Development Boards, will be key elements in ensuring the delivery of social inclusion across all sectors of society. Local authorities are expanding their role in the promotion of social capital, active citizenship and community development in line with the general competence of local government to promote the interests of the community. This will be done in partnership with sectoral, community and other relevant interests utilising the County/City Development Boards (CDBs) and Strategic Policy Committees as newer participative democratic structures, which complement the traditional representative role of local government.

Specific actions on achieving greater co-ordination and strengthened delivery will include:

- The Office for the Minister for Children will provide a leadership role in improving outcomes for children. Drawing on the experience of the Childhood Development Initiatives, the Children Services Committees and the County Children's Committees, integration of services will be improved around the needs of individual children and families through new and enhanced local structures;

- To ensure a better integration of activation, income and other supports to assist people into employment, a new high-level group will be established. This will be composed of the Departments of Enterprise, Trade and Employment and Social and Family Affairs, FÁS and other relevant agencies as required. This group will report to the relevant Cabinet Committee regarding progress in delivering the targets set out in this Plan and other related issues;
- The Local Government Social Inclusion Group (LGSISG) will be developed further to support the linkages between the national and local level and, in this context, the Group will report to the Cabinet Committee as appropriate;
- The County/City Development Board structure as the key coordinating mechanism for public service delivery (including social inclusion activities) at local level and the means of ensuring more joined-up delivery of social inclusion programmes on the ground, will be developed and strengthened to support its role in coordinating public service delivery at local level. In this context, the extension of Social Inclusion Units to half of the city and county councils by end 2008 will support this approach;
- A continuing focus at national and local level on co-ordinated delivery of services and supports to improve outcomes for the Traveller Community;
- The delivery of the RAPID programme, which aims to direct State assistance towards improving quality of life and access to opportunities for communities in the most disadvantaged urban areas throughout the State, will be strengthened and enhanced; and
- The development of new mechanisms, at national and local level, to improve coordination and delivery of housing, and care services for older people and people with disabilities.

## The NDP and Tackling Social Exclusion

### **Human Capital Priority**

Given the recognised importance of employment as the key factor in people exiting poverty, the measures outlined in the Human Capital Priority (Chapter 5) will have a fundamental impact on the lives and opportunities of those who are in low skilled jobs and those who are furthest from the labour market. These measures, together with the programmes outlined in this chapter, can make a real and decisive impact on families and their children who are living in poverty.

### **Social Infrastructure Priority**

The Social Infrastructure Priority (Chapter 6) will also play a key role in promoting social inclusion and improving the quality of life of people who are disadvantaged economically or socially. In particular, the provision of local authority and voluntary housing, an integrated response to homelessness, the provision and improvement of Traveller accommodation, improvements to the existing local authority rented stock, improvements in the housing conditions of the most vulnerable (including older people, people with a disability and others) and the provision of affordable housing form a comprehensive range of targeted anti-poverty policies and programmes.

This Priority also includes details of investment in health infrastructure. Good health is a prerequisite for participation in the social and economic life of society and the Government has recognised access to health services as an important aspect of social inclusion. There is a well observed relationship in Ireland and internationally between health status and income levels, especially for the most disadvantaged groups in society. Additionally, there are a range of vulnerable groups for whom the health and personal social services are an essential ingredient to improve their quality of life and prevent deterioration in their circumstances. These groups include children in need of care and protection; persons with disabilities, including those with mental illness; people, including young people, who are homeless; drug users; and older people. The potential improvement in health status arising from the NDP investment can contribute to greater participation by disadvantaged groups in education and in the labour force thus helping to break the cycle of disadvantage and poor health over the longer term.

Access to other services, including play and recreation facilities, sports, heritage and community infrastructure programmes are all important measures that will contribute to the general well being of communities.

### **Transfer Payments**

Social welfare payments are clearly central to the promotion of social inclusion. Funding for these payments is not included in the NDP as it is provided annually as part of the Estimates and Budget process. In 2007, it is estimated that some €15.3 billion will be expended on these payments.

### **The Social Inclusion Priority: Incorporating the Lifecycle Approach**

The lifecycle approach agreed under *Towards 2016* provides a framework within which the key social inclusion challenges can be addressed. It adopts the perspective of the individual as the centrepiece of social development and requires the development of policy in an integrated manner. Achieving such an approach is ambitious and poses major challenges in terms of resources, infrastructure and inter-agency delivery at both national and local level. The social partners have acknowledged that flexibility and learning will inform the overall effort. The social partners are also committed to striking the appropriate balance between prioritising specific vulnerable groups and delivering desirable social outcomes for all groups of the lifecycle.

Key programmes under the Social Inclusion Priority across the four key stages of the lifecycle are outlined in this chapter. Also detailed are a number of programmes and initiatives which will impact broadly across the lifecycle stages. These include supports for health, community development, gender equality and specific groups like immigrants and Travellers.

## **Children Programme**

Some €12.3 billion will be invested under the Children Programme over the period of the Plan. The Programme will comprise the following Sub-Programmes:

- National Childcare Investment Sub-Programme — €1,336 million;
- National Children's Strategy Sub-Programme — €60 million;
- Child Welfare and Protection Sub-Programme — €3,444 million;
- DEIS and Early Education Sub-Programme — €361 million;
- Special Needs Sub-Programme — €5,356 million;
- Traveller Education Sub-Programme — €511 million;
- Youthreach Sub-Programme — €574 million;
- Youth Justice Sub-Programme — €224 million; and
- Youth Sector Sub-Programme — €424 million.

### **Strategic Context**

The vision for children as outlined in *Towards 2016* encompasses: respect for young citizens; cherishing and supporting children by family and society at large; assisting children to enjoy a fulfilling childhood and realise their potential.

The importance of children in the context of public policy was recognised by the establishment of the Office of the Minister for Children (OMC) in 2005. This initiative brought together a range of policy matters related to children under a single umbrella. The focus of the OMC will be on harmonising policy issues and

maximising the use of resources allocated in areas such as early childhood care and education, youth justice, child welfare and protection, participation, research and cross-cutting initiatives.

Any investment framework with children as its centre and social inclusion as its overall objective must include education. The National Action Plan for Social Inclusion identifies education as central to addressing poverty. Equipping people, particularly those from disadvantaged backgrounds, with skills and training will help them access employment and thereby participate actively in the economy and society.

The DEIS and Early Education, Special Needs, Traveller Education, Youthreach and Language Support Sub-Programmes will encompass the endeavours of the educational sector to promote social inclusion, employing a variety of interventions to tackle diverse sectors of social disadvantage. The Sub-Programmes will focus on the needs of children from disadvantaged communities and provide support for schools operating in disadvantaged areas. They will embrace the concept of lifelong education and help those with educational deficits and needs to access the education and training they need. They will continue the investment of recent years in assisting children with special needs in schools and will support students with the costs of study in the higher education system on a means tested basis as heretofore. There will be a particular focus on the educational needs of the Traveller Community.

The Youthreach Sub-Programme will involve training, education, further education/early adult education for those who are alienated from the formal system, i.e. economically disadvantaged, socially vulnerable and frequently challenging youth. The Youth Sector Sub-Programme will continue to complement the formal education and training processes and systems. Finally, the Sub-Programme will also make provision for language support teachers to assist children from a non-English speaking background (mainly the children of immigrants from EU countries and the children of refugees from outside the EU).

### ***National Childcare Investment Sub-Programme***

Some €1.3 billion will be invested under the National Childcare Investment Sub-Programme over the period of the Plan. Childcare has become a central pillar in a diverse range of Government strategies aimed at tackling social and economic issues, including unemployment, gender equality, family support, educational disadvantage and social inclusion. The demand for childcare has increased strongly over recent years. Although there has been a very substantial increase in the number of places provided, childcare is still characterised by significant supply shortages in some areas. The investment made under the Plan will seek to address these deficits.

Future development of childcare supports will be informed by the following factors:

- *Child-Centred Approach*: In 2000, the National Children's Strategy set out, for the first time, a vision for children living in Ireland which recognises the valuable contribution they can make to their own communities and wider society.
- *Access to Services*: Childcare patterns in Ireland are both complex and diverse. It will be critical to address any gaps in services for children in the 3 to 4 years age group and children of school going age.
- *Affordability*: The development of childcare capacity through grant support for both private and community facilities will provide a wider range of options for parents and create a more competitive market environment by supporting an increase in the number of places.
- *Quality Childcare Services*: Quality Services are considered to be essential to the development of effective early childhood care and education in Ireland.

The National Childcare Investment Sub-Programme, which will run initially until 2010, aims to provide quality childcare supports and services grounded in an understanding of local needs. The Sub-Programme will



also be an important element in the overall social inclusion effort to remove barriers to employment, education or training and to tackle educational disadvantage. The Sub-Programme will involve:

- The creation of an additional 50,000 new childcare places by 2010, of which approximately 22,000 will be in the private sector and 28,000 in the community and voluntary sector;
- Projects funded under the Sub-Programme will significantly address gaps in service provision for two key groups:
  - Approximately 20% of these new places will be for the 3 to 4 years age group and will provide an early childhood care and education focus; and
  - An additional 10% of places will be for children of school going age outside of usual school times.
- Where appropriate, childcare services supported by the National Childcare Investment Sub-Programme will be co-ordinated with and support early learning services for pre-school children introduced under DEIS.
- Projects will focus primarily on the needs and development of the child. In this regard the staff training and qualifications, the adult to child ratios and the physical environment and programmes will all be important.
- In general projects will be expected to demonstrate that they will be sustainable over the medium to long term. Projects eligible for a current subvention will be required to adopt measures to achieve sustainability.
- Projects will be expected to be integrated or linked with complementary services or programmes in the locality and closely aligned with important Government policies and initiatives in the sphere of childcare.
- The Sub-Programme is also expected to contribute to the creation of up to 8,000 jobs for people working directly with children and a further 1,200 for people employed in ancillary roles.

Prior to the conclusion of the National Childcare Investment Sub-Programme at the end of 2010, progress in addressing childcare needs will be reviewed to ensure that measures are appropriate to emerging needs. This process will take place in tandem with the Mid-Term Review of the NDP and will inform any subsequent policy response. This direct investment in Childcare will be complemented by the Early Childcare Supplement introduced in Budget 2006 as part of a range of measures to support parents of children aged 6 years and under.

## ***National Children's Strategy Sub-Programme***

The National Children's Strategy Sub-Programme will invest some €60 million over the next seven years in advancing the goals of the Government's National Children's Strategy. Launched in 2000, the Strategy identified three key goals in advancing the interests and well-being of children: (i) participation; (ii) research; and (iii) improved services and supports (play and recreation).

### **Participation**

The development and improvement of structures to enable participation in decision-making by children and young people will continue. Support will be available for Dáil na nÓg, the 34 Comhairle na nÓg at county level and the Children/Young People's Forum, to allow children the opportunity and the right to make known their views and so contribute towards policies and actions that affect them. Funding will also be available to support the Dáil na nÓg Facilities Website.

## Research

The development of policies with regard to children needs to be evidence-based and take account of the most up-to-date information about children's requirements. Funding will, therefore, be available under this Sub-Programme for research activities. The biggest project will be the National Longitudinal Study of Children in Ireland, which will be concluded over the period of the Plan. This Study is now underway and the first data sweep for nine year old children will take place in early 2007. A number of other studies have been commissioned to date under the Children's Research Programme through to 2008. Children's research will also benefit from a research scholarship scheme and a research placement scheme operated through the Office of the Minister for Children.

## Improved Service and Supports — Play and Recreation

Recreation, sport and physical activity are recognised as important for the balanced and healthy development of children. *“Ready, Steady, Play: A National Play Policy”*, which was published in 2004, and the National Recreation Policy provide a framework for the development of public play and recreation facilities in Ireland, with the overall aim of ensuring that children have access to a range of quality play and recreation opportunities to enrich their childhood. Funding will be directed towards the development of play and recreation infrastructure to include:

- New and redeveloped local authority play and recreation facilities (including playgrounds and multi-use games areas);
- Sports and arts programmes targeting children and young people; and
- Improved opportunities for play, recreation and sports facilities within schools.

## Child Welfare and Protection Sub-Programme

The Office of the Minister for Children is currently in the process of developing a national policy for children's services. The purpose of such a policy is to set out a long term vision for services for children provided through the Office of the Minister for Children and the Department of Health and Children by the Health Service Executive (HSE). This national policy will have at its core the principles of family support while at the same time be based on existing policies and data. It is anticipated that this policy will be published during the second quarter of 2007.

The Child Welfare and Protection Sub-Programme will be a key element of this overall policy and will invest some €3.4 billion in the protection and care of children who are at risk. Child welfare and protection policy, which is delivered through the HSE, has refocused from providing general and specialist residential care for children, who have been separated from their parents, to providing localised family support to maintain the child in the family home and to remove the risk of abuse or neglect in that setting through appropriate and timely interventions and service delivery. These kinds of services will work most effectively if they can be integrated with the work of a range of statutory providers delivering services locally under a range of other Government programmes and initiatives. *Towards 2016* sets out the new structures to deliver on commitments for children referred to above. These structures and associated processes will be the key delivery engine for a range of outcomes for children across a range of services.

There is a need for a continued focus on specific areas of child protection: children in care, special care and high support; specific categories of youth homelessness; and unaccompanied minors.

Following the HSE establishment of a national managerial structure for High Support Units and Special Care Units, the HSE will examine residential facilities with a view to better aligning their function to a nationally operated system, thereby serving changing policy objectives following on from the establishment of the Office of the Minister for Children.

Over the period of the Plan, the following will take place under this Sub-Programme:

- The health sector, in partnership with the new Irish Youth Justice Service, will support the accelerated implementation of the Children Act 2001;
- The development and delivery of Family Support Initiatives and services on the basis of evidence-based needs assessment, including the expansion of programmes such as the Teen Parent Support Programme;
- The child protection service will be enhanced in line with policy and legislative requirements; these include the further implementation of the Children Act, 2001, and the implementation and development by the HSE of national policies on assessment and early intervention;
- The HSE will establish a group to examine the area of special foster care and develop pilot special foster care projects; standards relating to special foster care are set out in the National Standards for Foster Care; the provision of foster care would enable children, who due to their challenging behaviour would otherwise be placed in high support residential care, to be placed in a family setting;
- The Social Services Inspectorate will be established on a statutory basis with an expanded role;
- The extent of the implementation of the Youth Homelessness Strategy is to be established in consultation with the key stakeholders and a programme of action for the future development of youth homelessness services to be determined in this context;
- Revised Pre-School Services Regulations will be introduced; the increase in pre-school places provided by the Equal Opportunities Child Care Programme and the enhanced regulations will require the recruitment of significantly increased numbers of inspectors and the provision of support facilities for them;
- The Pre-School Services Inspectorate will give effect to the revised regulations taking account of the expansion of pre-school services;
- HSE Pre-School administrative systems and training of Pre-School Inspectors will be improved and the inspection system standardised;
- Standardised Pre-School Inspection Reports will be made publicly available;
- Services for unaccompanied minors will continue to be enhanced to meet the required standards; and
- The HSE will develop a programme of refurbishment and possible redesignation of existing facilities for child residential care with a view to realising maximum efficiencies and effectiveness in facilities which are in need of refurbishment. One important element of this will be the development of the Clonmel facility recently transferred from the Department of Education and Science.

### ***DEIS and Early Education Sub-Programme***

Some €361 million will be available under the DEIS (Delivering Equality of Opportunity In Schools) and Early Education Sub-Programme to combat disadvantage in primary and secondary schools serving communities with concentrated levels of disadvantage. This DEIS provision is in addition to existing annual educational disadvantage funding for primary and post primary of some €140 million. It is also additional to some €40 million per annum included for primary and post primary education for Travellers which is provided for in the separate Traveller Education Sub-Programme. The DEIS action plan for educational inclusion will address the educational needs of children and young people from disadvantaged communities, from pre-school to completion of upper second level education (3 to 18 years). The DEIS Plan is motivated by a desire to ensure that no-one is left behind, that every child gets the supports that he or she needs to reach his or her full potential and that a culture of high expectations is at the centre of our actions locally and

nationally. The main objective of DEIS will be to build on the success of existing measures while tackling the identified weaknesses that have served to reduce their overall effectiveness by:

- Putting in place a standardised system for identifying, and regularly reviewing levels of disadvantage in schools;
- Establishing a single integrated programme of supports (School Support Programme (SSP)) which will bring together, and build upon, a number of pre-existing interventions for schools and school clusters/communities with concentrated levels of disadvantage; and
- Providing extra targeted support for those in schools serving the most disadvantaged communities.

The overall objective of the Sub-Programme will be achieved by the following measures:—

- Targeted class size reductions to 20:1 in junior classes and 24:1 in senior classes in urban primary schools serving communities with the highest concentrations of disadvantage;
- Targeted pre-school provision in urban primary school communities;
- Additional financial supports for all schools in the programme;
- Increased investment in measures aimed at enhancing literacy and numeracy attainment levels for schools in the programme, including a family literacy initiative, with a key focus on early intervention;
- Additional supports for the professional development of principals and school staff;
- Extension of Home/School/Community Liaison and School Completion Programme services to all urban primary and second-level schools in the School Support Programme;
- Improved arrangements for measuring progress and outcomes at both national and local level; and
- Extension of the Schools Meals Programme to any of the schools included in the School Support Programme that do not already avail of it.

The Sub-Programme will also support on an ongoing basis the Centre for Early Childhood Development and Education (CECDE) in its mission to develop and coordinate early childhood education and to advise the Department on policy issues in this area. The objectives of the Centre over the period of the Plan will aim:

- To develop a quality framework for early childhood education including a quality in education (QE) mark for providers in the sector; and
- To develop targeted interventions on a pilot basis for children who are educationally disadvantaged and children with special needs.

### ***Special Needs Sub-Programme***

This Sub-Programme will amount to almost €5.4 billion over the period of the Plan.

The establishment of the National Council for Special Education with some 80 Special Educational Needs Organisers to co-ordinate the provision of service and allocation of resources to schools provides the capacity for enhanced delivery of service to pupils with special needs, their parents and schools. This Sub-Programme will operate in the context of the implementation of the Education for persons with Special Educational Needs Act 2004 and the Disability Act 2005.

The objective of the Sub-Programme is to ensure that all young people can access the educational system and receive adequate education and related qualifications to support their full participation in the economy, in employment and in society. The high level target is to create an environment where every child with special needs has the opportunity to reach their full potential.

Enormous progress has been made over the past number of years in relation to increasing the numbers of teachers in our schools who are specifically dedicated to providing education for children with special educational needs. The numbers of teachers working directly with children with special needs has increased from under 1,500 in 1998 to 5,566 at present at primary level. The number of Special Needs Assistants has increased from 300 in 1998 to 6,930 whole time equivalents at present at primary level. At post primary level, the number of teachers in place to support pupils with special educational needs in the current school year is 1,854 compared to a figure of 200 in 1998. In addition, there are 534 learning support teachers and approximately 1,365 Special Needs Assistants in second level schools in 2006/07.

The precise model of provision being made available will continue to depend on the assessed needs of the students involved. Some students are capable of attending ordinary classes on a fully integrated basis with additional teacher and/or special needs assistant support. In other cases, placement in a special class in the school may be the more appropriate response. Such special classes operate at significantly reduced pupil/teacher ratios. Students in these special classes may be facilitated in attending ordinary classes on an integrated basis wherever possible.

### ***Traveller Education Sub-Programme***

€511 million is available under this Sub-Programme over the period of the Plan. In May 2006 the Inspectorate of the Department of Education and Science published a report “Survey of Traveller Education Provision”. This report highlights the significant progress in Travellers’ access to and participation in primary and post-primary education over the last number of years. The report does, however, reveal serious levels of low achievement and problems with absenteeism among many Traveller pupils.

In November 2006, the Minister for Education and Science launched the “Report and Recommendations for a Traveller Education Strategy”. This report, prepared by the Advisory Committee on Traveller Education with representation from the Education Disadvantage Committee, covers aspects of Traveller education from pre-school right through to further and higher education within a lifelong learning context. The report sets out current provision noting that Travellers enrolled in both primary and post-primary are entitled to the same education, learning support and resource support in response to identified educational need as all pupils. Over €55 million was spent on Traveller specific initiatives in education in 2004/05 which is over and above expenditure on mainstream education.

The Minister for Education and Science having considered the two reports has established a Co-ordinating Committee to implement most of the recommendations in the November report, mindful of the findings of the May report.

A three-phased approach will be taken to address the recommendations in the November report. This three phased approach will:

- Prioritise and address a number of recommendations, at an early date;
- Aim to implement most of the recommendations within a three to five year period; and
- Review some of the recommendations to determine how best the Department can implement them.

Thus, most of the funding for Traveller education under this Sub-Programme will be available in the short to medium-term to cater for the educational needs of Traveller pupils. During the lifespan of the Plan it is intended to phase out, in a sensitive way, current segregated provision at primary and post-primary and have all Travellers integrated into mainstream primary and post-primary schools. It is also proposed that pre-schools for Travellers over a longer period be integrated with current and new pre-schools so that young Travellers may experience an inclusive integrated education from the start of their education.

## **Youthreach Sub-Programme**

Some €574 million will be available over the period of the Plan for the Youthreach Sub-Programme. The Youthreach Sub-Programme will involve, as in previous NDPs, training, education, further education/early adult education for those who are alienated from the formal system, i.e. economically disadvantaged, socially vulnerable and frequently challenging youth. Its overarching objective will be to help participants to achieve independence, sustainability and employability, to build self-esteem and communications skills and to become active citizens and lifelong learners. Particular attention will be given to addressing the special needs of the young people participating in the Sub-Programme. Future developments in Youthreach programmes will be informed by the evaluation being carried out by the Inspectorate of the Department of Education and Science and also by the findings of the expenditure review of Youthreach and Senior Traveller Training Centres.

## **Youth Justice Sub-Programme**

Some €224 million will be available under the Youth Justice Sub-Programme to strengthen the youth justice system. Policy will be informed by the Children Act 2001 which established a modern youth justice system. The policy objective of the Act is the rehabilitation of child offenders coupled with diversion away from crime. This is to be achieved by spreading responsibility and supports across the child, the parent or guardian, the criminal justice agencies and the health services. Accordingly, the Youth Justice Sub-Programme will support two principal endeavours: (i) the implementation of community sanctions; and (ii) Garda Youth Diversion Projects.

### **Implementation of Community Sanctions**

The objective will be to reduce the number of children sentenced to detention by the courts and reduce re-offending rates and substance abuse. The Children Act 2001 provides for a series of community sanctions as alternatives to detention. It will be a priority for the Youth Justice Service to ensure that the services needed to facilitate commencement of all of the community sanctions — which will largely be delivered through the Probation Service — are provided as soon as possible during the Plan.

### **Garda Youth Diversion Projects**

There are currently 74 Garda Youth Diversion Projects which are administered by Garda Community Relations Section of An Garda Síochána. Further Youth Diversion projects will be established which will bring the total in the region of 130 nationwide during the Plan period. A comprehensive evaluation of the existing scheme will be conducted to inform the evolution of the projects during the period of the Plan.

## **Youth Sector Sub-Programme**

Some €424 million will be available under the Youth Sector Sub-Programme to support the development of the youth sector, i.e. the non-formal education sector which aims to advance the social and personal development of young persons.

The first National Youth Work Development Plan (NYWDP) set out a strategy for the development of youth work in Ireland 2003-2007. The NYWDP provides broad goals as well as measures to counter social exclusion and disadvantage that fit within the framework of the NDP 2007-2013. These are as follows:

### **Supporting the Youth Work Sector**

The objective of this measure will be to develop and resource the sector, both voluntary and statutory, for the continued rollout of the provisions of the Youth Work Act, 2001 and of the various elements of the NYWDP. It will also support the work of volunteers and youth work practitioners.

## National Youth Work Development Unit and Assessor of Youth Work Initiatives

The objectives under this measure include the undertaking of a number of key research and development initiatives, in line with relevant policy objectives. The National Youth Work Development Unit will facilitate, over time, the rollout of certain key initiatives envisaged under the Youth Work Act, 2001 and the NYWDP including initiatives such as the Youth Work Development Project Fund, and the National Award Scheme for Volunteers. The Assessor of Youth Work will be responsible for monitoring and evaluating youth work projects and programmes funded by the Department of Education and Science and assisting in the development of definitive criteria for the evaluation of youth work. The Assessor of Youth Work will also confirm, through evaluation, that public funds are being used efficiently and effectively.

## Developing the Existing Physical and Human Infrastructure

The aim of this measure will be to develop and improve the current schemes administered by the Youth Affairs Section of the Department of Education and Science drawing upon the resources and expertise of the National Youth Work Development Unit and the Assessor of Youth Work. These schemes include the Youth Service Grant Scheme, Special Projects for Youth Scheme, Local Youth Club Grant Scheme and the Young Peoples Facilities and Services Fund. The area of Youth Information Centres will be addressed with a view to maximising their usage in a cost-effective, targeted and innovative manner.

## Equality, Cultural, Social, Multi-ethnic and Citizenship Youth Initiatives

This measure will include new and existing initiatives which will have a broad positive impact on young people, including those who are socially excluded or disadvantaged. These initiatives will be developed on a partnership basis between the appropriate agencies. An equality initiative will be undertaken with pilot projects and training programmes aimed at promoting best practice on equality issues in youth organisations. A programme will be devised aimed at enhancing the contribution of youth work in a multi-cultural society to be supported and resourced by the relevant statutory bodies.

## Working Age — Education Programme

Some €4.2 billion will be invested under the Working Age Education Programme.

The Working Age Education Programme will comprise the following Sub-Programmes:

- Further Education Sub-Programme — €2.2 billion; and
- Student Support and Third Level Access Sub-Programme — €2.0 billion.

## Strategic Context

People of working age who are outside the labour market are particularly vulnerable to poverty or social exclusion. In developing an all-embracing system for Second Chance and Further Education in Ireland, top priorities will be to address the low literacy levels of the Irish adult population and the large numbers of Irish adults who have not completed upper second-level education.

Further education includes education which occurs after second level but which is not part of the third level system. The programmes funded by the Department of Education and Science aim to:

- Meet the needs of early school leavers;
- Provide an alternative route to employment or higher education for school leavers on completion of senior cycle;
- Provide second chance education for adults in various settings and contexts, both formal and informal; and



- Provide vocational preparation and training for adult labour market entrants and re-entrants.

Considerations in looking at existing further education provision for the target groups include:

- The provision of a flexible suite of learner centred programmes, both part time and full time, that will address the needs of the different target groups;
- Provision of part-time modular programmes to allow learners at work to balance their work and learning lives;
- Engaging with hard to reach groups such as long term unemployed, adults with negative initial school experience, the homeless and older unemployed and early school leavers through the provision of non-formal and informal learning opportunities. Community education has a particular role to play in this context as has the provision of appropriate information through guidance and counselling; and
- recognition of the contribution to date and the further potential for second chance and further education.

The overall considerations in shaping a programme for the development of the Working Age — Education Programme will be:

- An expansion of provision in line with learners' needs, increased emphasis on successfully reaching those most in need and availability of information, advice and guidance;
- Greater synergy between the different elements of programme provision; and
- Flexibility and adaptation to ensure that programmes offer a wider range of choices which are appropriate to the learning, domestic and employment needs of learners.

Bearing in mind the different priority groups, current provision and overall budgetary considerations, the Government has decided to renew the focus of development of Second Chance and Further Education on a National Adult Literacy Programme as the top priority. The Back to Education Initiative (BTEI) provides for a further expansion of part-time options with a particular emphasis on promoting a return to learning for those in the population with less than upper secondary education, early school leavers and support for childcare. Another objective in the NDP 2007-2013 will be the provision of a system of guidance and counselling to meet adult needs in the Vocational Training Opportunities Scheme (VTOS), literacy, community education programmes and BTEI.

Equity of access must be an integral feature of the Working Age — Education Programme if our higher education system is to deliver for individuals, society and the economy. As a modern democracy, Ireland aspires to having an equitable education system that provides opportunities to learners throughout their lives to reach their full potential as individuals and as members of society and successfully participate in higher education, regardless of social, economic or cultural background.

### **Further Education Sub-Programme**

Some €2.2 billion will be available under the Further Education Sub-Programme to facilitate access to educational opportunities outside the mainstream educational system. Assistance under this Sub-Programme will complement many of the education and training measures set out in the Human Capital Priority chapter. The following measures aimed at persons of working age will receive support.

#### **Back to Education Initiative (BTEI) — Part time options**

The BTEI will provide support on a part-time basis for adults who did not complete upper second-level schooling. 8,000 places are currently provided. Support will be available for 2,000 additional places over

the period of the Plan in line with commitments under *Towards 2016*. The overall aim of the BTEI will be to increase the participation of young people and adults with less than upper second level education in a range of flexible learning opportunities. The priority will be to target people who experience particular and acute barriers to participation. In particular, the objectives are:

- To address low literacy levels;
- To provide more flexible learning opportunities;
- To address difficulties in combining family, personal and work responsibilities with education; and
- To engage with hard-to-reach groups.

Key target groups will include people with disabilities, lone parents, early school leavers, unemployed people, Travellers, ex-offenders, homeless people, older people and persons from ethnic minority backgrounds.

### **Vocational Training Opportunities Scheme (VTOS)**

The Vocational Training Opportunities Scheme (VTOS) is a second-chance education and training programme which provides courses of up to two years duration for unemployed people. The Scheme is funded by the Department of Education and Science and delivered locally by the Vocational Educational Committees (VECs). There are 99 centres nationwide catering for some 5,000 participants, 68% female and 32% male. Courses are held in VEC premises, adult education centres and rented premises. Courses are provided free of charge, and meal and travel allowances may be provided. Childcare and guidance supports are available.

Courses are full-time and can last for up to two years, with 30 hours attendance per week. Trainees on VTOS can pursue subjects in the Junior or Leaving Certificate programmes or modules or awards certified by the Further Education and Training Awards Council (FETAC) at various levels. Currently 1,500 of the 5,000 students are presenting at FETAC levels 5 and 6. The remainder are presenting at FETAC levels 3 and 4 or equivalent.

People aged 21 or over, and in receipt of Jobseekers Benefit or Assistance (previously known as Unemployment Benefit/Assistance), One-Parent Family Payment, Disability Allowance, Disability Benefit or Invalidity Pension for at least six months are eligible for VTOS. People signing for credits who satisfy these conditions and dependant spouses of eligible persons may avail of the programme and receive a payment from the VEC in lieu of their welfare payment, equivalent to the maximum rate of unemployment benefit. In the remaining cases, persons attending full-time retain their welfare payment. In order to attract longer-term unemployed people, a bonus of €31.80 per week is payable to participants who have been in receipt of an eligible social welfare payment for at least 1 year directly prior to starting VTOS.

### **Post-Leaving Certificate Sector (PLC)**

Investment in this area will have two objectives: firstly to provide participants with specific vocational skills to enhance their prospects of securing lasting, full-time employment; and, secondly, to support progression to other studies. Two categories of students will receive support — those who enter the PLC sector directly from post-primary schools and those adults who are returning to education. The objective will enable such students to receive additional accreditation and gain employment or progress on to further training/education. Prioritised proposals in relation to PLC provision (focused, in particular, on the larger PLC providers) are being prepared to enhance the programmes and services provided over the period of the Plan.

### **Adult Literacy**

Adult literacy is the Government's top priority in adult education. Literacy is fundamental to empowerment and personal development. It is an attempt to give a second chance to people for whom the mainstream

system did not properly cater when they were younger. Funding will be available to provide access to literacy, numeracy and basic education to those adults whose skills are deficient in these areas. Adult literacy courses are delivered through the VECs and the service is free of charge to students. The VECs currently deliver adult literacy courses to approximately 35,000 participants annually. In line with the commitment under *Towards 2016* there will be an increase of 7,000 places over the period of the NDP.

### **Childcare in Further Education**

Funding will continue to be available to the VECs to contribute to the childcare expenses of participants on the VTOS, Youthreach, Senior Traveller Training programmes and BETI. This measure will facilitate the attendance on these programmes of people who may otherwise be constrained from participating in them because of childcare responsibilities.

### **Further Education Management Information System (FEMIS)**

Funding will be available for the development of a Management Information System for programmes in the further education sector that are not covered by the post-primary pupil database. Participant information by reference to gender, age, economic status, levels of certification, prior education attainment etc. will be made available by the project. This system will provide for improved further education service to targeted groups and facilitate the tracking of further education students.

### **Adult Guidance**

The Adult Education Guidance Initiative offers information, advice and guidance on an individual and group basis to assist people to make the best choices for learning. The service will cover a spectrum of needs ranging from initial outreach, particularly in the field of literacy and basic education, to vocational information, guidance and orientation.

### **Education Equality Initiative**

The Education Equality Initiative is one of a range of initiatives which seek to address educational disadvantage through promoting equality of access and equality of treatment. This is achieved through the provision of short-term (2 or 3 years) grants to organisations for specific purposes.

### **Student Support/Third Level Access Sub-Programme**

Some €2.0 billion will be provided under this Sub-Programme to support greater equity of access to Higher Education. The high level objective is that, by 2013, students with a disability, mature students and those from socio-economically disadvantaged backgrounds, including members of the Travelling Community and refugees, should have adequate opportunities to progress to higher education. Higher education institutions will pro-actively welcome and cater for a fully diverse student population.

Student grants are a major factor in encouraging the current record levels of participation in higher education. The key priorities in the area of student grants over the Plan are to continue to give priority to addressing inequities in participation of students from the lower socio-economic groups, including those with family responsibilities and to ensure that a quality user-friendly application and payment service is provided to students. In this regard, financial support will continue to be provided on a means-tested basis for participation by students in Third Level and Further Education. At present there are three student maintenance grant schemes for students attending higher education. These are administered variously by the local authorities and the VECs. In June, 2006 the goal of consolidating the administration of student grants within the VEC sector was announced. The intention is to introduce a unified scheme which will replace the three existing higher education grant schemes and to place them on a statutory footing. The legislation would also put the existing maintenance grants scheme for students attending post leaving certificate courses on a statutory footing. The changes are part of an overall plan to introduce service

improvements in the administration of the student support schemes. This Sub-Programme will also provide support for the special rate of maintenance ('Top Up Grant'). The grant will assist applicants from households who are in receipt of certain long-term social welfare payments.

### Third Level Access Fund

In addition to the means tested maintenance grants schemes, this Sub-Programme will also make provision for a Third Level Access Fund aimed at tackling under representation by the following three target groups:

- Students with disabilities;
- Students from disadvantaged backgrounds; and
- Mature students.

Under the Ten Year Framework Social Partnership Agreement — *Towards 2016*, provision is made in the area of third level access as follows:

- (a) Under the priority actions for people of working age is the provision of additional supports for students from disadvantaged backgrounds, students with disabilities and mature students to enhance access to further and higher education.
- (b) Under workplace initiatives is the provision of a targeted fund to alleviate the fees in public institutions for part-time courses at third level by those at work who have not previously pursued a third level qualification.

The fund creates a real opportunity to put in place new initiatives to address up-skilling within the work force. Skills forecasts show that the economy will increasingly need higher education skills to maintain competitiveness into the future. At an individual level this means that individual workers, particularly those without third level experience, need an opportunity to continuously engage in training and education.

- (c) Under the section on young adults the parties agree to work together to address the particular education, training and employment needs of young adults by investing in further and higher education to enhance participation by those from disadvantaged backgrounds, in particular socio-economically disadvantaged school leavers, members of the Traveller community and minorities, mature students, lone parents and students with a disability. These measures will include needs assessment, technology support, community based strategies, childcare supports and access routes.

The National Office for Equity of Access to Higher Education was established in 2003 to promote equity of access and it works with all publicly-funded Higher education Institutions. The National Office, which has been implementing a three-year national strategy since January 2005, also manages the Fund for Students with a Disability, the Student Assistance Fund, the Millennium Partnership Fund and monitors expenditure on access in higher education institutions. It is intended to build further on these latter priority actions for people of working age with the additional funding provided over the period of the Plan.

The Student Assistance Fund will be an integral part of third level access funding. The objective of the Fund will be to assist students in a sensitive and compassionate manner who might otherwise, because of financial reasons, suffer severe hardship or be unable to continue their third-level studies. The Fund will be an important source of support for students who experience circumstances of hardship while in college. A priority is to link the funding to identified target groups, in particular those from socio-economically disadvantaged backgrounds and arrangements are in train to facilitate this better targeting.

The Fund for Students with a Disability will be encompassed by the Programme for People with Disabilities.

The Millennium Partnership Fund, introduced in 2000, will continue to provide community-based funding to support retention and participation among under-represented groups of students in further or higher education. It will be available to students in area partnerships and community groups.

Available data shows that particular regions and communities in Dublin and around the country continue to have low levels of participation in higher education. A whole-community approach to equity of access in higher education is currently being developed through two pilot projects, one in a rural area and one in an urban area. These projects supplement resources provided through the Millennium Partnership Fund. The two pilot projects will finish in February 2009, at which time it is intended that community-based interventions will be extended more widely.

Information and guidance on available financial support is essential for potential and current students and their families. This information will be provided through a comprehensive website and other accessible formats. The information strategy will draw on good practice from other countries.

Supports and services, including assistive technology supports and services, will also be developed for people with a disability in further and higher education. As well as general assistive technology supports, there is a need for particular national initiatives — for example, making print texts available in audio/large screen.

Routes of access and progression from further to higher education also require development, particularly for young people who have completed the Leaving Certificate Applied and who cannot enter higher education directly. Work is underway on developing new routes and it is intended that these will have expanded significantly by 2013.

### **Institutional Funding**

The new Higher Education Authority (HEA) funding model for higher education institutions will include core funding to achieve equity of access and builds on monies available through HEA targeted/strategic initiatives from 1996-2005. In the new model, an additional 33% of funding is allocated for each student from an under-represented group.

In addition to the education measures outlined above, the Human Capital Priority Chapter details measures under the training and skills development programme aimed at improving workforce adaptability, participation and activation measures, with a particular focus on vulnerable persons such as the unemployed, people with disabilities, lone parents, Travellers, women and prisoners. Improving access to the labour market and the services and training available to groups outside the labour market is critical for the promotion of social inclusion.

## **Working Age — Social and Economic Participation Programme**

Some €1.2 billion will be invested under the Working Age — Social and Economic Participation Programme in the following Sub-Programmes:

- Activation Sub-Programme — €50 million;
- Back to Work Sub-Programme — €591 million; and
- Back to Education Sub-Programme — €519 million.

### **Strategic Context**

Employment has proven to be a major factor for people exiting out of poverty and also influences quality of life and social well-being. Therefore, while social welfare income support remains crucial and must be

adequate to meet needs, passive income support alone is not sufficient if poverty and social exclusion are to be comprehensively addressed and people are to have financial independence and reach their potential. This programme, agreed as one of the major initiatives in *Towards 2016*, provides supports aimed at increasing social and economic participation. In some cases, the outcome will be full-time employment without any further social welfare support. In other cases, where people are quite distant from the labour market, the programme will support people on social welfare payments taking up other progression options, such as training and education, to enhance employability.

### **Activation Sub-Programme**

The objective of the Sub-Programme, which will be implemented by the Department of Social and Family Affairs (D/SFA), is to promote participation and social inclusion through activation measures aimed at all people of working age. This approach involves engaging with all people of working age in a similar way, whether they are unemployed, lone parents, people with a disability or in some other category. The aim is to facilitate progression regardless of the circumstances that led the person to require income maintenance. This will be a new service, building on the D/SFA's existing experience and income maintenance relationship with the people concerned, in co-operation with other relevant service providers such as FÁS, VECs, HSE and other local agencies. The vision is of a single transparent system with a primary focus on the customer and a route map starting at the first point of engagement with the Department. The programme will complement existing services, such as the Department's own Back-to-Work and Back-to-Education Sub-Programmes, as well as services offered by other agencies in agreed circumstances, where necessary.

The particular added value that will be provided by D/SFA is an active outcome-focused individual case management of all social welfare customers of working age who are not progressing into employment or accessing training or education opportunities. Activation measures will be provided at the primary point of access, which is at the initial claim stage, delivering more intensive engagement with individuals of working age than is possible in the current structure. This will establish a rights with responsibilities concept in welfare supports by moving from a passive approach to active case management on an individual basis. It is intended to invest €50 million under this Sub-Programme over the lifetime of the NDP, subject to a mid-term review of the efficacy and outcome of this Sub-Programme. In the first three years, €13 million will be invested, following which the Sub-Programme will be reviewed and a decision made on the extent and content of the sub-programme over the following four years.

Investment under the Human Capital Priority by the Sub-Programme for Activation and Participation of Groups outside the Workforce will make a significant contribution to the goals of this Sub-Programme.

### **Back-to-Work Sub-Programme**

Some €591 million will be available over the period of the Plan for this Sub-Programme to support people returning to work. The Back-to-Work Sub-Programme is delivered mainly through the Department's Social and Family Support Service. It provides weekly payments and other supports to long-term social welfare recipients to promote economic participation and other progression. The largest single element is the Back-to-Work Allowance Scheme (BTWA) and the Back to Work Enterprise Allowance (BTWEA). The purpose of the BTWA is to encourage the long term unemployed to take up employment opportunities by allowing them to retain a reducing proportion of their social welfare payment plus secondary benefits over three years. The allowance is paid on a reducing scale over the three year period, i.e. 75% of a person's social welfare payment in year one, 50% in year two and 25% in year three. The BTWEA has a similar function in relation to people on long-term social welfare payments taking up self-employment opportunities. BTWEA is paid on a reducing scale over a four year period, i.e. 100% of a person's social welfare payment in year one, 75% in year two, 50% in year three and 25% in year four.

The rest of the Sub-Programme will comprise a number of small schemes that together have a total budget of less than €10 million. per annum. Among the activities supported are:

- Technical assistance, training and loan guarantees for BTWEA recipients in the initial stages of their businesses;
- Projects run by third parties to assist welfare recipients, as well as members of their families, improve their employability through education, training and personal development; and
- Training and development programmes for very young lone mothers, other parents rearing children without the support of a partner, dependent spouses on Social Welfare payments in households with children and Carers.

### **Back-to-Education Sub-Programme**

Some €519 million will be available for the Back-to-Education Allowance (BTEA) Scheme which is designed to help people in receipt of social welfare to improve their employability and job-readiness by giving them another chance to improve their qualifications and education. There are two strands to the BTEA scheme, the Second Level Option and the Third Level Option. The Second Level Option allows participants to attend a full-time second level course of study at any community, comprehensive, secondary, or vocational school. The Third Level Option allows participants to attend a full-time, approved third level course of study at any recognised university or third level institution.

### **Working Age — Justice Programme**

Some €300 million will be invested under the Working Age — Justice Programme.

#### **Strategic Context**

While prison will remain the primary deterrent against crime, custodial sentences will be accompanied by measures aimed at promoting prisoner rehabilitation and resettlement as law abiding citizens in society. This Programme will aim at the rehabilitation of offender through integrated sentence management while in custody and services to facilitate the reintegration of offenders on their release. It will consist of two integrated areas of endeavour; integrated sentence management and reintegration of offenders.

#### **Integrated Sentence Management**

Plan funding will support the development of structures and the provision of prison programmes that are aimed at increasing employability, promoting pro-social attitudes and addressing offending behaviour. This sub-programme aims to provide a mechanism for effective integration and co-ordination of all services and programmes designed to meet the complex risks and needs presented by offenders.

There will be a particular focus on the following:

- provide integrated, cross disciplinary, sentence management that is focused on the prisoner's resettlement from the moment of committal to release;
- develop formal, structured information systems to improve the flow of information between prisons and community-based agencies;
- adopt a prisoner-centred approach, taking the individual risks of re-offending and personal circumstances into account, with the active involvement of the prisoner, and support key sentence management decisions in regard to the prisoner;
- use structured risk and needs assessment procedures to measure the prisoner's progress; and



- develop an integrated system approach with other criminal justice agencies to support seamless through-care and incorporate in-reach service arrangements with community based agencies.

In addition, support will be available for:

- the design of a detailed business process, which will involve the development of manuals, forms, guidelines and other supporting documentation;
- introduction of a structured risk and needs assessment tool;
- training for all staff involved in the process;
- the development of an IT system to support the process; and
- putting in place new monitoring and evaluation systems.

## Re-integration of Offenders

Support will be available for the re-integration of offenders into society on release.

The Probation Service will concentrate on and develop its core areas of expertise centring on community based supervision of offenders. It will continue to advance initiatives designed to address patterns of criminal behaviour associated with social exclusion, with particular emphasis on restorative justice initiatives.

In particular, there will be support to:

- Expand and improve programmes, both in prisons and within the community, specifically sex offender programmes;
- Extend the Linkage Programme to increase the number of offenders successfully placed in employment, education or Community Employment schemes;
- Develop and expand programmes to meet the needs of juvenile offenders, including parenting programmes, intensive supervision, mentoring, training and activities etc. to ensure that, as far as possible, young persons acquire a balanced lifestyle away from crime;
- Assist offenders leaving custody, who may be in need of assistance in acquiring accommodation, employment, training, and further education; and
- Develop multi-agency initiatives/programmes to teach skills to selected trainees, who in turn can use the skill acquired to obtain employment.

Prisoners are also a target group under the Sub-Programme for Activation and Participation of Groups outside the Labour Force in the Human Capital Priority Chapter.

## Older People Programme

Some €9.7 billion will be invested under the Older People Programme.

The Older People Programme will comprise the following Sub-Programmes:

- Living at Home Sub-Programme — €4.7 billion; and
- Residential Care Sub-Programme — €5.0 billion.

## Strategic Context

Older people are recognised as one of the main groups who may be at risk of social exclusion. The Partnership Agreement, *Towards 2016* sets out a vision of how older people can maintain their health and well-being, as well as live active and full lives, in an independent way in their own homes and communities for as long as possible.

The support for this vision will not be restricted to measures contained in this Programme. The Plan has a range of programmes and measures across a number of Priorities that will support the vision for older people. These include social housing, essential house repairs and improvements in primary health care facilities which are detailed under the Social Infrastructure Chapter. Other measures include the Rural Transport Initiative, education and training, support through community organisations to improve the security of its older members and activation and participation measures as outlined under the Human Capital Chapter. Measures under the Local and Community Development Programme under this Priority also complement the older persons programme.

## Living at Home Sub-Programme

The Living at Home Sub-Programme will provide some €4.7 billion over the period of the Plan for a range of measures that will help older people to live independently in their own homes and communities for as long as possible. The use of community and home-based care will be maximised and will complement the role of informal, including family, care.

## Home Care Packages

Home care packages will deliver a wide range of services throughout the country. They may include the services of nurses, home care attendants, home helps and the various therapists, including physiotherapists and occupational therapists.

The packages are aimed at older people living in the community or who are in-patients in an acute hospital and who are at risk of admission to long term care. The home care packages are also available to those older people who have been admitted to long term care and who now wish to return to the community. In addition, the packages are available to people who are already using existing core services, such as home helps, but need more assistance to continue to live in their community.

The packages will be delivered directly by the HSE, voluntary groups and the private sector.

## Home Help Service

The Home Help service is an essential part of community provision. Home Helps will support older people at home and thereby delay or prevent admission to long stay residential care. They can also assist in reducing the necessity for admission to acute hospitals or in facilitating early discharge.

## Meals-on-Wheels

The Meals-on-Wheels service provides regular meals and essential social contact for many older people. In this way, the service will contribute to older people remaining at home and in better health.

## Community Intervention Teams

Community Intervention Teams (CIT) will assist in preventing avoidable hospital admission and the facilitation of early discharge from hospitals. CITs will operate in addition to existing mainstream community services and will address issues such as:

- Capacity to provide fast-tracked non-medical care or supports for an interim period while mainstream services are being arranged for the patient, where such are not immediately available, on a 7 day per week basis. This is achieved through dedicated services to provide an immediate response for patients who are identified by a GP as requiring new or enhanced home supports; and
- The link between community services and patients being discharged from Accident and Emergency Departments who require community supports.

### **Respite/Day Care Services**

Day care and respite care will be an integral part of delivering a comprehensive community service for older people and will also give a much needed break to carers in the home. Older people offered the service may, depending on the circumstances, receive:

- Physiotherapy, occupational therapy, chiropody and assistance with personal services such as laundry;
- Social contact amongst older people;
- Respite for family members and/or carers; and
- Social stimulation in a safe environment for older people with mild forms of dementia.

Day care services will continue to be expanded to provide services in the evenings and at weekends.

### **Residential Care Sub-Programme**

The Residential Care Sub-Programme will invest some €5.0 billion over the period of the Plan. When it is no longer possible for an older person to remain in their own home in dignity and independence, they may need to be cared for in a long-stay residential setting. *Towards 2016* outlined the principles which inform policy development in this area.

The growth in the older population will bring with it an increased requirement for residential care which will be met by public or private providers.

Community Units offer a range of services; convalescent care, respite care, and long-term care. These Units offer their services to clients within a specific area, and therefore keep people in the area in which they are familiar. It is proposed to develop units (each with a capacity of some 50 beds) at a number of locations in Dublin, Cork and a number of other sites across the country.

The Health Service Executive (HSE) completed a Residential Care Needs Assessment in 2006 which took into account current developments such as home care packages, the growth in private sector capacity and the geographic spread of need and supply. The Department of Health and Children will work closely with the HSE to develop additional bed capacity, replace existing bed stock and to carry out necessary refurbishment and upgrading.

Apart from immediate improvements to the Nursing Home Subvention Scheme for 2007, plans have been announced for a significant change in how nursing home care is provided and paid for. From 1 January, 2008, the current subvention and public nursing home schemes will be replaced by a new Nursing Home Care Support Scheme, which is designed to ensure that everyone who enters a nursing home, public or private, pays a fair portion of their income as a contribution towards the cost of their care.

## **People with Disabilities Programme**

Some €19.2 billion will be invested under the People with Disabilities Programme.

The People with Disabilities Programme will comprise the following Sub-Programmes:

- Health Services Disabilities Sub-Programme — €18.8 billion;
- Education Disabilities Support Sub-Programme — €260 million; and
- Disability Friendly Environment Sub-Programme — €164 million.

### **Strategic Context**

The NDP will support the continuing rollout of the National Disability Strategy. The Strategy was launched in September 2004 and contains five elements:

- The Disability Act, 2005;
- The Education for Persons with Special Education Needs Act 2004;
- The Citizens Information Bill 2006;
- Sectoral Plans prepared by 6 Government Departments; and
- A multi-annual Investment Programme for high priority disability support services.

This Strategy represents a commitment by Government to drive forward a significant evolution in policy and provision for people with disabilities. Allied to this legislative framework is the deepening and widening of the Government's commitment to the policy of mainstreaming as provided for under the Disability Act, 2005. During the course of the Plan, the relevant Government Departments will, under their Sectoral Plans, specifically target their services towards the needs of people with disabilities. These Departments are Health and Children; Social and Family Affairs; Transport; Communications, Marine and Natural Resources; Environment, Heritage and Local Government and Enterprise, Trade and Employment. During the term of this Plan, it is expected to build upon the legislative commitments in the areas of employment equality and equal status. This legislation is supported by infrastructure which has already had a positive influence on equality, service development and delivery, comprising the Equality Authority, the Equality Tribunal, the National Disability Authority and Comhairle. The investment under the Human Capital Priority for Activation of People with Disabilities will also make a major contribution to the goals of this Programme.

### **Health Services Disabilities Sub-Programme**

The overall objective of this Sub-Programme is to put in place the most effective combination of legislation, policies, institutional arrangements and services to support and reinforce participation by people with disabilities in society. €18.8 billion will be used to provide the infrastructure required to expand health funded support services for people with disabilities, including mental illness. This investment is in line with Government commitments in the Multi-Annual Investment Programme 2006-2009 to progressively build additional capacity in the health services. This will enable the Health Service Executive to meet its statutory obligations under the Disability Act 2005, the Education for Persons with Special Educational Needs Act 2004 and the Mental Health Act 2001. The Department of Health and Children's Sectoral Plan, together with the report of the Expert Group on Mental Health Policy, outline in detail the measures which will be taken in relation to the implementation of this legislation by the health services.

### **Sectoral Plan of the Department of Health and Children**

The Department of Health and Children's Sectoral Plan sets out the key initiatives to be taken by the Department, the Health Service Executive and 27 statutory bodies in the field of disability. Part 2 of the

Disability Act provides for the assessments of need and service statements for people with disabilities and will commence for children aged under 5 years from June 2007. The Act will be phased in for children aged 5-18 years in tandem with the implementation of the Education for Persons with Special Needs Act (EPSEN), 2004 and will be phased in for all others by 2011. Services for adults and children will continue to be enhanced progressively over the next number of years. The practice of assessment of individual needs and the provision of service statements for all service users will be promoted by the HSE as capacity permits.

The Health Services Disabilities Sub-Programme funding over the Plan period incorporates the major multi-annual investment in services for persons with disabilities announced in Budget 2005. The funding will be used to address the priority needs of people with disabilities including the provision of:

- Community based residential and respite services for those who have been assessed as requiring them;
- Provision of more appropriate residential accommodation for those currently in inappropriate settings such as psychiatric hospitals, nursing homes and older campus style accommodation;
- Day centres and resource facilities;
- Aids and appliances, including assistive technology;
- Specialist facilities for those with intellectual disability who, because of behavioural problems, medical conditions or old age require a more intensive level of care;
- Enhanced child and adolescent psychiatric services and acute, specialist and community based adult mental health services; and
- Ongoing maintenance of existing and expanded infrastructure.

The provision of locally based services, which can be easily accessed by people with disabilities, their families and carers, is a vital element in enabling people with disabilities to remain part of and to contribute to their local communities.

### ***Education Disabilities Support Sub-Programme***

Some €260 million will be available under the Education Disabilities Support Sub-Programme. Of this some €59 million will be available for students with a disability, from the Third Level Access Fund, which aims to tackle under representation by specific target groups. It will provide grants towards the provision of services and the purchase of equipment for students with disabilities attending courses in Third Level Institutions or Post Leaving Certificate courses. The scheme will apply to students who have serious sensory, physical and/or communicative disabilities, including dyslexia. Grants will provide for the purchase of special equipment, special materials, technological aids, targeted transport services, sign language assistance/interpreters and personal assistants.

Some €201 million will also be available over the period of the NDP to enhance the provision of education services for adults with disabilities, to expand the role of the National Council for Special Education, to increase the level of pre-school provision and to introduce new appeals processes as envisaged in the Education for Persons with Special Educational Needs Act, 2004.

### ***Disability Friendly Environment Sub-Programme***

This Sub-Programme will invest some €164 million in developing and adapting local authority facilities, government offices, courthouses and civil legal aid centres for use by disabled people.

The Disability Friendly Environment Sub-Programme is to support the delivery of the National Disability Strategy. Local authorities have an important role in implementing the requirements of the National Disability Strategy. In 2005 a multi-annual programme of initiatives to implement the National Disability Strategy, including both capital and current funding, was commenced. Funds will be allocated, on an annual basis, to the individual local authorities and other public bodies under its aegis on the basis of priority areas identified in submissions made. Capital expenditure addresses the priority needs of people with disabilities, effectively and efficiently, by providing and improving accessibility to public buildings, roads and pavements, parks, amenities, heritage sites and other public areas.

Each local authority will be required, following completion of access audits for its public facilities, to draw up an implementation plan setting out a programme of actions and detailed costings of the various actions to give effect to the commitments and objectives contained in the Disability Act and in the sectoral plan. Priority will be given in the implementation plans to local authority buildings and other facilities to which access is most frequently required, including an accessible external environment of public footpaths, streets and crossings and the physical interface with public transport facilities.

Funding will be available for a programme of support projects in the Justice area focusing on improved accessibility to services, including technology development, and supporting existing legal provisions in relation to the position of people with disabilities.

## **Local and Community Development Programme**

Some €1.9 billion will be invested under the Local and Community Development Programme.

The Local and Community Development Programme will comprise the following Sub-Programmes:

- Community Development and Services Sub-Programme — €861 million;
- RAPID Sub-Programme — €67 million;
- Local Development Social Inclusion Sub-Programme — €417 million;
- Volunteers and Volunteering Supports Sub-Programme — €197 million; and
- National Drugs Strategy Sub-Programme — €319 million.

### **Strategic Context**

The Local & Community Development Programme will address the ongoing challenge of change in the demographic, ethnic and economic profiles of the communities of Ireland. The objective of the Programme will be to put in place measures to support increasingly diverse communities, particularly those that are subject to disadvantage. The strategic goal is to enable communities themselves to identify and address issues and challenges in their own areas. The Government recognises the valuable role of the Community and Voluntary Sector and remains committed to the principles underpinning the relationship between the State and this sector as set out in the White Paper on Supporting Voluntary Activity.

Local partnership structures have demonstrated an ability to harness local skills and resources and have enabled the building of effective working solutions that have empowered individuals and groups to participate in finding solutions to deal with issues facing their communities. Interventions under this Programme will be focused on communities who make full use of local and community structures and provide for the comprehensive engagement with the community and voluntary sector. Of key importance will be the need to promote linkages, cohesion and sharing of resources between local and community development agencies. In this context, Departments/public bodies will continue to look to existing local structures and local authorities for delivery of new local or community development initiatives. It will be

important to ensure that any new measures in this area affirm the role of the County/City Development Boards as re-emphasised in *Towards 2016*.

## **Community Development and Services Sub-Programme**

Some €861 million will be provided under this Sub-Programme over the period of the Plan to support communities in ways that involve local people in improving their own communities.

Funding will be provided under the following headings:

- Local Resource Centres/Community Development Projects;
- Family and Community Services Resource Centres;
- Supporting Local and Voluntary Groups;
- Providing essential Community Services; and
- Community Policing.

The aim is to promote social inclusion by core funding community based projects in disadvantaged areas, which have persons experiencing poverty and disadvantage represented within the management structures. This ensures that the needs identified by the projects relate to the target groups and that any responses emerging meet the needs of the disadvantaged within the community.

Projects funded will support a wide range of self-help activities designed to improve quality of life for individuals and groups in disadvantaged communities. Projects that act as catalysts for development in disadvantaged communities will also be supported.

### **Local Resource Centres/Community Development Projects**

The broad objectives of the 2007-13 programme are to:

- Resource disadvantaged communities to have their voice heard in relation to the issues that affect them and to influence local actions to tackle disadvantage;
- Support a wide range of self-help activities designed to provide a first step for individuals to escape from poverty and disadvantage; and
- Improve family life in disadvantaged communities, by funding of resource projects that act as catalysts for further personal and community development.

Funding will also be available to invest in the staffing and equipping of local resource centres that provide a focal point for community development activities and for other specialised community development projects and initiatives having a strategic importance. These centres will allow for the delivery of statutory and other services on an outreach basis and local and accessible points at which services can be delivered. Projects will be supported in those communities experiencing cumulative levels of disadvantage and social exclusion. Projects will continue to be supported to encourage the active participation and development of community leadership in the targeted areas.

The central focus of the funding for 2007-13 will be the mobilisation of the capacity of communities to participate in mainstream local development, tackle disadvantage by locally tailored solutions and the provision of training and education as well as supporting people to engage in enterprise and employment opportunities. Projects will be supported to deliver smaller scale self-help work in specific target groups that experience disadvantage. The programme will specifically target actions at people suffering multiple and inter-generational disadvantage and help communities to articulate their point of view and participate in a process of personal and community development. The emphasis will be to support actions to build



community competence with particular support aimed at people with disabilities, lone parent families, young people, the elderly, Travellers and other disadvantaged groups.

### **Family and Community Services Resource Centres**

The aim of the Family and Community Services Resource Centre Programme, which is administered by the Family Support Agency, is essentially to help combat disadvantage by improving the function of the family unit. Family Resource Centres empower disadvantaged people by involving them in decisions which affect them and in using and developing their own skills, knowledge and experience. The Centres focus on developing the skill levels and capacities of their local communities, including training for voluntary management committees, to encourage communities to become self reliant and self directed. Priority in funding will be given to Centres which serve those areas where communities are contending with multiple disadvantages and where families are facing significant challenges in trying to rear their children and securing positive futures for them. The Family Support Agency will work with County/City Development Boards to ensure a more cohesive approach to the delivery of family focused social inclusion services provided through Family Resource Centres.

### **Supporting Local and Voluntary Groups**

Funding under this heading will finance two schemes of once-off grants to local voluntary and community groups:

- (1) Equipment and Refurbishment Grants will provide essential physical supports for the local community and voluntary groups and make funds available for the purchase of equipment such as office furniture and for small-scale refurbishment of premises; and
- (2) Education, Training and Research Grants are aimed at enhancing the capacity of local communities and grants of up to €10,000 are available for relevant proposals.

### **Providing essential Community Services**

The decision by Government to transfer the Social Economy Programme from FÁS to the Department of Community, Rural & Gaeltacht Affairs with effect from 1st January 2006 reflects its desire to see a shift in emphasis within the scheme from labour market training to providing essential community services. Reflecting this change in emphasis, the name was changed to the Community Services Programme (CSP).

The CSP currently funds over 400 projects and will continue to be funded under the Plan. The objective is to support local community activity to address disadvantage, while providing employment opportunities for people from the following priority target groups:

- People with Disabilities;
- The Long-Term Unemployed;
- Travellers; and
- Lone Parents.

The activities of the projects will be varied and include community childcare services, services for the elderly or people with disabilities, rural transport projects, projects to operate community halls and facilities or community radio.

### **Community Policing**

Community Policing will facilitate and support interaction between the Garda Síochána and local authorities and local communities to address local policing issues.

The establishment of Joint Policing Committees and Local Policing Fora, under the provisions of the Garda Síochána Act, 2005, and the further establishment, as envisaged under the Government's National Drugs Strategy, of Community Policing Fora in Local Drug Task Force areas will enhance the State's promotion of social inclusion over the lifetime of the Plan. These fora will facilitate An Garda Síochána, locally and nationally elected representatives, officials from local authorities and representatives from local communities working together in partnership to address local policing and related issues. These measures will not only assist in the State's development of its overall crime prevention response but will also act as a practical means of supporting the capacity of local communities to meaningfully participate in crime prevention, which is a key feature of the Government's strategy for social policy development.

### ***RAPID Sub-Programme***

Some €67 million will be available under the RAPID (Revitalisation of Areas by Planning Investment and Development) Sub-Programme to address in a focused way the spatial concentration of poverty and social exclusion within the most disadvantaged urban areas and provincial towns in the country.

The priority for the RAPID Sub-Programme will be to ensure that RAPID designated areas have first call on State interventions and that such interventions are tailored in a manner to ensure the root causes of disadvantage and exclusion are tackled. The Sub-Programme will also facilitate Government Departments and State agencies in prioritising investment in these defined areas and to bring about better co-ordination and closer integration in the delivery of services with the specific aid of tackling exclusion.

The leverage impact of the scheme will help improve the quality of life and community safety for residents in the designated areas by supporting small-scale projects with immediate impacts on the quality of the environment by improved security or access to services and leisure facilities.

### ***Local Development and Social Inclusion Sub-Programme (LDSIP)***

Some €417 million will be provided, over the period of the Plan under the Local Development Social Inclusion Sub-Programme, to support locally-based social inclusion measures. The Sub-Programme will have a particular focus on supporting people and communities suffering disadvantage and exclusion through a wide spectrum of locally promoted actions. The alignment of local, community and rural development organisations leading to unified overarching county structures with full county/city coverage will enable the provision of the services to all persons, irrespective of their place of residence, with equal access to the services available including employment, education and training opportunities.

Similar to the LDSIP 2000-2006, the Sub-Programme under this Plan will aim to promote social inclusion and will contribute to achieving objectives under the National Action Plan for Social Inclusion. It will involve the provision of funds and support to unified partnership companies to promote social inclusion at local level. The programme will have national coverage and will continue to target the most disadvantaged areas, groups and individuals, particularly those experiencing cumulative disadvantage. Local actions delivered by the partnership companies will complement and add value to other services for disadvantaged communities and people.

The promotion of social inclusion by these partnership structures will include both economic dimensions (e.g. employment and self-employment; education and training) and social dimensions (e.g. community and social networks; integration and equality; health and well-being). The objectives of the new Sub-Programme will be to fully involve socially excluded groups and individuals in the development and implementation of policies and programmes that affect their lives. Actions will include support for:

- Progression towards and within the labour market for people who experience social exclusion, whether seeking to return to the labour market, unemployed, under-employed, or at risk of unemployment;

- Breaking the inter-generational cycle of social exclusion through education and training supports at different stages of the life-cycle in families;
- Adding value to the effectiveness of social inclusion programmes and interventions delivered by statutory and non-statutory agencies through partnership, collaboration and coordination; and
- Innovation and learning and the development of practice and policies that meet the needs of individuals and groups experiencing social exclusion.

A key aim of the 2007-13 Sub-Programme will be to strengthen the integrated, multi-sectoral approach which will concentrate on supporting the broad actions for the programme set out above.

### ***Volunteers and Volunteering Supports Sub-Programme***

Some €197 million will be invested in supporting volunteering activity under this Sub-Programme over the period of the Plan. As stressed in *Towards 2016*, the Government will continue to develop policies on volunteers and volunteering arising from the package of measures announced in February 2005. Central to this approach is the constructive role of voluntary activity in improving the quality of life in local communities. Policies and schemes in this area will be further informed by the findings of the Taskforce on Active Citizenship.

Under this Sub-Programme the Department of Community, Rural and Gaeltacht Affairs will take the lead role in progressing the principles underpinning the White Paper on Supporting Voluntary Activity. Schemes will be designed to support, resource and recognise volunteers and volunteering both in terms of funding and capacity. The broad objective is to enable the improvement of the provision of services at the coal face.

### ***National Drugs Strategy Sub-Programme***

Some €319 million will be available over the period of the Plan under the National Drugs Strategy Sub-Programme to continue the fight against the causes and consequences of the abuse of illegal drugs.

As in many countries throughout the world, drug abuse in Ireland continues to present major challenges. Opiate use remains a problem in Dublin and has spread to other areas (recent estimates indicate that there are approximately 14,500 opiate users in Ireland of which about 12,000 are in Dublin). Cocaine and polydrug abuse have also emerged as serious problems, while cannabis remains the most commonly used illegal drug in Ireland. Such problems require both a reorientation and expansion of treatment services.

Ireland's National Drugs Strategy, launched in 2001, will continue to deliver through four inter-connected pillars dealing with supply reduction; prevention; treatment; and research, as well as the fifth pillar of rehabilitation that was added following a mid-term review of the strategy in 2005. While the overall framework for drugs policy in Ireland will be reviewed in 2008 (the current Strategy expires at the end of that year), the focus of drugs policy in the coming years will continue to be on illegal drugs that do the most harm and on the most vulnerable drug misusers, their families and communities. A key feature of the Strategy will continue to be the bringing together of the key players (both statutory and community/voluntary) working in partnership to develop a range of responses to tackle drug misuse, building on evidenced-based approaches.

Within the Plan the emphasis will be on:

- **Supply Reduction** — focus will continue on the refinement of the legislative framework, the strengthening of enforcement practice, the further development of community policing and the operation of the criminal justice system to impact on the supply of illegal drugs.

- **Range & availability of treatment options** — given the increased prevalence of cocaine and poly-drug abuse, the availability and range of treatment options will continue to be tailored and increased to meet the needs of an evolving situation.
- **Rehabilitation** — with the addition of rehabilitation as a fifth pillar of the National Drugs Strategy to reflect the importance of rehabilitation for drug misusers in terms of “moving on” and, ultimately, re-integrating them into society, an integrated rehabilitation framework is being developed and will soon be in place. The implementation of this framework will be a priority in the coming years.
- **Prevention** — The use of education and awareness programmes and the development of sport and recreational alternatives will aim to divert people (particularly young people) away from the dangers of drug misuse; and
- **Research** — the overall objective is to have valid, timely and comparable data on the extent of drug misuse in Ireland and to gain greater understanding of the factors which contribute to Irish people, particularly young people, misusing drugs.

The Local and Regional Drugs Task Forces and the Young People Facilities and Services Fund will be centrally involved in delivering elements of the National Drug Strategy

### Local Drugs and Regional Drugs Task Forces

The range of projects being undertaken through the Local Drugs and Regional Drugs Task Forces will be developed and strengthened over the coming years. Strategic plans, developed by the Drugs Task Forces and based on the identified needs of the areas involved, will continue to be central to the effort to counteract the problems of drug misuse

### Young People’s Facilities and Services Fund (YPF SF)

The YPF SF will continue to assist in the development of youth facilities (including sport and recreational facilities) and services in disadvantaged areas where a significant drug problem exists or has the potential to develop. The geographic coverage of the Fund may be expanded to other disadvantaged urban areas. The YPF SF will continue to target 10 to 21 year olds who are “at risk” due to factors including family circumstances, educational disadvantage or involvement in crime or substance misuse. The Fund will continue to build on and complement youth measures under the Children’s Programme in the areas where it is operational.

## Horizontal Social Inclusion Programme

Some €848 million will be invested under the Horizontal Social Inclusion Programme.

The Horizontal Programme will comprise the following Sub-Programmes:

- Immigrants Integration Sub-Programme — €36 million;
- Language Support Sub-Programme — €637 million;
- National Action Plan against Racism and the Programme for Social and Economic Advancement of Members of the Traveller Community — €27 million; and
- Equality Sub-Programme — €148 million.

## Strategic Context

Integration is one of the most important challenges being faced by Irish society during the period of the Plan. It is critical that integration services be mainstreamed into both targeted social inclusion services and into the generality of service being provided for a new multicultural Irish society. The special funding being

provided here will help to accelerate and precipitate progress in this critical area. The overall aim of the National Action Plan Against Racism (NPAR) is to provide strategic direction to combat racism and to develop a more inclusive, intercultural society in Ireland based on a commitment to inclusion by design, not as an add-on or afterthought, and based on policies that promote interaction, equality of opportunity, understanding and respect.

Measures to support Traveller participation will focus on coherent inter-agency cooperation with the participation of social partners and including Travellers and their representatives.

While the European Union has been instrumental in the incorporation of a strong body of legislation aimed at achieving equality and overcoming discrimination into Irish law over the past thirty years, there is still evidence that, in tandem with all other EU countries, there are still issues of inequality to be addressed in Irish society.

Further positive action will be taken to support women wishing to participate fully and advance their roles within the labour market and in the broader economy. Engagement in the labour market is seen as a key contributor to the efforts to address social exclusion and it is frequently women who are at the greater risk of experiencing poverty.

In its effort to maximise European competitiveness and productivity, the European Union has recently promoted a new road map to achieve true gender equality among Member States. The statistics show that there is still scope for improvement under a number of measurements of gender equality in Ireland. Gender equality requires a comprehensive, whole of Government approach and the Irish Government has recognised this in commissioning the preparation of a new National Women's Strategy which will underpin developmental actions to support the contribution of women to our economy and our society over the next ten years.

## Immigrants Integration Sub-Programme

This Sub-Programme will involve funding of some €36 million to promote the integration of immigrants into Ireland.

In 2002 approximately 7% of Ireland's population of just under 4 million were immigrants. CSO Population and Migration Estimates (April 2006) put the total immigration flow into Ireland in the twelve months to April 2006 at 86,900 — the highest figure on record. The estimated number of emigrants in the same period was 17,000 resulting in a net migration figure of 69,900, compared with 53,400 and 31,600 in the previous two years. We are thus rapidly moving towards a situation where almost one in ten of our population will be non-Irish nationals — a phenomenal demographic change which will shape a very different society by 2013.

Social inclusion policy and measures must therefore address, not only whatever inequalities and divisions exist within our native Irish population, but also those contained in an Irish society which will be fundamentally and irrevocably multicultural by nature. A new dimension in our planning which focuses on integrating our immigrant population is required. A national integration policy will be developed, based on equality principles and taking a revised and broader view of social inclusion which builds on the experience of other countries. The current positive impact of immigrants on a growing Irish economy is acknowledged. There is an ongoing commitment to serving the continuing social, cultural and economic aspirations of our immigrant population.

Integration policy will be underpinned by appropriate investment in the human capital represented by those immigrants who are committed to helping Ireland to continue to develop its strong economy. While core funding for integration will be provided through the various mainstream service delivery programmes set out in this Plan, it is proposed to establish specially-targeted initiatives which include a specific focus on promoting mainstream competency, a central tenet of overall integration policy. This special Sub-Programme will seek to facilitate and energise initiatives which promote the integration of all legally resident immigrants. Research exercises under the Sub-Programme will also contribute to identifying appropriate and effective interventions.

### **Language Support Sub-Programme**

Some €637 million will be available under this Sub-Programme for language support teachers to assist children from a non-English speaking background (mainly the children of immigrants from EU countries and the children of refugees from outside of the EU). The objective of the Sub-Programme will be to enable these children to acquire a sufficient knowledge of the English language to enable them to benefit from the Irish education system at the same level as their Irish peers.

Provision for the appointment of an extra 550 language support teachers by 2009 is included as one of the priority actions in the Ten-Year Framework Social Partnership Agreement 2006-2015 *Towards 2016*.

Assessment kits are being developed for distribution to primary and post primary schools. The kit will enable schools to provide an accurate representation of newcomer pupils' English language proficiency using objective criteria.

### **National Action Plan against Racism and Programme for Social and Economic Advancement of Members of the Traveller Community Sub-Programme**

This Sub-Programme will spend some €27 million over the next seven years and have two elements:

1. National Action Plan against Racism (NPAR); and
2. Programme for Social and Economic Advancement of Members of the Traveller Community.

#### **National Action Plan against Racism**

The National Action Plan against Racism is being implemented over the 4 year period 2005-2008. The emphasis is on "a whole of system approach" which seeks to mainstream intercultural issues into the formulation of public policy. The overall aim of the Plan is to encourage the emergence of a more inclusive, intercultural society in Ireland based on a commitment to inclusion by design, which promotes interaction, equality of opportunity, mutual understanding and respect. The NPAR structures also underpin the objectives of integration and will support initiatives that work towards realisation of that policy. The current Action Plan will run until 2008 at which time an opportunity will arise to review and to consider new strategies in the design and implementation of diversity policy.

#### **Programme for Social and Economic Advancement of Members of the Traveller Community**

The High Level Group on Traveller Issues which reported to Government in March 2006 identified three priorities for the effective implementation of policy to support the fullest possible participation of Travellers in Irish society, i.e. coherent inter-agency cooperation, meaningful consultation with Travellers and their representatives and the incorporation of law enforcement measures into the interagency approach. *Towards 2016* commits all social partners to "give concentrated attention to achieving progress", including measures to promote positive communication between Travellers and the wider community. Expenditure under this Programme will support enhanced Traveller related measures under broader mainstream programmes.

The Social Inclusion Priority also contains a Traveller Education Sub-Programme under which some €511 million will be expended over the Plan period.

## **Equality Sub-Programme**

Various components of the NDP contain measures designed to promote the principle of equality. In relation to the social inclusion priority, there are two specific interventions which will be implemented under the Equality Sub-Programme, which has a total allocation of €148 million:

- National Women's Strategy; and
- Promoting Equality for Women.

## **Gender Equality as a Horizontal Principle**

The National Development Plan 2000-2006 included a number of measures which specifically addressed the issue of gender inequality in Ireland. While a strong body of legislation outlaws inequality and discrimination on a number of grounds including gender, reality shows that women still earn less than men and are less likely to advance to the most senior decision making roles either in enterprise or in wider civil society.

The achievement of the twin aims of growth and competitiveness require sustained growth in the size of the Irish labour market. Over the life of NDP 2000-2006, the numbers of women in the Irish labour market increased by 26% (to 855,000 women in employment) compared with an increase of 17% for men. This reflects the untapped pool of women who were of working age but were not previously employed outside the home.

The European Union continues to focus on the participation of women in the labour market as a central driver for growth across the Union. The maximisation of benefits to economic growth from the high academic achievements of women and their continuing engagement in the labour market, particularly from the older age groups who had withdrawn from the labour market, together with their increased role in decision making at all levels, are key aims contained in the European Union's Roadmap for Equality between Women and Men published early in 2006 and the Gender Pact agreed by the Spring 2006 European Council of Prime Ministers.

As indicated in Chapter 1, the mainstreaming of gender equality continues as a priority of the Government and, accordingly, the National Development Plan 2007-2013 will continue to focus on gender equality as a horizontal issue. The Plan also includes a range of positive actions which invest in the development of women in preparation for and as participants in the labour market and in all levels of decision making in order to achieve true gender equality in Ireland.

## **National Women's Strategy**

Funding will be provided to support initiatives under the National Women's Strategy, which is currently being developed by a Working Group under the aegis of the Department of Justice, Equality and Law Reform. The Strategy is expected to be published in early 2007.

## **Promoting Equality between Women and Men**

This intervention will have two central elements. Firstly, it will support positive actions to promote gender equality. These positive actions will be informed by the National Women's Strategy due to be published later this year. This cross-departmental strategy will aim to equalise the socio-economic status of women, ensure their well-being and engage them in decision making and in civil society.



Secondly, it will provide funding for tackling the problem of domestic violence, including awareness raising campaigns aimed at encouraging victims to seek assistance and to alert and alter public attitudes to the crime. Funding will also be available for programmes which work with the perpetrators to recognise and change their violent behaviour.

### **Equality Proofing**

The equality proofing process seeks to identify any unintended negative impacts of policy on any category of persons protected by equality legislation. It is a process for ensuring that policy is more efficient, effective and economic, i.e. for ensuring value for money, as well as maximising the equality impact of policy. The Department of Justice, Equality and Law Reform, through the Working Group on Equality Proofing and in collaboration with the Equality Authority, is now in a position to provide technical assistance to other Departments in proofing their policies to avoid unanticipated negative impact on any of the groups protected under the equality legislation. In addition, the Equality Authority, in collaboration with the Department, will develop a measure to support an equality mainstreaming approach across all labour market programme providers that ensures that labour market programme design and delivery accommodates diversity and enhances access, participation and outcomes for groups experiencing labour market inequality across the nine grounds covered by equality legislation.

# Value for Money

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### Value for Money (VFM)

The bulk of capital projects are now being delivered on or below budget and, in some instances, ahead of schedule. Building on this performance, all expenditure under the NDP 2007-2013 will be subject, as appropriate, to the following Value for Money management and assessment frameworks:

- The Department of Finance Guidelines of February 2005 relating to the appraisal and management of capital projects;
- Department of Finance VFM Circular Letter of 25<sup>th</sup> January 2006;
- The conditions for the annual capital sanctions to Departments issued by the Department of Finance under the rolling 5-year Multi-Annual Capital Envelopes;
- Department of Finance Guidelines on Public Procurement and Public Private Partnerships; and
- The programme of Value for Money and Policy Reviews, formerly the Expenditure Review Initiative (ERI).

In addition, selected Programmes under the NDP will be subject to detailed evaluation over the period of the Plan. A comprehensive mid-term evaluation of the full Plan will be undertaken in 2010.

Key elements of this Value for Money framework include:

- All projects will be subject to project appraisal to ensure that NDP programme objectives and Value for Money are being achieved;
- All capital projects over €30 million will require a full cost benefit analysis in line with the Department of Finance guidelines of February 2005;
- An individual will be appointed as project manager to manage and monitor progress on all such major projects;
- Progress on capital programmes and projects will be reported regularly to the Management Advisory Committees of all Departments and Boards of all implementing agencies concerned with the programmes and projects;
- Departments and Agencies will carry out annual spot checks to ensure compliance with the Value for Money requirements under their capital sanctions and Department of Finance Capital Appraisal Guidelines and report the findings of such spot-checks annually to the Department of Finance;
- NDP programme evaluations and Value for Money and Policy Reviews will be published and submitted to the relevant Select Committees of the Oireachtas; and
- As provided for under the Budget and Estimates Reform proposals set out in Budget 2006, all Ministers will submit an Annual Output Statement with their Annual Estimates to the relevant Oireachtas Committee. This will detail target outputs for the Estimates and the following years'

Statement will set out achievements against the target. This process will encompass Exchequer funded NDP spending.

This framework will apply as appropriate to both capital and current expenditure under the Plan.

### **Central Expenditure Evaluation Unit**

The recently established Central Expenditure Evaluation Unit, based in the Department of Finance, will play an important role in general oversight of VFM issues relating to the NDP. It will have specific responsibility for central oversight of the Value for Money and Policy Reviews and for organising ongoing NDP evaluation at programme level including the Mid-Term Review of the NDP. The overall objective of the various guidance and the work of the Central Unit will be to inculcate best practice in the appraisal and management of projects and programmes by public bodies delivering investment under the NDP. The Unit will also carry out spot checks at project level to verify compliance with the various VFM guidance. In addition, all expenditure under the NDP will be subject to the monitoring and reporting arrangements for the Plan set out in Chapter 13.

### **Public Procurement**

Project procurement under the NDP will be firmly focussed on securing Value for Money for the taxpayer. The Government is introducing new standardised public works contracts terms and new conditions of engagement for construction-related consultants (i.e. architects, engineers etc.). Cost certainty, value for money and cost effective delivery of public capital projects are at the core of the reforms.

The scope of the reforms covers contractors, consultants and public service clients. The new public works contracts will provide for fixed price lump sum contracts with appropriate risk transfer tendered on a competitive basis. The new arrangements for consultants also introduce fixed fees, tendered on a competitive basis. Public sector clients will also have to define their requirements comprehensively so that the project scope is very clear before going to tender. The overall objective is to secure greater certainty for the State on project outturns and to greatly reduce cost overruns over project tender prices. The implementation of the procurement reforms are one of the key elements in the drive to secure better Value for Money outcomes from the very significant expenditure allocated for infrastructure development in the Plan.

In addition to these reforms, the National Public Procurement Policy Framework facilitates a more professional approach to public procurement. Under the framework Public Bodies must include procurement management reform as one of the key strategic priorities and develop an appropriate corporate procurement plan that set targets to achieve savings and broader Value for Money objectives.

### **Public Private Partnerships (PPPs)**

While the majority of infrastructure will continue to be delivered by means of conventional procurement, PPPs will have an important role to play in the delivery of the next NDP. The PPP approach will be considered for appropriate projects where there is the right scale, risk and operational profile. Factors influencing the use of PPPs include availability of PPP procurement expertise and the potential for optimal risk transfer, accelerated delivery and value for money.

The Government has set ambitious targets for Central Government PPP/NDFA financed investment in the NDP. The Plan provides for some €13.35 billion in PPP funded capital investment of which €11.2 billion (including an unallocated reserve of €2.8 billion) is in respect of PPPs funded by annual payments to the PPP provider. In addition, over €1.9 billion of PPP funding in the Plan will be in respect of toll based investment in the Roads area. Joint ventures including private sector funding will also be further developed by Local Authorities especially in the Waste and Housing areas. Apart from this there are a number of PPPs, notably in the water investment area, which will be developed on a Design, Build Operate basis with the

capital cost being funded by the Exchequer and operational and maintenance costs of the PPP provider being funded by the relevant Local Authority.

The Government has put in place a number of structures to facilitate the use of the PPP option including a legislative framework, central policy guidance and formal consultative structures in the shape of the Interdepartmental Group on PPP and the Informal Advisory Group on PPPs which includes the relevant social partners.

PPP procurement expertise has already been well developed in the specialist procurement agencies such as the National Roads Authority and the Rail Procurement Agency and in a number of local authorities.

### **National Development Finance Agency**

A key measure put in place in 2005 was the decision to expand the role of the National Development Finance Agency (NDFA) to provide a Centre of Expertise to undertake the procurement of PPP projects to turnkey stage for Government Departments/Offices, once the project specifications and project budgets have been determined by the relevant Departments/Offices. Initially, the priority for the NDFA is to focus on a programme of PPP projects in a small number of key areas: the Justice, Education and Health areas.

This new function for NDFA is in addition to its existing role of providing financial and risk advice to State Authorities on all large public investment projects, including those procured by means of a Public Private Partnership arrangement.

The NDFA Centre of Expertise should consolidate the core skills and capacity required to support these complex procurements in Departmental areas. It will allow for public sector continuity in managing PPP procurement.

### **Strategic Infrastructure Act, 2006**

There has been ongoing concern about the delay in bringing key strategic infrastructure projects from initial approval to completion. It is a key priority that major strategic infrastructure projects are delivered as quickly as possible. Rollout of these projects must, however, conform with EU and domestic requirements in relation to physical planning and the environment. The Strategic Infrastructure Act, 2006, has put a streamlined planning process in place for certain strategic infrastructural projects whilst ensuring that all statutory requirements relating to the environment are fully observed. It is anticipated that the impact of the legislation will be to speed up the delivery timeframe for projects which are subject to it.

The Act provides for the establishment of a Strategic Infrastructure Division within An Bord Pleanála. The Division will be the sole planning consent authority for almost all major infrastructure development on land. In addition to motorways and local authority projects, which are already handled by An Bord Pleanála, the category of strategic infrastructure will include major electricity transmission lines, railway lines, orders including heavy and light rail and metro, other infrastructure requiring Environmental Impact Assessment (EIA), such as significant airport or port developments, waste infrastructure, very large energy projects and strategic upstream and downstream gas pipelines.

The Act also provides that, in addition to taking account of the application, Environmental Impact Statement and any submissions received in relation to an application, the Board will be required to have regard to the national interest, any effect the decision may have on issues of strategic economic or social importance to the State, the National Spatial Strategy and any regional planning guidelines in force for the area.

### **Legal Issues**

Under the Constitution, individuals and bodies have a right to take judicial action against a particular project. A particular feature has been the use of the judicial review procedure in this regard. There have been

concerns about the extent to which the instituting of judicial review proceedings can serve to delay work on major infrastructural projects, with consequent financial and economic implications. However, arrangements have been put in place in the High Court during 2006 for the case management of judicial review applications relating to such projects. These arrangements have resulted in the expeditious dispatch of a number of such cases. The Superior Courts Rules Committee has drawn up a set of Rules of Court designed to formalise these arrangements, and at the time of going to press, it was expected that those Rules would shortly come into effect. In addition, the Government decided in December 2006 to increase the number of judges on the High Court bench by two, with a view (among other things) to fast-tracking judicial review cases, particularly review cases arising from major infrastructural projects, thus curbing the growth of judicial review as a delaying tactic. The legislation to give effect to that decision to increase the number of High Court Judges will come before the Oireachtas in early 2007.

# Monitoring and Management/ Implementation Arrangements

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### Implementation

Overall coordination of monitoring and implementation of the National Development Plan 2007-2013 will be the responsibility of Sectoral Policy Division in the Department of Finance. In general, implementation of NDP investment at programme and project level will be the responsibility of the relevant Government Department and Agency. Project selection and implementation will be subject to compliance with guidance set down in relation to capital appraisal and management, procurement, etc. as referred to in Chapter 12. Project selection will also be required to take full account of the horizontal objectives of Regional Development, Environmental Sustainability, the All-Island dimension and development of the Rural Economy.

### Central NDP Monitoring

A Central Monitoring Committee will be established to monitor implementation of the National Development Plan 2007-2013. The Committee will be chaired by the Department of Finance. A special Unit within the Sectoral Policy Division of that Department will provide the Secretariat to the Monitoring Committee as well as coordinating ongoing oversight of NDP monitoring and implementation.

Sectoral Policy Division in the Department of Finance in general will proactively liaise with Departments, Implementing Agencies and other concerned bodies to promote the Value for Money rollout of Plan investment and to oversee progress measured against the monitoring template (see below) which will be developed.

### Membership of the NDP Central Monitoring Committee

Apart from the Department of Finance membership of the NDP Central Monitoring Committees will encompass representatives from Government Departments and public bodies involved in implementation of NDP programmes. Additionally representatives from the two Regional Assemblies, the eight Regional Authorities and the four Social Partners Pillars will be included on the Monitoring Committee. The Monitoring Committee will include an appropriate representative of both equal opportunity and environmental interests to be drawn from a relevant Government Department or an appropriate statutory body. The Central Expenditure Evaluation Unit of the Department of Finance will be represented on the Monitoring Committee in an observer capacity. Other bodies will be invited to attend meetings of the Monitoring Committee as necessary and appropriate.

### Reporting Arrangements

A detailed reporting system will be drafted early this year to monitor NDP implementation. This will be based on a focused template aimed in particular at monitoring progress on NDP financial and physical outputs and outcomes including by reference to the horizontal themes of Regional Development, All-Island dimension and Environmental Sustainability. Statements in relation to VFM and capital appraisal will also

be included. The template will have synergies and coordination with other reporting requirements that arise, for example, under the new Annual Output Statement in the context of the Annual Estimates.

A key feature of the monitoring template will be to measure the impact of investment on Regional Development. Accordingly the Annual Report (see below) on NDP implementation will detail the following in particular:

- Projects and programmes, planned and being implemented, above a specified threshold in each of the 8 Regional Authority areas;
- Projected impact of projects and programmes — planned and underway; and
- High level socio-economic indicators for each Regional Authority area.

The NDP Central Monitoring Committee will meet twice yearly with the initial meeting in the second half of 2007. Rules of procedure will be drafted for the Monitoring Committee and it will in particular assess progress by reference to a Report which will be prepared by the Department of Finance based on material received from Departments and Implementing Agencies by reference to the reporting template. The Department of Finance will also coordinate the drafting of an Annual Report on NDP Implementation which will be submitted to the Government and subsequently laid before the Houses of the Oireachtas where it shall be subject to debate. The first such report will be produced in 2008 in respect of 2007.

### **Cabinet Committee on Infrastructure, PPPs and Housing**

The Cabinet Committee on Infrastructure, PPPs and Housing and the Cross Departmental Team (CDT) of the same name will also periodically (at least annually) review progress under the NDP. This will be in addition to the normal sectoral agenda of the Committee which will in any event generally traverse ground relevant to NDP investment.

### **Cabinet Committee on Social Inclusion**

The Cabinet Committee on Social Inclusion will, as part of its overview of the overall social inclusion effort, review progress on the social inclusion elements of the NDP.

### **Monitoring and Reporting on Social Inclusion**

As part of a new overall strategic framework for social inclusion, a comprehensive and efficient monitoring and reporting process, streamlined across the goals of *Towards 2016*, the new NDP and National Action Plan for Social Inclusion, will be developed and implemented. A key element in the social inclusion monitoring and evaluation process will be the preparation, on an annual basis, by the Office for Social Inclusion (OSI), of the annual social inclusion report. This report will: (i) review each stage of the lifecycle on a systematic basis; (ii) provide a detailed assessment of progress achieved towards set targets; (iii) identify new issues arising or cross-cutting issues which might benefit from a more co-ordinated approach; and (iv) report on stakeholders views arising from NDP Monitoring Committees, Partnership Fora, the Social Inclusion Forum and other consultation processes.

The report will be presented to the Minister for Social and Family Affairs, the Cabinet Committee on Social Inclusion, the Partnership Steering Group and the NDP Monitoring Committee. In respect of the social inclusion aspects of the NDP, the annual report on social inclusion will feed in as appropriate to the annual report on the NDP to be submitted to the Oireachtas. This approach will ensure that reporting processes are streamlined, following the framework of *Towards 2016* and encompassing the National Action Plan for Social Inclusion, Ireland's social inclusion input to the National Report on Strategy for Social Protection and Social Inclusion 2006-2008 and the social inclusion aspects of the new NDP. In developing the annual report, the OSI will work with all stakeholders, including Departmental liaison officers and policy owners,



with inputs from the Partnership Steering Committee, the Senior Officials Group on Social Inclusion and other fora as appropriate.

The Office for the Minister for Children will provide a strong leadership role in improving outcomes for children. To ensure a better integration of activation, income and other supports to assist people into employment, a new high-level group (composed of the Department of Enterprise, Trade and Employment, the Department of Social and Family Affairs, FÁS and other relevant agencies as required) will be established. This group will report to the Cabinet Committee on Social Inclusion regarding progress.

### **NDP Communications Strategy**

The NDP Communications Strategy put in place under NDP 2000-2006 will continue. This strategy has proven successful in raising awareness of NDP Projects and Programmes and in the process, informing taxpayers as to how their money is being spent. It has also proven a very valuable vehicle for handling individual queries on the NDP. The dedicated NDP Information Office will, therefore, continue in existence and will work closely with Government Departments and Implementing Agencies to ensure that the public is kept informed on NDP progress. The Office for Social Inclusion will work closely with the NDP Information Office in ensuring that a common approach is taken to communicating the NDP activities in the area of social inclusion.

## CHAPTER 14

# Achievements under the National Development Plan (NDP)/Community Support Framework (CSF) 2000-2006

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### Overview

The National Development Plan/Community Support Framework 2000-2006 provided for investment of some €57 billion of Public, Private and EU funds over the programme period, which under EU Rules continues to 2008. It has involved significant investment in infrastructure — such as roads, public transport, water and waste services — in health services, social housing, education, industry and rural development.

In line with EU requirements the Plan consists of seven Operational Programmes [4 National, 2 Regional and 1 All-Island]. These Operational Programmes (OPs) are the Economic and Social Infrastructure Operational Programme, the Productive Sector Operational Programme, the Employment and Human Resources Operational Programme, the Border, Midlands and Western (BMW) Regional Operational Programme, the Southern and Eastern (S&E) Regional Operational Programme, the PEACE II Operational Programme; and the Technical Assistance Operational Programme.

### Financial Outturn

Available expenditure information indicates that of the €57 billion target, €54 billion had been spent by end-2006. The information also indicates that the overall outturn is expected to be close to the original forecast by the end of the programming period. At programme level, some over performance and under performance of expenditure will take place within and between the Operational Programmes that support the NDP. The final Exchequer commitment is expected to be well ahead of the original target and this will cover a lower than expected take-up from the private sector.

Under the key Economic and Social Infrastructure OP, Exchequer expenditure will be some €5.5 billion ahead of target at end 2006. The Exchequer has invested over €10.2 billion in the Transport Area (Roads and Public Transport) under the Plan

### Key Achievements

#### **General**

Over the period 2000-2006 the macroeconomic and budgetary indicators have been uniformly positive as the following indicates:

Indicator	Outcome
Economic Growth (Average 2000-2006)	5.2%
Employment Growth (Average 2000-2006)	3.4%
Employment Growth in Numbers	+420,000
General Government Debt	38% of GNP to 28% of GNP
General Government Balance (2000-2006)	In surplus each year with exception of small deficit in 2002

### **Specific Achievements**

The following are some of the key features from the investment to date under the NDP 2000-2006 which have made a real difference to the economic welfare and quality of life of citizens. The website [www.ndp.ie](http://www.ndp.ie) gives details on a County basis of the many achievements under the Plan.

#### **Transport**

- Over €11.5 billion has been invested by end 2006 in Roads and Public Transport which includes €10.2 billion of Exchequer investment.
- Approximately 526 kilometres of new roads including 173 kilometres of motorway from a base of almost zero, 137 kilometres of dual carriageway and 215 kilometres of high quality single carriageway.
- Sixty-nine major projects have been completed to date including the M1 from Dublin to Dundalk, M7 Monasterevin Bypass, M4 Kinnegad/Enfield, N11 Glen of the Downs, M50 South Eastern Motorway, M1/M50 Dublin Port Tunnel, the second M50 Bridge, the M7 Kildare Bypass, N8 Watergrasshill Bypass, N11 Ashford/Rathnew Bypass, the N2 Carrickmacross Bypass, the N26 Ballina/Bohola, the N4 Sligo Inner Relief road, the N5 Strokestown/Longford, the N4 Boyle/Carrick-on-Shannon, the N15 Ballyshannon/Bundoran and the N4 Edgeworthstown Bypass.
- Under Public Transport major projects have included:
  - the Luas light rail in Dublin which has carried more than 50 million passengers since it commenced operation;
  - the doubling of peak capacity on the DART line; and
  - Major investment in the Intercity Rail Network, involving the upgrade of infrastructure and signalling, the replacement and modernisation of rolling stock and the implementation of a significant railway safety programme.

#### **Non National Roads**

- The investment of €3.1 billion has led to the improvement/restoration of over 51,000 kilometres of non national roads.

#### **Housing**

- Over €10.4 billion has been invested in the Housing area since 2000 and this has delivered an additional 31,000 Local Authority Housing units and around 9,000 Voluntary and 12,400 Affordable Housing Units.

#### **Water and Waste Water Infrastructure**

- Over €3.1 billion has been invested in environmental infrastructure projects including the completion of 334 water service projects comprising wastewater, water supply and infrastructure management and rehabilitation. This includes major projects in Dublin, Cork and Limerick. Apart from the significant environmental benefits, this has facilitated massive residential (over 430,000 new houses built since 2000) and commercial development.

#### **Rural Water**

- Total national spend of over €500 million has been invested in upgrading the water supply for some 537,000 people in rural households.

## **Research and Development**

- An investment of over €1.7 billion in Research, Development and Innovation with a particular focus on Industry R&D.

## **Childcare**

- The NDP 2000-2006 has invested €320 million creating over 31,000 extra childcare places and establishing or upgrading nearly 1900 childcare facilities to date.

## **Health**

NDP 2000-2006 provided in the region of €3.3 billion nationally with expenditure of €2.3 billion for the Southern and Eastern Region and in excess of €1 billion for the Border, Midland and Western Region.

Examples of new, improved or expanded services include:

- Over 1,300 inpatient and day treatment places provided;
- Major projects completed in the Acute sector at St. Vincent's, St. James's, and Connolly Hospitals Dublin; Midland Regional Hospital, Tullamore, Naas General Hospital, UCHG — Galway, Mayo General Hospital, Cork University Hospital, and South Tipperary General Hospital, Clonmel;
- Major projects completed for the Primary, Community and Continuing Care sector at Thurles, Enniscorthy, Kilkenny, Virginia, Castleblaney, and Ennis;
- Additional places and improvements for people with intellectual disability and autism, people with physical and sensory disability and for older people;
- A major reduction in in-patient stays in mental hospitals which is accompanied with the provision of additional acute units in general hospitals;
- The development of 13 third level educational centres nationally to underpin the new nursing degree programme. These cater for approximately 1,600 training places a year over the four year course, with the first students graduating in 2006; and
- Unprecedented levels of funding annually for a wide range of minor capital works throughout the country across all healthcare programmes: this important area includes, for example, refurbishment, re-equipping, health & safety issues, maintenance and fire precaution works.

## **Review of NDP/CSF**

The ESRI carried out a mid-term evaluation of the NDP/CSF 2000-2006. The key findings were that the *“NDP has made significant progress towards its objectives of continuing sustainable national economic and employment growth and of consolidating and improving Ireland's economic competitiveness”* and that the NDP *“will have a sustainable positive effect on competitiveness and the productive capacity of the economy in the long-term”*. It stated that in the long run the level of GNP will be around 3% higher which represents a real rate of return on NDP investment of around 14%. The ESRI in its ex-ante assessment of investment priorities for NDP 2007-2013 concluded that *“The current NDP has greatly enhanced the economic and social infrastructure of the State with major benefits to economic development throughout all regions”*.

## **Conclusion**

The NDP 2000-2006 has very significantly enhanced infrastructure whilst making an important contribution in other areas. The new Plan will build on this foundation to deliver a much more ambitious level of investment and consequent further major improvement in areas of key importance to competitiveness and quality of life.



## APPENDIX 1

# NDP 2007-2013 — Investment by Priority, Programme and Sub-Programme

Table 1 — Priority and Programme Level

	2007-2013 Total
	€m (Current Prices)
<b>Programmes under the Economic Infrastructure Priority</b>	
Transport	32,914
Energy	8,526
Environmental Services	5,772
Communications and Broadband	435
Govt. Infrastructure Programme	1,413
Development Contributions*	2,100
Unallocated capital reserve**	3,500
<b>Total for the Economic Infrastructure Priority</b>	<b>54,660</b>
<b>Programmes under the Enterprise, Science and Innovation Priority</b>	
Science, Technology & Innovation	6,112
Enterprise Development	3,323
Tourism Development	800
Agriculture & Food	8,028
Rural Social & Economic Development	844
Gaeltacht & Islands Development	457
Marine and Coastal Communities	442
<b>Total for the Enterprise, Science and Innovation Priority</b>	<b>20,006</b>
<b>Programmes under the Human Capital Priority</b>	
Training & Skills Development	7,718
Schools Modernisation and Development	5,061
Higher Education	13,017
<b>Total for the Human Capital Priority</b>	<b>25,796</b>
<b>Programmes under the Social Infrastructure Priority</b>	
Housing	21,214
Health infrastructure	4,970
Justice	2,346
Sports, Culture, Heritage and Community Infrastructure	3,631
Unallocated capital reserve	1,450
<b>Total for Social Infrastructure Priority</b>	<b>33,612</b>
<b>Programmes under the Social Inclusion Priority</b>	
Children Programme	12,290
Working Age — Education	4,201
Working Age — Social & Economic Participation	1,160
Working Age — Justice	300
Older People	9,725
People with Disabilities	19,250
Local & Community Development	1,862
Horizontal Programme	848
<b>Total for the Social Inclusion Priority</b>	<b>49,636</b>
<b>Total for NDP 2007-2013</b>	<b>183,709</b>

\*Contributions levied under Section 48 of the Planning and Development Act, 2000 which will mostly be invested in this Priority.

\*\*Gateways Innovation Fund (€300 million) to be funded from Exchequer element of this.

**Table 2 — Sub-Programmes under the Economic Infrastructure Priority**

<b>Programme</b>	<b>Sub-Programmes</b>	<b>2007-2013 Total</b>
Transport	Roads	17,615
	Public Transport	12,951
	Airports	1,868
	Ports	481
	<b>Total</b>	<b>32,914</b>
Energy	Strategic Energy	1,240
	Sustainable Energy	276
	State Energy Companies	7,010
<b>Total</b>	<b>8,526</b>	
Environmental Services	Water Services	4,748
	Waste Management	753
	Climate Change	270
<b>Total</b>	<b>5,772</b>	
Communications and Broadband	Broadband	435
<b>Total</b>	<b>435</b>	
Government Infrastructure	Decentralisation	833
	Government Sites & Buildings	580
<b>Total</b>	<b>1,413</b>	
Development Contributions*		2,100
Unallocated Reserve**		3,500
<b>Economic Infrastructure Priority Total</b>		<b>54,660</b>

\*Contributions levied under Section 48 of the Planning and Development Act, 2000 which will mostly be invested in this Priority.

\*\*Gateways Innovation Fund (€300 million) to be funded from Exchequer element of this.



**Table 3 — Sub-Programmes under the Enterprise, Science and Innovation Priority**

<b>Programme</b>	<b>Sub-Programmes</b>	<b>2007-2013 Total</b>
Science, Technology & Innovation*	World Class Research STI	3,462
	Enterprise STI	1,292
	Agri-Food Research	641
	Energy Research	149
	Marine Research	141
	Geoscience	33
	Health Research	301
	Environment Research	93
<b>Total</b>		<b>6,112</b>
Enterprise Development	Indigenous Industry	1,691
	Foreign Direct Investment	1,632
<b>Total</b>		<b>3,323</b>
Tourism Development	International Marketing	335
	Product and Infrastructure Development	317
	Training and Human Resources	149
<b>Total</b>		<b>800</b>
Agriculture & Food	Competitiveness of Agriculture & Food	1,711
	Enhancement of Environment and Countryside	6,028
	Food Industry	289
<b>Total</b>		<b>8,028</b>
Rural Social and Economic Development	Rural Social Schemes	214
	Clár	141
	Western Investment Fund	28
	Leader/Rural Economy	461
<b>Total</b>		<b>844</b>
Gaeltacht & Islands Development	Gaeltacht	98
	Udaras na Gaeltachta	233
	Islands	126
<b>Total</b>		<b>457</b>
Marine and Coastal Communities	Seafood Development	216
	Fisheries and Coastal Infrastructure	203
	Coastal Protection	23
<b>Total</b>		<b>442</b>
<b>Enterprise, Science &amp; Innovation Priority Total</b>		<b>20,006</b>

\*Some €1.5 billion of the SSTI investment is included under the Higher Education programme of the Human Capital Priority

**Table 4 — Sub-Programmes under the Human Capital Priority**

Programme	Sub-Programmes	2007-2013 Total
		€m (Current Prices)
Training & Skills Development	Improving Workforce Adaptability Activation and Participation of Groups outside the Workforce	2,829 4,890
<b>Total</b>		<b>7,718</b>
Schools Modernisation and Development	Schools Infrastructure Schools Development ICT in Schools	4,490 318 252
<b>Total</b>		<b>5,061</b>
Higher Education	Higher Education Infrastructure Higher Education Development* Strategic Innovation Fund	1,975 10,531 510
<b>Total</b>		<b>13,017</b>
<b>Human Capital Priority Total</b>		<b>25,796</b>

\*Includes some €1.5 billion in respect of SSTI

**Table 5 — Sub-Programmes under the Social Infrastructure Priority**

Programme	Sub-Programmes	2007-2013 Total
		€m (Current Prices)
Housing	Social Housing Provision and Renewal Affordable Housing and Targeted Private Housing	17,057 4,157
<b>Total</b>		<b>21,214</b>
Health Infrastructure	Acute Hospital Care Primary, Community and Continuing Care Health Information and Communications	2,413 2,068 490
<b>Total</b>		<b>4,970</b>
Justice	Justice Infrastructure	2,346
<b>Total</b>		<b>2,346</b>
Sports, Culture, Heritage and Community Infrastructure	Sports Culture Built Heritage Natural Heritage Waterways Community Infrastructure	991 1,130 373 167 75 895
<b>Total</b>		<b>3,631</b>
Unallocated capital reserve		1,450
<b>Social Infrastructure Priority Total</b>		<b>33,612</b>

Table 6 — Sub-Programmes under the Social Inclusion Priority

Programme	Sub-Programmes	2007-2013 Total
		€m (Current Prices)
Children Programme	National Childcare Investment	1,336
	National Children's Strategy	60
	Child Welfare and Protection	3,444
	DEIS and Early Education	361
	Special Needs	5,356
	Traveller Education	511
	Youthreach	574
	Youth Justice	224
	Youth Sector	424
<b>Total</b>		<b>12,290</b>
Working Age — Education	Further Education	2,225
	Student Support	1,977
<b>Total</b>		<b>4,201</b>
Working Age — Social & Economic Participation	Activation	50
	Back to Work	591
	Back to Education	519
<b>Total</b>		<b>1,160</b>
Working age — Justice		300
<b>Total</b>		<b>300</b>
Older People	Living at Home	4,722
	Residential Care	5,003
<b>Total</b>		<b>9,725</b>
People with Disabilities	Health Services Disabilities	18,826
	Education Disabilities Support	260
	Disability Friendly Environment	164
<b>Total</b>		<b>19,250</b>
Local & Community Development	Community Development and Services	861
	RAPID	67
	Local Development Social Inclusion	417
	Volunteers and Volunteering	197
	National Drugs Strategy	319
<b>Total</b>		<b>1,862</b>
Horizontal Programme	Immigrants Integration	36
	Language Support	637
	Traveller Programme and National Action	
	Plan against Racism	27
	Equality	148
<b>Total</b>		<b>848</b>
<b>Social Inclusion Priority Total</b>		<b>49,636</b>

# APPENDIX 2 — Multi-Annual Capital Investment Framework 2007 to 2013

	2007 € Million			2008 € Million			2009 € Million			2010 € Million			2011 € Million			2012 € Million			2013 € Million			Total € Million 2007 – 2013
	Direct Exchequer Capital Funding	PPP/NDFA Capital Investment	Total Capital Investment	Direct Exchequer Capital Funding	PPP/NDFA Capital Investment	Total Capital Investment	Direct Exchequer Capital Funding	PPP/NDFA Capital Investment	Total Capital Investment	Direct Exchequer Capital Funding	PPP/NDFA Capital Investment	Total Capital Investment	Direct Exchequer Capital Funding	PPP/NDFA Capital Investment	Total Capital Investment	Direct Exchequer Capital Funding	PPP/NDFA Capital Investment	Total Capital Investment	Direct Exchequer Capital Funding	PPP/NDFA Capital Investment	Total Capital Investment	
<b>Ministerial Vote Group</b>																						
Agriculture and Food	279		279	296		296	336		336	280		280	300		300	320		320	340		340	2,151
Arts Sport & Tourism	283	53	336	265	120	385	205	195	400	200	75	275	195	25	220	200		200	201		201	2,017
Communications, Marine & Natural Resources	173		173	198		198	214		214	211		211	216		216	225		225	240		240	1,476
Community, Rural & Gaeltacht Affairs	149		149	165		165	190		190	178		178	177		177	177		177	178		178	1,214
Defence	30		30	35		35	40		40	45		45	50		50	50		50	55		55	306
Education	703	40	743	715	195	910	915	180	1,095	930	160	1,090	950	175	1,125	990	185	1,175	1,025	200	1,225	7,363
Enterprise, Trade & Employment	470		470	500	20	520	555	20	575	560	20	600	615		615	645		645	675		675	4,100
Environment & Local Government	2,023	25	2,048	2,120	30	2,150	2,320	40	2,360	2,365	40	2,405	2,475	40	2,515	2,635	40	2,675	2,805	40	2,845	16,998
Kyoto Protocol (Purchase of carbon credits)*				45		45	45		45	45		45	45		45	45		45	45		45	270
Finance [Less OPW]	22		22	20		20	20		20	20		20	25		25	25		25	25		25	157
Foreign Affairs	26		26	20		20	20		20	20		20	20		20	25		25	25		25	157
Health & Children	657		657	705		705	740	15	755	775	65	840	800	140	940	850	195	1,045	900		900	5,841
Justice	156	115	271	160	210	370	175	185	360	255	110	365	185	40	225	195	65	260	205	70	275	2,125
OPW	184		184	200		200	238		238	240		240	260		260	270		270	290		290	1,682
OPW Decentralisation	170	31	201	275	70	345	107	30	137	20		20	20		20	25		25	25		25	774
Social & Family Affairs	20		20	15		15	15		15	15		15	20		20	20		20	20		20	125
Transport	2,279		2,279	2,620	25	2,645	2,610	950	3,560	2,585	1,165	3,750	2,495	1,380	3,874	3,545	1,350	4,895	3,185	300	3,485	24,488
Unallocated Reserve				230	50	280	280	250	530	360	400	760	400	490	880	400	525	925	500	1,065	1,565	4,950
<b>Total</b>	<b>7,623</b>	<b>264</b>	<b>7,887</b>	<b>8,583</b>	<b>720</b>	<b>9,303</b>	<b>9,025</b>	<b>1,865</b>	<b>10,890</b>	<b>9,123</b>	<b>2,035</b>	<b>11,158</b>	<b>9,249</b>	<b>2,290</b>	<b>11,538</b>	<b>10,643</b>	<b>2,360</b>	<b>13,003</b>	<b>10,738</b>	<b>1,675</b>	<b>12,413</b>	<b>76,193</b>
<b>Additional capital outside of the envelope</b>																						
PPP funded by user charges			540			535			520			270										1,865
<b>Total Investment 2007 to 2013</b>			<b>8,427</b>			<b>9,838</b>			<b>11,410</b>			<b>11,428</b>			<b>11,538</b>			<b>13,003</b>			<b>12,413</b>	<b>78,058</b>

\*These amounts and profile are indicative.

Notes: a small element (e.g. Defence) of this Framework is not included in the NDP.

## APPENDIX 3

# Submissions received by the NDP Secretariat on NDP 2007-2013

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1. A&L Goodbody
2. Age Action Ireland
3. American Chamber of Commerce Ireland
4. Aontas (National Association of Adult Education)
5. Audiovisual Federation
6. Ballina Chamber
7. Barnardos
8. Border Regional Authority
9. BMW Regional Assembly
10. Cavan County Council
11. Chambers Ireland
12. Claregalway By-Pass (Submission made by Councillor Fidelma Healy Eames)
13. Combat Poverty Agency
14. Comhar
15. Construction Industry Federation
16. CORI (Conference of Religious of Ireland)
17. Council for the West
18. Council of Directors of the Institutes of Technology
19. County and City Managers Association (CCMA) Community, Social and Economic Committee
20. Cork Chamber
21. Donegal County Council
22. Disability Federation of Ireland
23. Dublin Chamber of Commerce
24. Dublin Docklands Development Authority
25. Dublin Regional Authority
26. EAPN (European Anti-Poverty Network)
27. EAPN/Community Workers Co-op
28. Eircom: Broadband in Ireland
29. Engineers Ireland
30. Fingal County Council
31. Galway Airport
32. Galway Chamber
33. Galway City Council
34. Galway City Development Board
35. Galway Outer Bypass Group
36. GRIAN (Greenhouse Ireland Action Network)
37. Heritage Council

38. Homeless Agency
39. Irish Business & Employers Confederation (IBEC)
40. Irish Congress of Trade Unions (ICTU)
41. Irish Council for Social Housing
42. Irish Creamery Milk Suppliers Association
43. Irish Exporters Association
44. Irish Farmers Association
45. Irish National Organisation of the Unemployed
46. Irish Rural Link
47. Irish Thoroughbred Breeders' Association
48. Irish Tourist Industry Confederation (ITIC)
49. Kerry County Council
50. Kerry County Development Board
51. Limerick Chamber
52. Lónra (Regional Higher Education Network)
53. Louth Local Authorities
54. Macra Na Feirme
55. Mid-East Regional Authority
56. Mid-West Regional Authority
57. Midland Regional Authority
58. National Adult Literacy Agency
59. National Competitiveness Council
60. National Disability Authority
61. Neurosurgical Unit for UCHG, Galway (Submission made by Councillor Fidelma Healy Eames)
62. S&E (Southern & Eastern) Regional Assembly
63. Schull Community Harbour Development Company Ltd.
64. SDLP
65. Sligo Chamber
66. Small Firms Association
67. Society of St. Vincent de Paul
68. South Tipperary County Development Board
69. South-West Regional Authority
70. South-East Regional Authority
71. Thurles Chamber
72. Tourism Ireland
73. Tourism Strategy Implementation Group
74. West Regional Authority
75. West Regional Authority: Atlantic Gateways Initiative
76. Western Development Commission
77. Wexford County Development Board

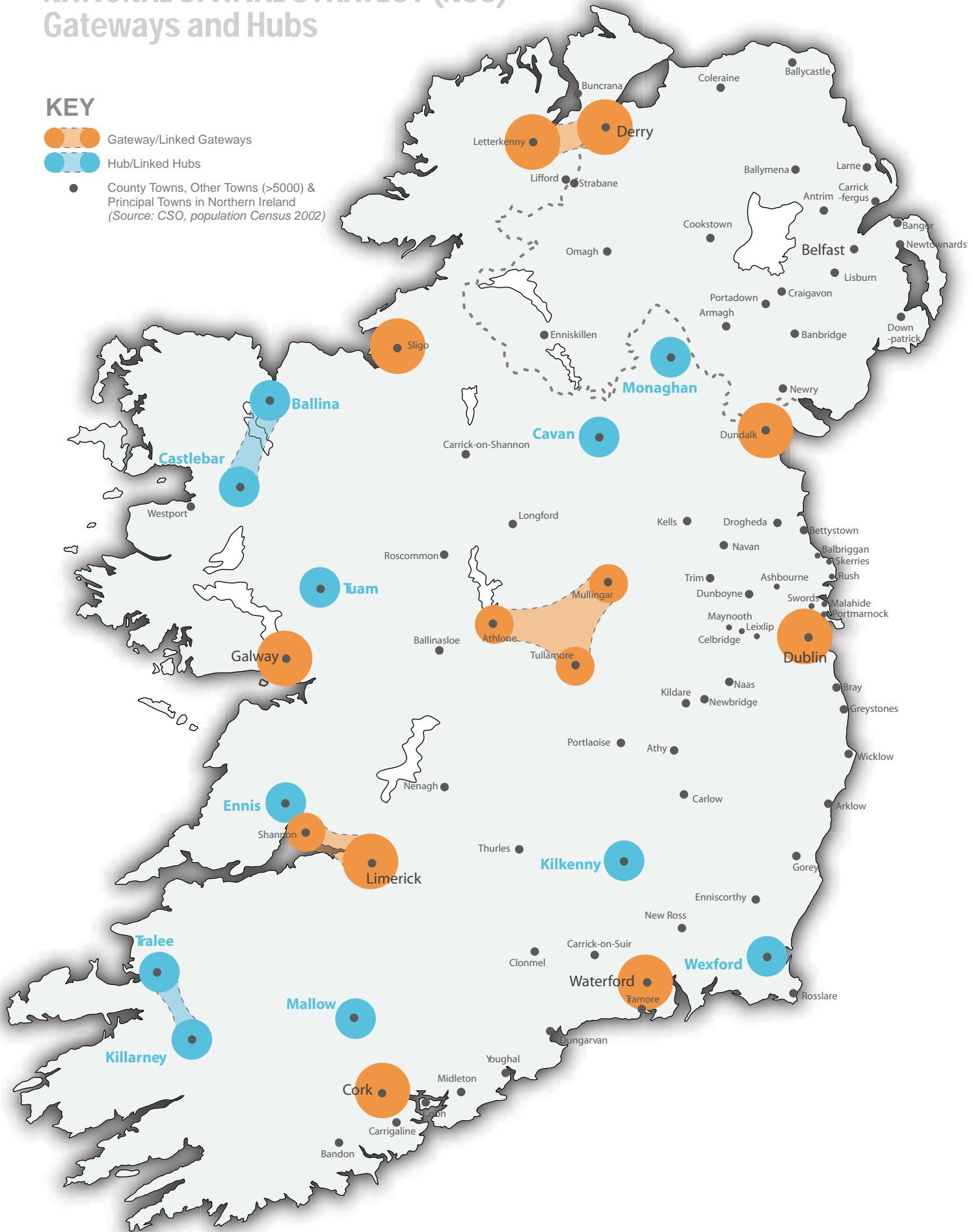
# NATIONAL SPATIAL STRATEGY (NSS) Gateways and Hubs

## KEY

 Gateway/Linked Gateways

 Hub/Linked Hubs




● County Towns, Other Towns (>5000) & Principal Towns in Northern Ireland  
(Source: CSO, population Census 2002)

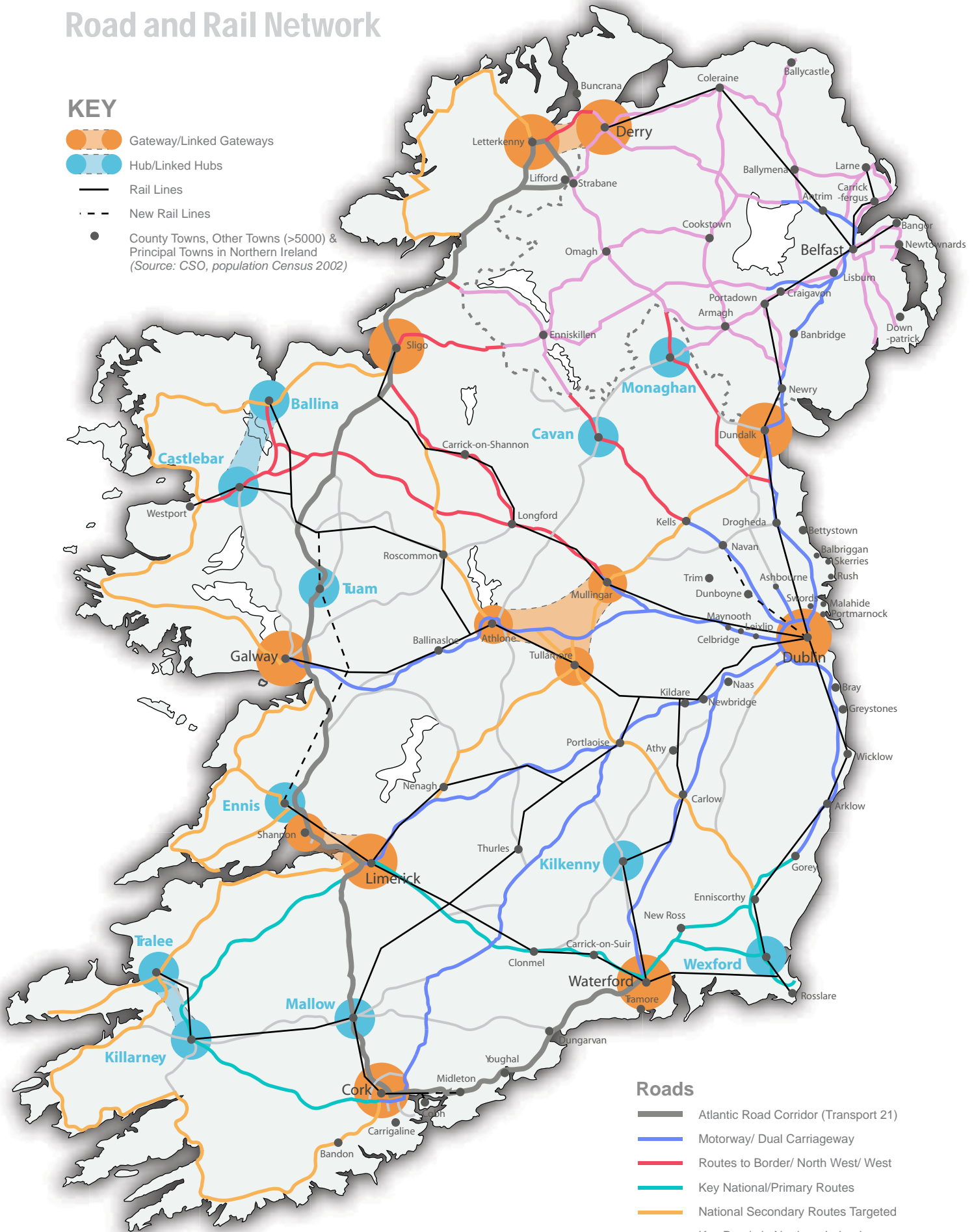










# Road and Rail Network

## KEY

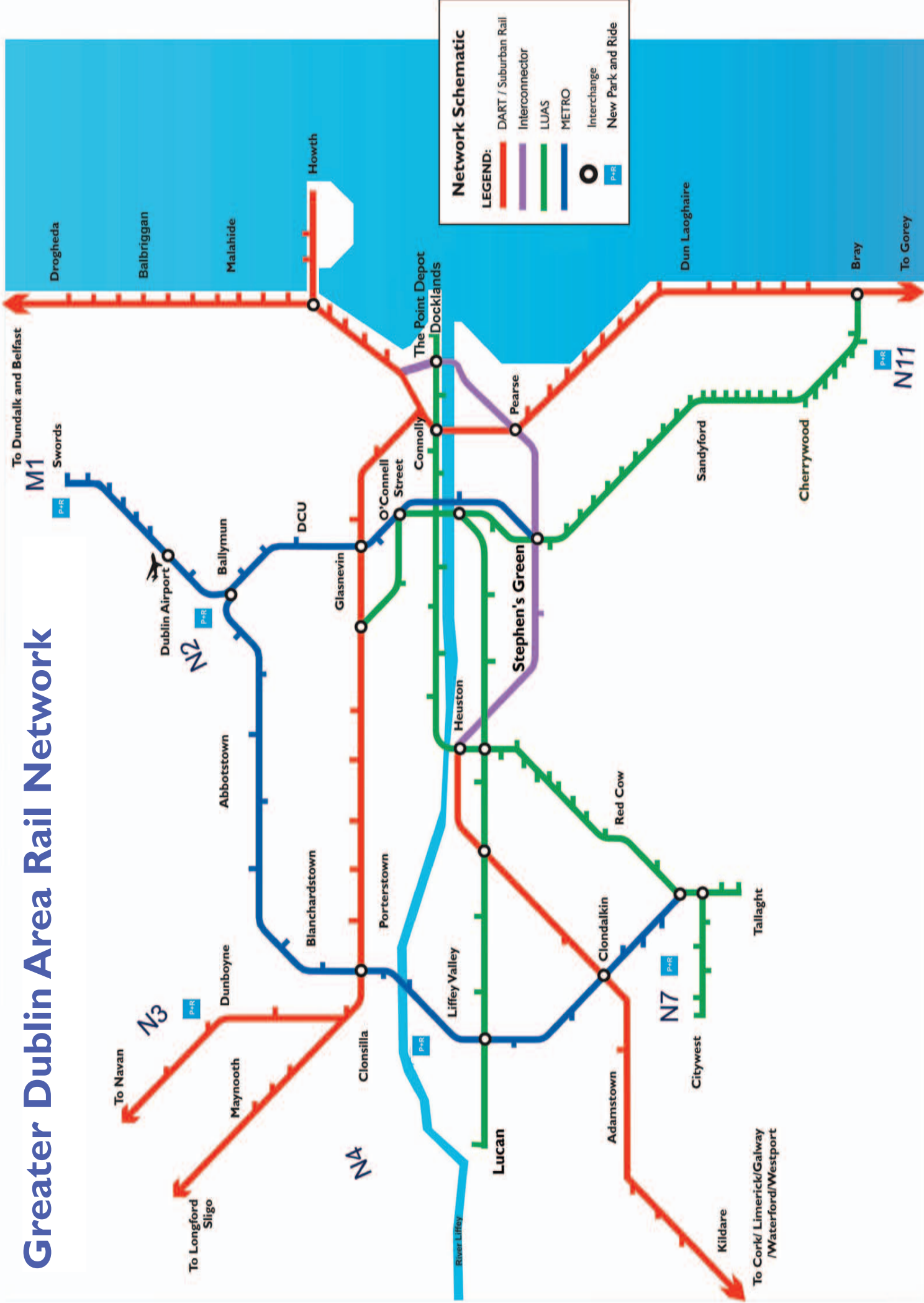
-  Gateway/Linked Gateways
-  Hub/Linked Hubs
-  Rail Lines
-  New Rail Lines
-  County Towns, Other Towns (>5000) & Principal Towns in Northern Ireland  
*(Source: CSO, population Census 2002)*



## Roads





-  Atlantic Road Corridor (Transport 21)
-  Motorway/ Dual Carriageway
-  Routes to Border/ North West/ West
-  Key National/Primary Routes
-  National Secondary Routes Targeted
-  Key Roads in Northern Ireland

# Greater Dublin Area Rail Network



# Airports and Ports

## KEY

-  Gateway/Linked Gateways
-  Hub/Linked Hubs
-  Airport
-  Transit Port
-  County Towns, Other Towns (>5000) & Principal Towns in Northern Ireland  
*(Source: CSO, population Census 2002)*

