

**New Programme for Government 2007 – 2012**

*Issues of Relevance to the  
Department of Enterprise, Trade and Employment*

*As at August/September 2008*

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## **The Economy**

### ***Introduction & Guiding Principles***

#### **Commitment:**

“Long Term responsibility is the foundation on which the new Government’s economic policy is built. Our economic policy must accept the reality that we cannot and must not compete on the basis of low wages. If we are to compete effectively and in a sustainable way, we will have to do so through even greater competitiveness in knowledge-driven industries.”

#### **DET&E Actions:**

The totality of the elements under these headings in the Government Programme is in essence concerned with driving a national competitiveness agenda. While the DET&E does not deliver many of the specific programmes under these elements, we provide much of the relevant measurement of their contribution to national competitiveness through our benchmarking work via the National Competitiveness Council and we endeavour to offer advice on the priority areas of focus and action which will best contribute to national competitiveness. Interventions in support of the competitiveness agenda for which the DET&E is directly responsible are reported on throughout this report under their specific “commitment” headings.

#### **Commitment:**

“We will deliver the National Development Plan in full, on time and within budget to raise our productivity, to enhance our competitiveness and to secure our future prosperity.”

#### **DET&E Actions:**

This “Whole-of-Government” commitment is being met by D/ET&E through our driving sizeable areas of activity under the Enterprise Science and Innovation and the Investment in Human Capital Priorities of the NDP, as well as our overarching responsibility for driving the implementation of the Strategy on Science, Technology & Innovation (SSTI) which is included in the NDP. Specific commitments in these areas are reported on throughout this report.

#### **Commitment:**

“We will invest in increasing the productive capacity of the economy, particularly in terms of ensuring high-levels of high-quality employment.”

#### **DET&E Actions:**

This Department’s mission (under its 2005-2007 Strategy) is “to work for Government and the People to grow our quality employment and national competitiveness”. Accordingly, all our work across the Department is geared towards meeting the “high-levels of high-quality employment” objective of the Programme for Government. Once again, individual Programme commitments in this area of activity are reported on further on in this Annual Progress Report

## ***Budgetary Policy***

### **Commitment:**

“Keep the overall tax burden low and implement further changes to enhance the rewards of work while increasing the fairness of the tax system.”

### **DET&E Actions:**

This commitment is primarily a matter for the Department of Finance and this Department continues to advocate for appropriate enterprise and employment taxation policies.

## ***Competitiveness and Innovation***

### **Commitment:**

“Ireland’s future prosperity is critically dependent on our ability to trade with the world.”

### **DET&E Actions:**

The Department is responsible for developing and promoting multilateral trade policies in conjunction with the European Commission. These help the growth prospects of Irish enterprises, for example by offering the potential for new and less costly market access through World Trade Organisation negotiations and through bilateral Free Trade Agreements between the EU and specific countries and regions. We continue our efforts to obtain the best possible additional market access opportunities across all these initiatives to support the export opportunities and global trading and investment strategies of Irish business.

### **Commitment:**

“Through the National Development Plan, we will invest over €8.2 billion in Science, Technology and Innovation. This investment will transform the type of R&D and innovation taking place across our enterprise sector.”

### **DET&E Actions:**

Progress on the implementation of the Strategy for Science Technology and Innovation (SSTI) 2006-2013 and the commitments to grow R&D activity and spend are detailed further on in this report in relation to specific commitments in that regard. More in-depth analysis and data can be accessed in the First Report on the implementation of the SSTI as well as in the Annual Reports of the Department and of our Enterprise Development Agencies (EI, IDA and SFI in particular).

The Department also published an Innovation Policy Statement in July 2008 which identifies 10 key policy areas which underpin the Government’s approach to innovation in support of the knowledge economy and enterprise and how they can help stimulate innovation with a view to enhancing competitiveness. The Innovation Procurement Group proposed in this document has commenced its work to stimulate innovation through Public Procurement practices.

**Commitment:**

“Our ongoing investments in education and training will ensure that our workforce is equipped with the necessary skills to enhance our productivity and competitiveness.”

**DET&E Actions:**

This represents the guiding philosophy governing our Labour Force Development policies as detailed further on in the Programme for Government and reported on in relation to specific commitments throughout this Report.

**Commitment:**

“We will instigate a review of the entire economic regulatory environment. This review will be designed to ensure that the existing regulatory regime is operating efficiently, is balancing the needs of users with the requirements of producers and is not imposing excessive costs on the economy.”

**DET&E Actions:**

The Department is a member of the Inter-Interdepartmental Group established to review the broader regulatory environment, including the role of independent regulators. The Group, which is chaired by the Department of the Taoiseach, submitted its first report to the Government in October 2007.

The Group is now pursuing a number of actions as agreed by the Government at its meeting on 22<sup>nd</sup> October 2007, including an independent comparative review of the Irish Economic Regulatory Environment. The review will comprehend the key economic sectors of energy, communications, transport, health and safety and financial services.

**Commitment:**

“Recognising the importance of small business to our economy, we will continue to support and enhance the Business Expansion and Seed Capital Schemes.”

**DET&E Actions:**

The Department will continue to review the operations of the Schemes.

**Commitment:**

“We recognise the vital role played by low taxes in our economic success. We guarantee that the 12.5% rate of corporation tax will remain.”

**DET&E Actions:**

This Department is actively involved with the Department of Finance, at official level and at EU level, to ensure that the 12.5% corporation tax rate remains in place. Taxation strategy remains a policy priority for the remainder of 2008 and into the future. In addition, the Department has made a submission to the Commission on Taxation to ensure that tax remains attractive in the future to bringing Foreign Direct Investment (FDI) to Ireland and to enhancing the growth of Irish owned firms.

**Commitment:**

“We will resolutely oppose any attempt to introduce tax harmonization within the European Union, either directly or through technical measures.”

**DET&E Actions:**

This Department is co-operating with the Department of Finance in addressing this issue.

***A Fair Tax System*****Commitment:**

“Appropriate fiscal instruments, including a carbon levy, will be phased in on a revenue-neutral basis over the lifetime of this Government.”

**DET&E Actions:**

The Commission on Taxation has been asked to report on the proposed introduction of a carbon levy. To assist in developing a position on the introduction of the levy, Forfás commissioned a report from Byrne Ó Cleirigh Consultants on “The Competitiveness Impacts of a CO2 Tax” which was finalized in October 2007. DET&E Environment Unit participated in the Steering Group for the Consultancy. The report fed into the submission made by DETE, in conjunction with its agencies, to the Commission on Taxation.

***Commission on Taxation*****Commitment:**

“Review all tax expenditures with a view to recommending the discontinuation of those that are unjustifiable on cost/benefit grounds.”

**DET&E Actions:**

Given the growing importance of fiscal measures for enterprise development, this Department has made a submission to the Commission on Taxation to ensure that tax remains attractive in the future to bringing Foreign Direct Investment (FDI) to Ireland and to enhancing the growth of Irish owned firms.

**Commitment:**

“In the context of maintaining a strong economy, investigate fiscal measures to protect and enhance the environment, including the introduction of a carbon tax.”

**DET&E Actions:**

This commitment is primarily a matter for the Department of Finance with this Department continuing to liaise closely with that Department on enterprise and employment taxation issues.

**Keeping Ireland Working**

“We are committing ourselves as a Government to a co-ordinated series of steps to support the creation of 250,000 jobs over the next five years.”

## ***Guiding Principles***

### **Commitment:**

“Keep taxes on employment low.”

### **DET&E Actions:**

This Department is actively engaged with the Department of Finance on tax matters through the Taxation Strategy Group. Taxation remains a policy priority for the remainder of 2008 and into the future.

### **Commitment:**

“Invest in research & development.”

### **DET&E Actions:**

The Government’s commitment to investing in R&D is set out in both the National Development Plan (NDP) & the Strategy for Science Technology and Innovation (SSTI), and progress in growing our R&D investment is outlined in detail further on in this Report in relation to progress in delivering the SSTI.

### **Commitment:**

“Significantly upskill the Irish workforce at all levels.”

### **DET&E Actions:**

These principles are in line with current labour market policy being pursued by the Department. Further details on progress in this area of activity is set out in relation to relevant specific commitments further on in this Report.

In addition, the 35 City and County Enterprise Boards (CEBs), located throughout the Country, play a role supporting indigenous micro-enterprises in regard to, among other things, enhancing management capability training and development. The CEBs are also represented on the Upskilling Coordination Group within the Department, which is examining the delivery of training to both workers and owner/managers by the various enterprise agencies of the Department with reference to the National Skills Strategy and the Report of the Expert Group on Future Skills Needs.

### **Commitment:**

“Develop a growing focus on the dynamic SME sector.”

### **DET&E Actions:**

As an integral part of its strategy, Enterprise Ireland (EI), as one of DET&E’s enterprise development agencies, is deeply committed to creating and growing internationally competitive businesses and facilitating entrepreneurship throughout the country.

Enterprise Ireland offers a wide range of services to High Potential Start Up companies (HPSUs) eligible to be considered for supports and ensures that suitable supports are available across those areas critical to business functions. Financial and non-financial supports are provided to companies with a business strategy that encompasses all elements required for business success.

Over the course of Enterprise Ireland's 2005 - 2007 strategy, a key target was to support 210 new HPSUs. Against this target, 221 new HPSUs were supported, 70 of which were approved in 2007. These companies are spread across Ireland and across a range of existing and emerging sectors. EI will continue to drive the establishment of HPSUs throughout Ireland by supporting the creation of 200 HPSUs in 2008–2010, 100 of which are to be supported outside the Dublin region.

As part of the support structure to achieve these targets, EI introduced a revised and refined funding offer for the development of enterprise in 2008, namely the R&D Fund, Growth Fund and Innovative High Potential Start-Up (HPSU) Fund. Enterprise Ireland also works with the city and county enterprise boards, business innovation centers, and third-level institutions to actively promote the development of enterprise throughout Ireland.

**Commitment:**

“Where possible reduce the regulatory burden faced by business.”

**DET&E Actions:**

The “Regulatory Framework” is a cross cutting issue involving a number of Government Departments, Agencies and Offices. Progress in this regard in relation to the areas which come within the remit of this Department are reported on throughout this Report in response to specific “DET&E” commitments further on in this Report.

**Commitment:**

“Ensuring that employment standards are met throughout the economy.”

**DET&E Actions:**

The establishment of the National Employment Rights Authority (NERA) on an interim basis in February 2007 represents the Government's commitment in the context of the social partnership agreement, *Towards 2016*, to improving employment standards throughout the economy. NERA has responsibility for the promotion and enforcement of compliance with employment law generally. NERA is well resourced in terms of the number of inspectors to undertake inspections in the workplace – 80 of the 90 inspectors committed to under *Towards 2016* are currently in place. This enhanced level of resourcing has facilitated a concentrated focus on employment compliance levels as evidenced from the fact that in 2007, its first year of operations, NERA carried out some 14,400 inspections and recovered €2.5m in arrears by way of statutory entitlements due to employees. Additionally, and with a view to achieving a regional spread of inspection activities, NERA, which is headquartered in Carlow, has opened regional offices in Sligo, Dublin, Cork and Shannon.

Formal establishment of NERA is anticipated in the Employment Rights Compliance Bill 2008 published in March 2008 and which is expected to be enacted by year-end 2008.

***Tax & Regulation***

**Commitment:**

“Ensure that our regulatory framework remains flexible, proportionate and up to date.”

**DET&E Actions:**

The Regulatory Framework is a cross cutting issue involving a number of Government Departments/Agencies/Offices. This issue is being considered in the context of other commitments relating to the regulatory environment reported on later in this Report.

**Commitment:**

“Keep Ireland’s Corporation tax at its current level at most and veto any EU proposal which might undermine this.”

**DET&E Actions:**

The Department is actively involved with the Department of Finance in addressing this issue.

**Commitment:**

“Continue to enhance the Business Expansion and Seed Capital Schemes.”

**DET&E Actions:**

The Department will continue to review the operation of these Schemes.

**Commitment:**

“Examine measures to limit the ability of local authorities to impose punitive charges on local business.”

**DET&E Actions:**

Forfas, IDA and EI, enterprise development agencies coming within this Department’s remit, assisted with research on the issue of local authority charges for the Small Business Forum. New guidelines were issued to Local Authorities on 9 May by the Department of Environment, Heritage and Local Government requiring that the revised schemes for Development Charges “should not act as a deterrent or disincentive for investment and development or act as a penalty or barrier to enterprise start-up”. Meetings have taken place on this matter and Enterprise Ireland’s regional directors are planning a further series of meetings with the County and City Councils in relation to this matter. This series of meetings should be completed by November 2008.

**Commitment:**

“Implement procedures to ensure direct feedback from business on regulatory burdens and publish annual reports on how these issues have been addressed.”

**DET&E Actions:**

A High Level Group comprising Government Departments, business representatives and ICTU and chaired by the Secretary General of this Department was established in 2007 to act as a clearing-house in respect of specific administrative burden issues brought to its attention by its business representative members. The Group submitted its first report to the Tánaiste and Minister for Enterprise, Trade and Employment in July 2008. The report identified a number of administrative simplifications and measured the savings to business arising from these at more than €20 million.

In March 2008, the Government set a target to reduce the administrative burden of regulation on business by 25% by 2012. The Tánaiste has responsibility for leading the work to achieve the target across Government.

The Department is coordinating the cross-Government process that will measure the cost of regulation on business arising from all domestic legislation. Following the measurement phase, simplification plans will be drawn up, and progress against the Government target will be reported annually.

In setting the 25% target, the Government also decided that in relation to future regulations, and the conduct of regulatory impact analysis, that all Departments should (a) assess the proportionality of the burden imposed to the risk foreseen, (b) measure the administrative cost on business, (c) examine the impact on small business and (d) consider what education and advice requirements are necessary to improve compliance.

### ***Small & Medium Enterprises***

#### **Commitment:**

“Encourage financial institutions to provide European Investment Fund guaranteed loans finance to small businesses.”

#### **DET&E Actions:**

The Department (SME Unit) has informed the Irish Bankers’ Federation that the Competitiveness and Innovation Framework Programme (2007-2013) contains a financial instrument i.e. the SME Guarantee Facility that aims to improve the financial environment for SMEs by facilitating their access to debt and equity finance.

Proposals from financial intermediaries will be examined by the European Investment Fund (EIF) on a continuous basis, within the constraints of the available Community budget allocations. Irish financial intermediaries have, therefore, the opportunity to participate in the Facility over the above period.

The Department is, and will continue to, make itself available to any bank interested in pursuing the possibility of securing funding under the SME Guarantee, with a view to their being put in contact with relevant officials in the European Investment Fund (EIF) and/or the European Commission, for further advice and assistance.

#### **Commitment:**

“Continue to enhance the Business Expansion and Seed Capital Schemes following on from changes introduced in Budget 2007.”

#### **DET&E Actions:**

The objectives of the Department agree with supporting and enhancing these schemes (the BES and SCS). Responsibility for them rests with the Dept of Finance and they will be reviewed during the lifetime of the Programme to ensure that they are effective.

**Commitment:**

“Make Innovation Vouchers available to small businesses in every sector, to be exchanged for advice, expertise and information from accredited knowledge providers. This will build on the initiative taken this year when Ireland became only the second country in Europe to introduce this scheme to help small businesses.”

**DET&E Actions:**

The establishment of an Innovation Voucher initiative was a key recommendation of the Small Business Forum in their report ‘*Small Business is Big Business*’, published in May 2006. This initiative, for which Enterprise Ireland (EI) has responsibility, was formally launched in March 2007 on an initial pilot basis.

The vouchers are worth €5,000 each. Small businesses who have a business opportunity or problem that they want to explore can use the vouchers to facilitate knowledge transfer from the public research sector to small businesses.

There were three calls for proposals in May, July and October 2007 during the pilot phase of the Initiative. As a result, 428 companies had received Vouchers by the end of the 2007 with a total grant allocation of €2.14million. During the first half of 2008, a further 188 Vouchers were issued; the target for the year is 400. Interest and engagement by companies has been satisfactory to date.

Enterprise Ireland is continuing to update the operation of the Initiative to assist both the companies and the Knowledge Providers in the realisation of successful projects.

On 27<sup>th</sup> May 2008, an all island Innovation Voucher initiative was jointly launched by Enterprise Ireland and Invest Northern Ireland in Belfast. This development provides Irish SMEs with access to a further 10 knowledge providers based in the North, and will allow Northern Ireland based SMEs use Invest NI innovation vouchers (Stg£3,500) to access expertise in research institutions based in the Republic of Ireland. This is the first initiative to be launched under the all island innovation fund.

**Commitment:**

“Actively encourage more “Competence Centres” which will bring together companies that have similar research problems and team them with highly qualified researchers to produce new technologies, bring their results to market and deliver a competitive advantage to Irish industry.”

**DET&E Actions:**

The Competence Centre Initiative, launched in March 2007, is actively being pursued through Technology Ireland, the SSTI implementation group.

25 expressions of interest were received from the initial call for proposals which closed on 11th May 2007. These applications have been assessed by the IDA and EI who have joint responsibility for this initiative, and as a result seven proposals were accepted for further development. This involved the development of detailed descriptions of needs (DDNs) for each successful proposal with assistance from outside consultants. These DDNs include detailed descriptions of a governance model, management structure, research programmes, intellectual property framework,

company commitments and an operational model for proposed centres. Following a detailed analysis of these DDNs, including intensive discussions with the consortia and independent technical analysis, some revisions are being made to them. The revised DDNs will form the basis for a call for proposals to the research community to meet these defined needs. This call is expected to take place in the third quarter of 2008. Proposals arising from this call will be evaluated with a view to making funding decisions, which will allow for the defined research programmes to be commenced.

**Commitment:**

“Provide Knowledge Acquisition Grants to enable small businesses in the manufacturing and internationally traded service sectors to gain access to research-based knowledge, expertise and facilities in higher education institutes.”

**DET&E Actions:**

Enterprise Ireland has developed a suite of supports specially designed for the particular needs of manufacturing and internationally-traded service companies. Within the context of the new R&D Stimulation Grant Programme, Enterprise Ireland will deliver the Knowledge Acquisition Grants Scheme, which will allow grants of up to €30,000 to be paid on a once-off basis for projects up to 1 year.

Following negotiations with the European Commission in relation to revised State Aids rules, the Minister for Enterprise, Trade and Employment launched the new €500m revised and simplified R&D grant scheme in January 2008.

***Manufacturing***

**Commitment:**

“Assist smaller manufacturing firms to realise the potential of information technology by appointing a Director for the R&D programme support structures.”

**DET&E Actions:**

The Government Strategy for Science Technology and Innovation 2006-2013 (SSTI) has identified a seven-year programme which aims to ensure that Ireland will be at the forefront in generating and using new knowledge for economic and social progress. In the delivery of this Strategy a number of Government Agencies including IDA, Enterprise Ireland (EI) and Science Foundation Ireland (SFI) have put in place a wide range of supports and schemes to fund leading edge research which will assist Irish companies to engage in research and development work that will lead to innovation and the practical application of research in their enterprises.

In relation to assisting Small and Medium Enterprises realise the potential for ICT and R&D to enable firms grow more rapidly and successfully, some recent initiatives particularly worthy of note would include:

- The introduction, jointly by EI and IDA, in January 2008, of a revised and simplified R&D package of Programmes for Irish companies that will be relevant at all stages of client development, and seeks to progress clients from small beginnings to high-level, sustained R&D activity.

- The provision by EI of tailored, results-oriented management development programmes in response to identified client needs through the provision of development programmes in areas identified as critical to growth.
- The operation by EI of a dedicated website “Openup” that provides information to help companies understand and use IT and eBusiness to improve competitiveness and grow sales by providing jargon-free, independent advice on information technology topics.
- The “mainstreaming” of eBusiness / ICT by EI within its client base of indigenous companies, together with other initiatives such as the eBusiness Management Initiative (eBMI) which aims to improve the productivity and competitiveness of SMEs through the absorption of appropriate ICT and the development of ICT management skills and which has recorded 81 clients receiving support resulting in a commitment of over €1.2million as at end-August 2008; and EI’s participation in the European eMarketplaces initiative.
- Additionally, the County and City Enterprise Boards’ (CEBs) Tech-Check Programme which supports small businesses in their appointment of an independent expert to carry out a thorough ICT analysis of their businesses. This Programme enables a small business to access independent professional advice on how to use ICT, and, in particular, their existing ICT investment, effectively over a range of business functions such as accounts, stock management and customer relationship management and on how correct ICT usage can lead to improvements in productivity.

The First Report on the implementation of the SSTI, as well as the Annual Reports of this Department and the Enterprise Development Agencies provide more detailed information on the range of initiatives undertaken and the progress being achieved in growing R&D activity in Ireland.

Finally, any further action required under this commitment, including the question of the appointment of a dedicated director, will be kept under review.

**Commitment:**

“Support upskilling of low-skilled workers in the manufacturing sector by investing more than €2.8b over the next six years in upskilling.”

**DET&E Actions:**

The €2.8 billion in the NDP refers to upskilling generally, and as such includes those in the manufacturing sector. Under the heading “Skills for the Future”, further information is available in this Report on progress in implementing Programme for Government and NDP upskilling commitments.

**Commitment:**

“Fully co-operate with the High Level Group on Manufacturing established under Towards 2016.”

**DET&E Actions:**

The Minister for Enterprise Trade and Employment launched the Report of the High Level Group on Manufacturing on 2<sup>nd</sup> April 2008. The report contains some 26 recommendations directed at key areas of innovation and productivity leading to transformational change, reskilling and management development for the innovative firm, increasing awareness and take up of existing supports and the restoration of cost competitiveness.

In addition, the Group recommends the establishment of a Manufacturing Forum to take responsibility to progress the implementation of the recommendations outlined in the report and to act as a strong advocate and champion for the manufacturing sector to ensure that manufacturing remains central to current and future industrial policy.

To make this happen, the Group highlights the importance of employers, Government and employees working together.

The Social Partners agreed, as part of the recently concluded review of the Towards 2016 Social Partnership Agreement, that a Manufacturing Forum should be established in line with the recommendation of the High Level Group on Manufacturing. This matter will now be progressed by this Department in consultation with the Department of An Taoiseach and the Social Partners.

**Commitment:**

“Ensure better exploitation of domestic opportunities to facilitate companies in applying for public sector contracts.”

**DET&E Actions:**

The Department will implement all Department of Finance guidelines in this sphere to the fullest extent possible. In addition, the work of the Innovation Procurement Group to encourage innovation through public procurement will contribute to opening new opportunities for innovative companies.

**Commitment:**

“Support the change process in companies through advice and assistance.”

**DET&E Actions:**

The Enterprise Ireland Strategy 2008 - 2010 set out ambitious targets not just for new start-ups but for R&D and productivity also. These targets address the change agenda in Enterprise Ireland (EI) companies gearing up for increased sales, productivity and greater R&D activity.

EI has a range of initiatives aimed at ensuring client companies have world-class management teams, with strong international sales capabilities which win business and attract investors. These initiatives are offered as part of a holistic sustainable business development model, targeting client needs with responsive measures. As part of this response, EI supports training needs in client firms and promotes a variety of sector-driven development programmes ranging from two-day courses to two-year Masters programmes designed to aid the management, marketing and selling capability of clients. These include the International Selling Programme, Leadership 4 Growth Programme, The Export Orientation Programme and the Masters in

International Business Programme. EI also offers access to a broad category of external expertise through its mentor offer.

EI has a range of advisory supports for companies aimed at improving capabilities, efficiency and effectiveness, including technology assessment, techsearch, and innovation management training. In responding to environmental issues, the Enterprise Ireland Environment Unit administers two direct financial support schemes that help Irish SMEs to increase awareness of, and promote eco-efficiency in, their operations. These are the Environmental Management System (EMS) Support Scheme and the Environmentally Superior Products (ESP) Support Scheme

**Commitment:**

“Support the establishment of R&D units in manufacturing companies.”

**DET&E Actions:**

The Strategy for Science, Technology & Innovation (SSTI) aims to increase Business Expenditure on R&D (BERD) from €1.076bn (03) to €2.5bn (2013). Targets include:

- Increasing the number of Indigenous Companies doing R&D valued over €100,000 from 462 to 1,050; Rose from 462 in 2003 to 601 in 2006.
- Increasing the number of Indigenous Companies performing significant R&D valued in excess of €2million from 21 to 100; Rose from 21 in 2003 to 40 in 2006
- Increasing Foreign affiliate companies performing significant R&D valued over €100,000 from 213 to 520; Rose from 213 in 2003 to 269 in 2005.
- Increasing Foreign affiliate companies performing significant R&D valued at €2million or more from 60 to 150. Rose from 60 in 2003 to 85 in 2005.

Enterprise Ireland and IDA programmes drive this effort.

***Competition and Consumer Protection***

**Commitment:**

“We believe that competition and consumer protection are essential parts of maintaining a vibrant economy. We are determined to ensure that competition thrives and that costs to the consumer are kept to a minimum.”

**DET&E Actions:**

The Consumer Protection Act 2007, which established the National Consumer Agency, gives the Agency powers in areas of consumer advocacy, education and awareness, enforcement, information provision and research. Over 30 specific commercial practices including pyramid selling have been outlawed. The Act considerably enhances the range of enforcement options and makes specific provision for fixed payment penalties.

**Commitment:**

“Ensure that prices of goods are labelled and transparent so the consumer is well informed.”

**DET&E Actions:**

Traders are obliged under the European (Requirements to Indicate Product Prices) Regulations 2002 to indicate the price of goods. These Regulations are enforced by the National Consumer Agency.

**Commitment:**

“Make consumers more aware of their rights through information campaigns and the education system.”

**DET&E Actions:**

The Consumer Protection Act 2007 places a statutory obligation on the National Consumer Agency (NCA) to promote public awareness and conduct public information campaigns for the purpose of educating and advising consumers in relation to consumer protection and welfare. Since its establishment, the Agency has engaged in a number of high profile awareness campaigns, the most recent of which is its ongoing Grocery Price Comparison Surveys to raise consumers’ awareness of the different prices available in the grocery sector.

**Commitment:**

“Prevent consumers from being charged extra for using a particular method of payment of their choice – either cash, credit or debit card.”

**DET&E Actions:**

The Department is currently examining the possibility of making Regulations under the Consumer Protection Act 2007 obliging traders who impose payment method charges to include information in relation to those charges in any advertisement for their goods and services. The Payment Services Directive, which is due to be transposed into Irish law by November 2009, gives Member States a discretion to introduce laws to prohibit, in certain circumstances, the practice of payment method surcharging subject to a number of specific qualifications. The question as to whether Ireland will exercise this discretion is a matter for the Department of Finance as the Department responsible for transposing the Directive.

**Commitment:**

“Maintain the ban on Pyramid Selling and ensure that penalties are enforced which includes €500,000 fines and /or imprisonment.”

**DET&E Actions:**

Pyramid selling is outlawed under the Consumer Protection Act 2007. The Act provides for, on indictment, a fine not exceeding €150,000 or imprisonment for a term not exceeding 5 years or both.

**Commitment:**

“Introduce on the spot fines for breaches of consumer law.”

**DET&E Actions:**

The Consumer Protection Act 2007 provides for fixed payment notices (FPNs). The Agency has issued 30 notices to date, 14 of which were issued in August 2008. The trader has 28 days to pay. To date a total of 16 FPNs have been paid. One trader who failed to pay the fixed payment notice was successfully prosecuted earlier this year for price display offences.

**Commitment:**

“Ensure that Consumer Codes of Conducts are published by businesses.”

**DET&E Actions:**

While the NCA is empowered to issue and publish guidelines, there is no requirement on businesses, at an individual or sectoral level, to publish Codes of Conduct. However Codes of Practice may be approved by the NCA and are admissible in evidence in Court.

**Commitment:**

“Ensure that – via low cost calls or websites - the National Consumers’ Agency is accessible to all people who have queries or complaints.”

**DET&E Actions:**

The NCA operates a low cost telephone line and a dedicated web-site.

**Commitment:**

“Enforcement will be a core focus of the Agency.”

**DET&E Actions**

The Consumer Protection Act 2007 gives the NCA powers in areas of consumer advocacy, education and awareness, enforcement, information provision and research.

**Commitment:**

“Ensure product safety by operating the EU Rapex scheme.”

**DET&E Actions:**

The NCA is a member of Rapex and operates the Rapex scheme. Over 1,600 notifications were processed in 2007. Up to August 2008 1,170 have been processed.

**Commitment:**

“Make sure that the needs of the consumer and national competitiveness are fully accounted for in the pricing decisions of regulators.”

**DET&E Actions:**

The Consumer Protection Act allows for the NCA to enter into agreements with prescribed bodies which is intended to include regulators such as Comreg and the Commission for Energy Regulation. A formal co-operation agreement has been finalised with the Financial Regulator and is awaiting NCA Board approval.

**Commitment:**

“Regulate property management companies to ensure that the interests of consumers are protected.”

**DET&E Actions:**

The Department, the NCA and the Office of the Director of Corporate Enforcement (ODCE) are members of the Inter-departmental Committee, chaired by the Department of Justice, Equality & Law Reform, to develop a coherent and comprehensive legislative response to issues in relation to the structure and operation of property management companies. On 23<sup>rd</sup> September, the Government approved the adoption of a seven-point strategy comprising a range of legislative measures to improve the operation of property management companies and multi-unit developments.

***Managing Economic Migration*****Commitments:**

“Continue to issue green cards in respect of occupations where there are skills shortages, including those for example in the information technology, biopharma, engineering and health Sectors.

“Only grant work permits where it can be demonstrated, following a rigorous labour market test, that suitable employees are not available within the EEA.

“Allow workers to apply for and reapply for their own permit and to transfer to another employment in cases of mistreatment. We will also provide for spouses of employment permit holders who are granted residence in Ireland to be granted an employment permit.

“Ensure that the employment rights of non-EEA students are protected by requiring them to have work permits which will allow them to work for a maximum of 20 hours a week.

“Re-establish an Intra-Company transfer scheme for temporary trans-national top management transfers to enable companies to meet short-term needs.

“Ensure that employment permit applications are not approved for wages below the REA/ERO rate or the National Minimum Wage, and that there is full enforcement of employment law to protect workers from being abused.

“Increase the number of Labour Inspectors to 90.

“Ensure that workers are made aware of their rights through initiatives such as printing the minimum wage or the work permit and providing information in a range of languages.

“Protect employees against employers deducting recruitment expenses from pay and retaining workers’ personal documents.

**DET&E Actions:**

These commitments have been met apart from student permit scheme as outlined below:

- A draft student permit scheme has been devised and has been the subject of extensive consultations. The operational aspects of the Scheme are being worked out in conjunction with the Garda National Immigration Bureau.
- Green Cards applications continue to be considered for occupations where there are identified strategic skills shortages based on the work of the Expert Group on Future Skills Needs. The Green Card scheme is kept under review to ensure that the designation of those occupational categories for the purposes of the scheme is consistent with changing labour market requirements.
- A labour market needs test applies in the case of every new work permit application in order to demonstrate that the position could not be filled from the expanded EU labour pool. The test involves national and local newspaper advertising and registering of the post to be filled with FAS/EURES.
- Employment Permits are issued since January 2007 to the employee on foot of the introduction of the Employment Permits Act, 2006. In addition, either the employee or employer may submit the application.
- The commitment to re-establish the IntraCompany Transfer scheme was met from February 2007.
- Employment permits currently state that they are issued on the basis that the national minimum wage, or any relevant Employment Regulation Order / Registered Employment Agreement (ERO/REA) rates are paid, as a minimum.
- The National Employment Rights Authority has produced a series of booklets detailing a summary of employment rights in a wide range of languages including Portuguese, Polish Latvian, Chinese and Russian. Details are contained on the Department's website ([www.entemp.ie](http://www.entemp.ie)).

### *Skills for the Future*

#### **Commitment:**

“This Government will guarantee that our workforce becomes more skilled at all levels to ensure that we make the transition to a competitive, innovation-driven, knowledge based economy. To achieve this objective we will invest over €7.7billion over the next 6 years in training and skills development.”

#### **DET&E Actions:**

This is in line with current and planned policy and programmes. In general, the Programme for Government reinforces the commitment of the NDP to invest €7.7 billion over the next 6 years in training and skills development. This investment will fund the sub programmes aimed at improving workforce adaptability and increasing activation and participation rates of groups outside the workforce.

In relation to the specific actions identified in the Programme for Government as stated previously they complement existing policy in this area including the National Skills Strategy, which was published in 2007.

An Inter-departmental Committee to oversee the development of an implementation plan for the National Skills Strategy and its subsequent activation has been established, chaired by Minister of State Seán Haughey T.D. The Committee consists of senior officials from the Departments of Enterprise, Trade and Employment, Education and Science and Finance.

The Department requested the Expert Group on Future Skills Needs (EGFSN) to examine a variety of issues that may incentivise the increased uptake of training by those in employment. The EGFSN has completed its work and will report to the Department shortly.

Through its Upskilling Coordination Group the Department is progressing other issues such as the need for an increased focus on the low skilled, Accreditation and the recognition of prior learning.

The Report of the Enterprise Strategy Group and the Report of the Small Business Forum both acknowledged the importance of education and training in contributing to the future strong economic development of Ireland. The County & City Enterprise Boards (CEBs) have a well-established role in the delivery of a wide range of enterprise education initiatives as part of their role in promoting and developing indigenous micro-enterprise potential. To augment the existing level of education initiatives being delivered by the CEBs the Department has made an additional €500,000 available to the CEBs to fund further activities with a national impact and focus in the 2008/09 academic year.

The CEBs also have primary responsibility for the promotion of entrepreneurship and development of micro-enterprise at local level. While most CEB interventions are targeted on a gender-neutral basis the CEBs have recognised the need to complement their mainstream activities with specific strategies aimed at addressing the particular issues facing women entrepreneurs and encouraging greater levels of female entrepreneurship in Ireland. CEB programmes have been designed to provide potential women entrepreneurs with support systems that will actively encourage their participation in greater numbers as entrepreneurs.

**Commitment:**

“Expand the role of FAS and Enterprise Ireland to increase the “employer commitment” to training, particularly in the SME sector.”

**DET&E Actions:**

Enterprise Ireland provides a wide range of training and management development programmes to develop the skills within the indigenous sector, particularly in the SMEs.

FÁS offer a range of services to employers across all sectors of the economy and in the area of upskilling through its One Step Up Programme. They are currently

providing management development training for SMEs through one of their Strategic Alliance initiatives.

**Commitment:**

“Invest in SME owner/manager Development Programmes.”

**DET&E Actions:**

This is in line with current and planned policy and programmes.

- The SME Management Development Council established in 2007 will benchmark Ireland’s current management development provision, determining whether or not this meets the requirements of SMEs, identifying any gaps and developing action plans to address these gaps. To date there have been three meetings of the Council and it is expected that the Council’s action plan will be published by the end of the year.
- FAS is already funding SME development and training programmes provided by Chambers Ireland, the Small Firms Association and the Irish Small and Medium Enterprises Association. The FÁS Board approved funding for 6 new training programmes that will focus on the development of SME owner/managers at a cost of €10 million.
- Enterprise Ireland has targets in relation to Managers on Management Development Programmes. In particular the training of managers on development programmes addresses the requirement for advice and assistance. Significant resources are being provided to the CEBs to enable them deliver Management Development programmes to owner/managers of small businesses.

**Commitment:**

“Expand the Competency Development Programmes allowing more workers across all sectors and company sizes to upskill.”

**DET&E Actions:**

This is in line with current and planned policy and programmes with the objective of meeting the National Skills Strategy objectives. However, the continued expansion of training programmes will be dependant on the availability of future resources.

The Department is also in the process of undertaking a value for money review of the Competency Development Programme (CDP).

**Commitment:**

“Fund Regional Skills Advisory Groups which consist of both firms and education/training providers so that the needs of each region are met.”

**DET&E Actions:**

The Expert Group for Future Skills Needs will be making recommendations on whether or not we should establish Regional Skills Advisory Groups later this year. In this context, it is looking at how regional needs can be met within existing structures.

**Commitment:**

“Utilise the National Training Fund (NTF) to assist companies in improving employees’ skill sets.”

**DET&E Actions:**

This is in line with current and planned policy and practise. The Department will continue to utilise the NTF for this purpose.

**Commitment:**

“Ensure that FAS expands the Excellence Through People Programmes (ETP) to reach 500,000 workers by 2020.”

**DET&E Actions:**

The commitment is in line with current and planned policy and practise. The ETP (which is Ireland's national standard for human resource management and is a key instrument in promoting employment development and learning) has already reached firms employing 150,000 workers and at the current annual output the target is achievable without any significant increase in activity.

**Commitment:**

“Expand the Training Networks Programme which will increase the number of training grants given to companies and the Skillnets Training Programme which allows companies to access training.”

**DET&E Actions:**

This is in line with current and planned policy and programmes. The NTF Allocation for Skillnets was increased and discussions are ongoing with Skillnets about further increases in the NTF allocation over the coming years, which would enable Skillnets to contribute to the National Skills Strategy and to address commitments in Towards 2016. In 2008 Skillnets allocation increased to €26.7 million from €18.2 million in 2007, with a subsequent increase in the numbers that will receive training in 2008 anticipated at approximately 48,000 people.

Future allocations will be determined in the context of the Annual Estimates process and the availability of resources.

**Commitments**

“Make it easier to access FAS apprenticeship programmes by increasing the number of places across the country. We will add to the number of occupations to ensure the continued skills relevance and we will do this in consultation with the social partners.

“We are also committed to updating the present apprenticeship programmes to keep them responsive, competitive and productive.”

**DET&E Actions:**

This is in line with current policy and practise in this area as additional funds were provided in 2007 to increase places and reduce waiting times for entering the different apprenticeship phases and additional apprenticeship occupations are currently under consideration.

Since this commitment has been made there has been a significant downturn in the construction sector with an increasing number of people being made redundant including apprentices. The numbers in the total apprenticeship system have reduced by 10% in the past year, falling from approximately 30,000 people in 2007 to 26,700 as at June 2008.

FÁS are currently in the process of implementing several measures to tackle the issue of reduction in new apprentice registrations and apprentices who have been made redundant. In addition they intend to hold discussions with the Department of Education and Science and the Higher Education Authority (HEA) to more effectively plan the future provision of apprentices so that apprentice output is more closely aligned with the requirements of industry in the long term.

### ***Keeping Ireland Ahead at the Cutting Edge***

“The government will continue to invest to enable Ireland compete seriously as a ‘Knowledge Economy’ ... Over the next five years we will”:

#### **Commitment:**

“Double investment in R&D.”

#### **DET&E Actions:**

Doubling investment in R&D, as outlined in NDP, is reported on in relation to the implementation of the Strategy for Science Technology and Innovation (SSTI), including in the material that follows immediately below.

#### **Commitment:**

“Fully implement the Strategy on Science Technology and Innovation.”

#### **DET&E Actions:**

The Department of Enterprise, Trade and Employment has responsibility for overseeing and directing the full implementation of the Strategy for Science Technology and Innovation (SSTI) 2006-2013. Since the Strategy was launched in mid 2006, this Department has ensured that the governance structures established to guarantee effective interaction, coordination and review of outputs across eight Government Departments, the Office of the Chief Scientific Adviser, state agencies and higher education institutions worked together to implement the Strategy.

At the apex of this whole of Government system is the Cabinet Committee on Science, Technology and Innovation (STI), chaired by An Taoiseach. Its membership is composed of the key stakeholder Ministers. The Committee’s objective is to ensure that the environment for science, technological development and innovation is conducive to maintaining Ireland’s competitiveness and to further developing Ireland position as a dynamic, knowledge driven economy. Over the period June 2006 to June 2008, the Interdepartmental Committee (IDC) on Science, Technology and Innovation, which is chaired by a senior official in the Department of Enterprise, Trade and Employment, reported to the Cabinet Committee on three occasions to brief members on the progress made in implementing the Strategy.

The draft first report on the implementation of the SSTI 2006-2013 was approved for publication by the Cabinet Committee on STI at its meeting on 25 June last. The report confirms that substantial progress has been made in realising the Strategy's objectives. Highlights from the report include:

- Ireland's expenditure on R&D had increased from 1.32% of GNP in 2000 to 1.56% of GNP at end 2006;
- Higher Education R&D spending has almost quadrupled in current terms over 10 years and is now at the EU and OECD average levels. This investment is having a significant impact in terms of human capital development, attraction of foreign direct investment and commercialisation;
- The SSTI target to double the output of PhDs by 2013 is advancing significantly;
- The number of Principal Investigator Research teams funded by Science Foundation Ireland (SFI) has been increased from a baseline of 200 in 2005 to 284 by end 2007;
- The fourth cycle of the Programme for Research in Third Level Institutions (PRTLTI), which was announced in August 2007 with an allocation of €230 million, is set to deliver 819 spaces and approximately 600 highly qualified research personnel;
- R&D performed in the business sector (BERD) rose by 17.3% to an estimated €1.56 billion in 2006, almost double the level recorded in 2000. Enterprise Ireland and IDA continue to work closely with companies to strengthen the research and technological base of the enterprise sector to underpin future competitiveness and quality employment and thereby drive forward the target of growing BERD to €2.5 billion by 2013;
- Solid progress is being made by the Departments of Education and Science; Health and Children; Agriculture, Fisheries and Food; Communications, Energy and Natural Resources; and, Environment, Heritage and Local Government in implementing the key actions in their sectoral areas; and
- The SSTI is being taken forward in an all-island context.

Overall, this Department is satisfied that the investment that has been made to date in human capital, physical infrastructure and commercialisation of research will contribute to the achievement of the objectives of the SSTI. This Department will continue to oversee and coordinate the work of the various groups and sub groups to ensure that all of the key actions in the SSTI will be implemented by 2013. In this regard, work is ongoing with Departments/Agencies on the refinement of indicators to track, review and evaluate implementation of the SSTI.

**Commitment:**

“Ensure doubling of PhDs in Science, Engineering and Technology.”

**DET&E Actions:**

The most recent data show total outputs rising from 808 in 2005 to 976 in 2006 which is well on track for achieving the overall goal of exceeding 1,300 by 2013. Increasing cumulative PhD Student Places by 235 in 2006 rising to 1,775 by 2013 are factored into planned infrastructure provision.

**Commitment:**

“Simplify grants and supports to businesses to conduct R&D.”

**DET&E Actions:**

Following negotiations with the European Commission in relation to revised State Aids rules, the Minister for Enterprise, Trade and Employment launched a new €500m revised and simplified R&D grant scheme in January 2008. This Scheme is administered by Enterprise Ireland and the IDA. The principal features of the new scheme are aligned to the recommendations of the SSTI. In particular:

- The new scheme takes account of new State Aids guidelines; these eased some restrictions and expanded the definition of expenditure that may be assisted;
- The various Agency funding supports have been streamlined to make the whole programme less confusing and onerous for companies;
- There is a clear progression in support, from R&D novices right up to those with considerable R&D experience;
- Repayability of R&D grants has been abolished; and,
- There is a new focus on R&D funding for service innovation (for eligible clients).

**Commitment:**

“Double the spending on BERD (Business Expenditure on R&D) by 2013.”

**DET&E Actions:**

R&D performed in the business sector (BERD) rose to an estimated €1.56 billion in 2006, almost double the level recorded in 2000. The 17.3% annual increase between 2005 and 2006 facilitated a rise in the BERD intensity ratio to 1.05% of GNP. While this represents a significant achievement, our level of expenditure is still below the OECD average of 1.54%. Nevertheless, the trends are positive and the enterprise development agencies, Enterprise Ireland and IDA, continue to work closely with companies to strengthen the research and technological base of the enterprise sector to underpin future competitiveness and quality employment and thereby driving forward the target of growing BERD to €3.4 billion in 2008 terms, by 2013.

**Commitment:**

“Enhance the R&D Tax credit scheme.”

**DET&E Actions:**

The Irish R&D tax credit scheme was introduced in 2004. A 20% tax credit is allowed against Corporation Tax on incremental qualifying R&D expenditure. A separate 20% R&D tax credit is also available for capital expenditure on R&D building facilities. This tax credit is given over a period of 4 years but is not limited to incremental expenditure.

The 2007 Finance Act enhanced the tax credit in a number of ways, in particular by fixing the base year at 2003 for seven years until 1st January 2010. The Finance Act 2008 further amended this by fixing the base year at 2003 until 2013 and then applying a ten-year rolling basis, beginning in 2014.

**Commitments:**

“Ensure that there is enhanced industry/academia collaboration to benefit business and secure growth.

“Establish cluster R&D groups to help further bring together both industry and academia.”

**DET&E Actions:**

A range of programmes is currently operational through Enterprise Ireland and IDA Ireland to further enhance industry/academia collaboration. These include, amongst other initiatives, the Competence Centres Initiative, the Applied Research Enhancement Scheme, the Innovation Partnerships Scheme and the Industry Led Networks programme

**Commitment:**

“Endeavour to reach the EU Lisbon goals on R&D and Innovation.”

**DET&E Actions:**

The Lisbon European Council of March 2000 aimed to make Europe more competitive and innovative on the world stage. As part of that process, the Barcelona European Council concluded that Europe as a whole should aim to reach a target of spending 3% of GDP on R&D by 2010, with two thirds of that spend to come from industry. Ireland has fully embraced that challenge. The Strategy for Science, Technology and Innovation (SSTI) 2006-2013 represents our comprehensive plan to guide us towards that goal.

Total expenditure on R&D across all sectors of the economy continued to grow in 2007. Total R&D spending grew to an estimated €2.5 billion during 2007 from the confirmed €2.3 billion spent on R&D activities in 2006. Overall R&D expenditure has almost trebled in the last decade, from €855m in 1997. The average annual growth rate in R&D spending activity performed in the State over the last decade was 11.3%. This strong growth rate placed Ireland among the top R&D growth performing countries in the OECD, labelled as “R&D catching-up” countries.

Ireland’s total R&D intensity ratio was estimated to be 1.56% of GNP in 2007. This was marginally ahead of the 1.55% of GNP ratio figure recorded in 2006. Ireland’s R&D performance has grown strongly in the last decade during a period of robust

economic growth. As a result, the ratio of total R&D spending to economic activity has only been able to progress slowly.

## **Social Partnership**

### ***T16***

#### **Commitment:**

“Working with the social partners to ensure the full implementation of the Towards 2016 Agreement.”

#### **DET&E Actions:**

The Department has committed considerable attention and resources to ensuring significant progress on the wide range of actions in respect of which it has entered into commitments under Towards 2016. Our performance on Part 2 of the Agreement, in particular, is subject to ongoing close scrutiny by the social partners.

The Department has already fulfilled a wide range of commitments under Part 2 including: the enactment of the Exceptional Collective Redundancies Act and the Work Permits Act, increased resources for skills/training, the increase in the National Minimum Wage to €8.65, the provision of increased resources to the dispute resolution bodies (including 5 new Rights Commissioners), the establishment of the Workplace Innovation Fund and the introduction of the Code of Practice on Protecting Persons Employed in other Peoples’ Homes. Most significantly, the National Employment Rights Authority has been established on an interim basis pending legislation to place it on a statutory footing, with significant expertise and resources and is fully operational. The Employment Law Compliance Bill has been initiated in Dail Eireann while legislation regarding the regulation on employment agencies is being drafted.

A review of the pay and other elements of Towards 2016 commenced in April 2008. A “Transitional Agreement” was reached between the Social Partners in September 2008, which will be put to their respective constituencies for ratification in the coming weeks. This Department played a full role in negotiations on a range of issues falling within our remit. Assuming ratification of the Agreement, the Department will be centrally involved in delivery on the key non-pay issues including, defining collective bargaining, developing measures to guard against victimisation of trade union members, regulation of employment agencies, development of proposals for equal treatment of agency workers, finalisation of the Employment Law Compliance Bill, developing legislation to support the making of Registered Employment Agreements and Employment Regulation Orders etc.

#### **Commitment:**

“Ensuring that pay improvements for public sector workers continue to be linked to delivery and verification of agreed improvements in public services.”

#### **DET&E Actions:**

The Department has a very detailed Modernisation Action Plan under “Towards 2016” which sets out a series of further improvements to service, practices and

delivery. Along with all other Department, we submit Progress Reports to the Civil Service Performance Verification Group (CSPVG) to allow them verify satisfactory progress with implementation of the modernisation agenda before they approve the pay increases due under T16 (see [www.csvg.gov.ie](http://www.csvg.gov.ie)).

### *Ensuring Value for Money*

#### **Commitment:**

“All capital projects over €30 million will require a full cost benefit analysis in line with the Department of Finance guidelines of February 2005.”

#### **DET&E Actions:**

The Department and its Agencies follow the Department of Finance’s guidelines for the Appraisal and Monitoring of Capital Expenditure in the Public Service, including, as appropriate, the requirement to carry out a full cost benefit analysis of projects over €30 million.

#### **Commitment:**

“New procurement arrangements will deliver greater cost certainty for public capital projects.”

#### **DET&E Actions:**

The Department of Finance has developed Standard Conditions for the Engagement of Construction Consultants, a suite of standardised Construction Contracts and other guidance material for major capital construction projects. All of these documents have been brought to the attention of the Department’s Agencies for implementation.

In July, 2008, the Minister for Finance announced that the Government was establishing a joint public procurement initiative between the Office of Public Works (OPW) and the Department of Finance to drive a programme of reform and produce a business plan for purchasing savings to be achieved by Departments in 2009. DET&E will implement any relevant measures to achieve cost savings in procurement arising from this process.

#### **Commitment:**

“NDP Programme Evaluations and Value for Money (VFM) and Policy Reviews will be published and submitted to the relevant Select Committees of the Oireachtas.”

#### **DET&E Actions:**

Quarterly reports are submitted to the Department’s Management Board and to the Department of Finance Central Steering Committee noting progress on VFM/Policy reviews. All Business Units of the Department are aware of the requirements to publish all such evaluations and submit them to the relevant Select Committees which we do.

#### **Commitment:**

“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 target This process will encompass Exchequer funded NDP spending.”

**DET&E Actions:**

An Tanaiste presented the Department's Annual Output Statement (AOS) for 2008 to the Dail Select Committee on Enterprise, Trade and Employment on 10<sup>th</sup> June 2008 along with the 2008 Estimates for the Department. The AOS is published on the Department's website, [www.entemp.ie](http://www.entemp.ie).

***Public Sector Management***

**Commitment:**

“Support the further opening up of management roles to the best qualified candidates.”

**DET&E Actions:**

Vacancies are filled in the Civil Service in general according to commitments in Towards 2016 (T16) and sequencing arrangements set out by the Department of Finance. T16 provides for an increase in the proportion of general service Civil Services posts at management level (HEO, AP, PO) which are to be recruited by open competition. This Department must comply with these arrangements. Predetermined proportions of vacancies at HEO, AP and PO level are filled via competitions organised by the Public Appointments Service and internal competitions in the Department. All such competitions are competitive and competency based. In circumstances where the Department forms the view that the best qualified candidates for a particular post or posts may not be identified through these arrangements, the Department will avail itself of the powers available to us under the Public Service Management (Recruitment and Appointments) Act, 2004 to recruit directly from the open labour market. The need to recruit directly has not yet arisen for the Department, however, the Department's commitment to availing itself of the direct recruitment option, where appropriate, is identified in our forthcoming HR Strategy.

**Commitment:**

“Roll out the new Performance Management and Development System (PMDS).”

**DET&E Actions:**

The new Integrated PMDS system has been fully implemented in this Department since the beginning of 2007.

**Commitment:**

“Implement improvements in human resource management which ensure that all public servants are helped to develop to the best of their ability.”

**DET&E Actions:**

The Training and Development Unit, through the operation of the PMDS system, and in line with the Training Strategy for the Department, provides a comprehensive training service through which appropriate training opportunities are identified, offered and arranged for all staff of the Department annually.

**Commitment:**

“Support succession and career planning to ensure a talent pipeline for the future leadership of the public sector.”

**DET&E Actions:**

Through our staffing, assignment and training policy in the Department, we seek to ensure the development of talent in the Department for future leadership roles.

By end-September 2008, the senior management cadre in the Department (AP and PO grades), will have completed a management development programme which focused heavily on developing leadership capability. This innovative programme included a “360 Degree” survey (of reports, peers and supervisors as well as self-assessment) which mapped individual’s strengths and areas needing further development; individual coaching; and group modules on the core leadership skills associated with People and Organisation, Strategy Implementation, and Communication.

Relevant initiatives envisaged in the forthcoming HR Strategy include taking a longer term approach to workforce planning and the development of strategies to strengthen capture of corporate knowledge, and measures to enhance performance management and development of staff.

***Decentralisation*****Commitments:**

“Continue to move ahead with decentralisation taking account of the National Spatial Strategy.”

“Ensure that no public servant is obliged to accept decentralisation against their wishes and that promotion opportunities remain available.”

**DET&E Actions:**

The Department plans to decentralise a total of approximately 250 staff to Carlow by Q4 2009. An advance move of almost 100 staff to interim accommodation took place in July 2007. Application for planning permission for the permanent building was lodged in April 2008 and subject to any objections during the planning process being dealt with expeditiously, it is hoped to complete the building by end-2009. This is a PPP project.

***Energy******Environmental Sustainability*****Commitment:**

“Amend the remit of SFI to include a third research pillar in the area of sustainable energy and energy efficiency technologies.”

**DET&E Actions:**

On 6th May 2008, new Regulations were introduced to amend the remit of SFI to include sustainable energy and energy-efficient technologies as strategic areas of

scientific endeavour, in addition to the areas of ICT and biotechnology. The Regulations are in fulfilment of the commitment given in the Programme for Government 2007-2012 to amend the remit of SFI to include a third research pillar in these areas.

Over the remaining period of the NDP it has been agreed to target a world-class research capacity investment through SFI in the region of €90 million in these new areas. This investment will provide a solid basis to address Ireland's challenges in the sustainable energy field.

SFI wishes to be ambitious for research in this area and as part of its new remit the formal transfer of the Charles Parsons awards from the Department of Communications Energy and Natural Resources to Science Foundation Ireland was completed in July 2008.

SFI will host an Energy Symposium on 1st October 2008 to address how science and engineering research in Ireland can be mobilized in response to its newly amended remit. An estimated 200 people will attend the Symposium in the Royal College of Physicians with a range of leading international and Irish speakers in the area of sustainable energy and energy-efficient technologies. This will represent a significant engagement with the community.

## **Communications**

### ***Postal Services***

#### **Commitment:**

“Ensure that as many Government services as possible operate through the post office network.”

#### **DET&E Actions:**

DETE will be prepared to make its contribution towards achieving the commitment to ensure that as many Government services as possible will be operated through the post office network subject to practicability considerations, developments in modern technology, competition issues, value for money considerations etc.

## **Environment**

### ***Climate Change***

“Meeting our obligations to the future generations requires all sectors in society to play their part. To ensure this, Government will implement a comprehensive range of measures as set out in the new National Climate Change Strategy. This Government believes in the need to commit to a clean and renewable energy future and we commit ourselves to a Green Energy Revolution.”

#### **Commitment**

“Establish a high level Commission on Climate Change to oversee implementation of the Climate Change Strategy.”

**DET&E Actions:**

The Department of Enterprise, Trade and Employment is an active participant on the Senior Officials Group which supports the Cabinet Committee on Climate Change. Key priorities include contributing to the ongoing development of a national position on the proposed Package on Climate Change and Energy published by the EU Commission in January 2008, and contributing to the development of additional greenhouse gas reduction measures to achieve the challenging targets for 2020 set out in the Package.

The Department is also working with Forfás to develop the knowledge base on the relationship between the fast-evolving climate change agenda and Ireland's Competitiveness.

**Commitment:**

"Require the public sector to lead the way on energy efficiency with a mandatory programme of efficiency measures including the sole use of energy efficient lighting and heating in offices, schools and hospitals and other public buildings to produce 33% energy savings by 2020."

**DET&E Actions:**

The Department will participate in all initiatives to achieve the target of 33% energy savings in its buildings by 2020.

**Commitment:**

"Require carbon offsetting of all official air travel in support of urban forests."

**DET&E Actions:**

The Department will implement any decisions taken by Government in relation to the offsetting of official air travel.

***Environmental Technologies*****Commitment:**

"We will support the development of environmental technologies in Ireland to achieve a win/win situation of improved competitiveness and environmental performance."

**DET&E Actions:**

To further the issue, the Department, together with Forfás, InterTradeIreland and the other Development Agencies, has participated in the Steering Group on a consultancy study which aims to identify further enterprise opportunities in the Environmental Goods and Services (EGS) sector. The Consultancy Study draft Report is now being examined by the Steering Group to decide how best to take the matter forward. This may include formation of an implementation group to recommend decisions on what additional measures the development agencies, IDA and Enterprise Ireland (EI) might take to develop the sector, as well as what further research might be useful.

The EU's Ecodesign for Energy Using Products Directive was implemented in Ireland through SI No 557 of 2007, which was signed into law by the Minister for Enterprise, Trade and Employment and came into operation on 11 August 2007. DET&E is now

representing Ireland in the EU process, which is developing ecodesign requirements for a list of 19 Energy Using Products. An EU Commission proposal to broaden the scope of the Directive, to include other Energy-related products, was published at the end of July, 2008, and will come before the EU Council and the EU Parliament for approval later this year.

## **Chemicals**

### **Commitment:**

“Thousands of chemicals in everyday use have not been adequately tested for their impact on the environment and human health. The EU has adopted a comprehensive regulatory framework governing the manufacturing and use of chemicals used in Europe with the view to protecting human health and the environment and enhancing competitiveness. We will implement this initiative as a matter of priority in a way which does not impact on the competitiveness of our economy,”

### **DET&E Actions:**

The Chemicals Act 2008 was enacted in early July. The Act gives further effect to a number of EU chemicals regulations [REACH, Detergents, Rotterdam export/import, and in due course, GHS] and the Seveso Directive will be retransposed by new regulations following the enactment of this legislation. A number of “competent authorities” are named under the Act for specific functions relevant to their current remit and these will be underpinned by memoranda of understanding between the various agencies. This approach is aimed at making the enforcement regime uniform, and as efficient, effective and economic as possible.

## **Agriculture, Food & Forestry**

### ***Global Challenges and Negotiations***

#### **Commitment:**

“As decisions affecting Irish farmers are increasingly internationalised, the strongest possible leadership for Irish agriculture is required at the world's negotiating tables. The Government will secure the highest achievable level of support for the farming sector at EU and WTO levels.

“The Government will establish a high level strategic interdepartmental group whose role will be to, on an ongoing basis, identify and work to ease access and fully exploit markets for Irish food and drink products.”

#### **DET&E Actions:**

As an open economy, heavily dependent on merchandise and services trade, our ambitions for WTO negotiations are to achieve the most balanced and comprehensive Doha Agreement because of the very significant potential gains on offer. The Department recognises a key part of negotiations is to work with others to defend our important agriculture interests. This will also include an insistence that existing CAP agreements are honoured in any continued WTO negotiations.

The High Level Strategic Interdepartmental Group to identify and develop overseas food and drink markets has now been established by the Department of Agriculture Fisheries and Food and both this Department and Enterprise Ireland are represented on the Group.

### ***Cutting Red Tape***

#### **Commitments:**

“Vigorously pursue the simplification agenda at EU level, with the immediate aim of bringing about change in the EU cross compliance checks system.

“Minimise and streamline the financial and regulatory issues facing small farms and farm businesses.

“Use the CAP “health check” to best advantage in terms of reducing the burden on paperwork on farmers.

“Work with the implementation group established under the Farmers’ Charter to monitor outcomes and ensure that the charter is modified if necessary.

“Ensure that the views of farmers are systematically sought on the paperwork linked to all revisions of schemes.”

#### **DET&E Actions:**

These commitments are primarily a matter for the Department of Agriculture & Food. However, the reduction in the regulatory burden will contribute to improved competitiveness. These commitments link with others relating to the reduction of the regulatory burden reported on elsewhere in this Report.

## **Marine & Natural Resources**

### ***Marine***

#### **Commitment:**

“Instigate a National Marine Biotechnology Initiative to place Ireland as a world lead in this important sector. We see a role for the Marine Institute, SFI, EI, IDA and universities in this.”

#### **DET&E Actions:**

Biotechnology is an important area of focus for Science Foundation Ireland (SFI) and Enterprise Ireland (EI). Both agencies are participating in deliberations on initiatives in the “marine” area lead by the Marine Institute and / or the Department of Agriculture, Fisheries and Food.

## **Children**

### ***Giving Parents more Time with their Children***

#### **Commitments:**

“We will work with the social partners to promote the greater availability of family friendly work practices.”

#### **DET&E Actions:**

The National Framework Committee for Work/Life Balance Policies was established under the Partnership Agreements. Comprising representatives of Government Departments and agencies and the Social Partners, its mandate is to support and facilitate the development of family friendly policies at the level of the enterprise. One of the key tasks of the Committee is to examine how best to improve access to family friendly working arrangements in order to realise the potential benefits that these arrangements would offer from both an equality and competitiveness perspective. Government is providing funding of €341,000 in 2008 to support the activities of the Committee. This Department provides the chair and secretariat for the National Framework Committee.

The Committee has undertaken and continues to undertake a range of activities to raise awareness and encourage the provision of work/life balance at the level of the enterprise, which include:-

- Work Life Balance Day, an annual initiative first developed by the Committee in 2001.
- The Panel of Consultants – a scheme established to assist employers in the development of a planned and systematic approach to work life balance at enterprise level.
- An interactive website [www.worklifebalance.ie](http://www.worklifebalance.ie) which contains useful information for employers and employees along with a database of publications, surveys and research articles.
- Publication of leaflets and guides on ‘A Planned and Systematic Approach to Work Life Balance’.
- Networking with regionally based partnership groups to assist in raising awareness of Work Life Balance among locally based employers and employees.

## **Better Supports for Older People**

### ***National Strategy for Older People***

#### **Commitment:**

“We will develop, in conjunction with the recognized voluntary groups in this area, a New National Positive Ageing Strategy

**DET&E Actions:**

The Department of Enterprise, Trade and Employment will provide input into the development of this strategy in the context of the provision of employment training for older workers.

***Education and Retraining for Older People*****Commitment:**

“We will set up a training programme for all those over 50 for the teaching of computer literacy.”

**DET&E Actions:**

This commitment is being considered by the Department of Enterprise, Trade and Employment in consultation with the Department of Education and Science and FAS.

**Disability*****Enterprise and Employment*****Commitment:**

“We will put in place a comprehensive employment strategy for people with disabilities which will help people into work in all sectors.”

**DET&E Actions:**

This is in line with current and planned policy and programmes.

**Commitment:**

“We will ensure the implementation of the quota for the employment of people with disabilities in the public sector.”

**DET&E Actions:**

Quota met by the Department.

**Commitment:**

“We will ensure that people with disabilities have full access to accessible vocational training.”

**DET&E Actions:**

This is in line with current and planned policy and programmes.

**Commitment:**

“Provide access to flexible and responsive supports and programmes to enable people with disabilities to gain, retain and progress in employment.”

**DET&E Actions:**

This is in line with current and planned policy and programmes

**Commitment:**

“We will ensure the 3% disability employment target for public services is met.”

**DET&E Actions;**

This is the responsibility of the Department of Finance. D/ET&E is currently meeting the target in respect of Departmental staff. A monitoring committee has been established, as required under Section 48(1) of the Disability Act, 2005, to monitor the adherence by the bodies/agencies under the aegis of the Department to the target.

**Commitment:**

“We will further boost disability employment by providing more funding to programmes such as the FAS Wage Subsidy Programme and the Workplace Equipment Adaptation Grant (WEAG).”

**DET&E Actions:**

This is in line with current policy. A Review of the Wage Subsidy Scheme is now complete and the final report is being considered by the Department.

**Environment & Local Government****Commitment:**

“Plan from the outset for accessibility of public services and local authority facilities.”

**DET&E Actions:**

DET&E already provide for the accessibility of our public services to disabled people and we will continue to review that position and to improve our facilities on an ongoing basis as the need arises.

**Asylum, Immigration and Integration***Immigration***Commitment:**

“Progress in the context of the Employment Permits Act 2006, the introduction of a 'green card' or permanent labour migration systems for people with certain skills.”

**DET&E Actions:**

This commitment was met by the launch of the green card scheme in February 2007.

The Strategy for Science Technology & Innovation (SSTI) identifies the attraction of high quality researchers to Ireland as one of its objectives. Third country researchers come within the green card arrangements but from October 2007 will also be able to avail themselves of the EU “Third Country Researchers Visa” Directive arrangements.

The implementation arrangements in respect of this Directive have been finalised and implemented through the Office of Science and Technology, DETE.

More generally, customer service delivery in the area of Employment Permits remains a top priority for the Department and it is anticipated that further significant improvements will be made following the introduction of a new back-office Employment Permits Management System in Q1 2009 which will include an online facility to enable applicants to track applications.

**Commitment:**

“Complete the phased implementation of the Irish Naturalisation and Immigration Service.”

**DET&E Actions:**

Closer relations have been developed between the Departments of Enterprise, Trade and Employment and Justice, Equality and Law Reform in respect of increased cooperation between the Employment Permits Section and INIS. Agreement has been reached between the respective Ministers to establish a small working group to examine options for increasing links between the Employment Permits Section and INIS.

## **Community**

**Commitment:**

“Conduct an “Enterprise Audit” to review the use of existing and redundant agricultural buildings and manufacturing plants in rural areas.”

**DET&E Actions;**

This audit is being led by the Department of Community, Rural and Gaeltacht Affairs and this Department anticipates that it will be consulted in that process.

## **Balanced Regional Development**

### *Atlantic Gateways*

**Commitment:**

“We believe that a linked metropolitan corridor from Waterford through Cork, Limerick/ Shannon to Galway - complimented by direct links between Waterford and Limerick – offers the best option of developing a national counterpoint to Dublin and the Dublin/Belfast economic corridor.”

**DET&E Actions:**

The Atlantic Gateways initiative, launched by the Minister for the Environment, Heritage and Local Government in 2006, aims to promote shared critical mass between the gateways of Galway, Limerick, Cork and Waterford. Shannon Development initiated the project and provides ongoing project management support to the team. Priorities for 2008-09 include completion of strategic plans for each of the individual corridors, including recommendations for collaborative planning in land use, transport and settlement strategies. Further actions are also under way to assess the significance of the Atlantic Gateways in the context of the all-island economy, and their international role in the frameworks of investment and trade.

## *Inward Investment/Enterprise Support*

### **Commitment:**

“We will actively prioritise inward investment proposals for the regions. The Gateways town and cities will become Gateways of Expertise and Innovation to drive development throughout the regions. To this end, each agency involved in the enterprise sector will identify specific measures for providing action in the regions.”

### **DET&E Actions:**

In 2008, Forfás began work on a strategic project examining Regional Competitiveness. The project aims to identify the key actions required to ensure Ireland’s regions remain competitive into the future.

This project will build on previous work undertaken by the agency, such as 2007’s Regional Strategic Agendas, and will draw on work currently being pursued in key policy areas such as skills, infrastructure and innovation.

The resulting output should inform the development of a competitive environment within each of the regions to attract Foreign Direct Investment (FDI) and to stimulate entrepreneurship and the growth of indigenous industry.

Enterprise Ireland has further strengthened its presence in the regions following a number of structural changes in 2007 – transfer of Shannon’s indigenous enterprise functions (excluding SFZ) back to EI and the creation of City and County Enterprise Board Co-ordination Unit, significantly enhanced its ability to address the needs of clients throughout the country.

During 2007 EI continued to work with clients throughout the regions to support innovative start-up companies and ambitious established businesses. The agency also worked in partnership with regional development bodies to facilitate entrepreneurship in local and rural communities and supported the development of the infrastructure and business space necessary to support enterprise development.

The Department and Forfás are represented on the Inter-departmental Committee on Implementation of the National Spatial Strategy (NSS).

The CEBs have been successful in developing a structure capable of both generating and tapping into enterprise at local level. CEBs have been particularly effective in their ability to respond, at local level, to the needs of micro-enterprise. Through their involvement in a wide range of national programmes, CEBs have assisted in transforming Ireland’s economic landscape by providing a unique enterprise focus at local level, through developing and stimulating indigenous enterprise potential.

Given their inherent regional structure and their remit of stimulating local economic development any success by the CEBs in fulfilling this remit has a positive impact on overall balanced regional development which is a key aim of the National Spatial Strategy.

## *Cork Docklands Development Forum*

### **Commitment:**

“Government will fully support the important redevelopment of Cork Docklands.”

### **DET&E Actions:**

The NDP 2007-2013 recognised that the Docklands area in Cork 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. When complete, it will supply 6,000 housing units, significant high quality employment, and a new dynamic knowledge/research space in a highly integrated, sustainable living environment.

DETE provides Secretariat and Support Services to the Cork Docklands Development Forum.

This Forum was established by the Government in December 2007 and was chaired by Professor Gerry Wrixon. The role of the Forum was to promote the effective coordination and delivery of sustainable investment by the State, in relevant infrastructure to facilitate docklands regeneration, in order to incentivise private investment.

The Cork Docklands Development Forum met eight times and had its final meeting on 1st July 2008. The Forum Report was finalised in early July and submitted to Government on 14<sup>th</sup> July 2008 who agreed the following:

- (i) to establish an interdepartmental group, to develop a response to the Report; in particular to the proposal for the establishment of a Special Purpose Agency to work closely with Cork City Council to ensure the timely and efficient realisation of the overall vision for Cork Docklands set out in the report;
- (ii) that the group, chaired by the Department of the Environment, Heritage and Local Government, to include representatives of the key Government Departments and their Agencies, as appropriate, that were members of the Forum should report back to the Government by end-September; and

that the Group should liaise and cooperate with the overall review of capital expenditure that is currently being initiated on foot of the Government decision of 8 July, 2008 on budgetary consolidation measures.

Although DET&E will have some ongoing involvement in the project, from an economic development/inward investment/state aids perspective; the lead role has been passed over to the Department of Environment, Heritage and Local Government.

## **Housing**

### ***Supporting Home Ownership While Protecting House Values and Jobs***

#### ***Management Companies***

##### **Commitment:**

“In order to address the many real problems that have emerged with the operation of management companies, the Government will:

“Introduce legislation to govern the management of apartment complexes and other similar developments. This will set out the rights and duties of management companies and agents as well as tenants. The objectives will be to ensure transparency and accountability for all concerned and the protection of home-owners investment in their property.”

##### **DET&E Actions:**

In July 2007, the Government agreed that issues in relation to property management in multi-unit developments should be progressed by the Minister for Justice, Equality and Law Reform in separate legislation, having regard also to the proposals of the Law Reform Commission when available, and with the Minister for Enterprise, Trade and Employment being involved in relation to any issues that are relevant to the Minister's company law responsibilities.

The Department is actively involved with the Inter-departmental Committee, chaired by the Department of Justice, Equality & Law Reform, to develop a coherent and comprehensive legislative response to issues in relation to the structure and operation of property management companies. The committee will present its report to the cabinet sub-committee shortly.

## **Justice**

### ***Drugs***

##### **Commitment:**

The Government will implement the recommendations of the working group on Drug Rehabilitation, including extra detox beds and community employment specific places in locations around the country

##### **DET&E Actions:**

This commitment is for detailed examination in conjunction with the Department of Community Rural and Gaeltacht Affairs who lead on drugs strategy initiatives. DET&E will play a constructive role in inter-Departmental and inter-Agency discussions on the matter.

## **Peace & Unity**

### ***North/South Co-operation***

#### **Commitments:**

“We are determined to ensure that the full potential of North South cooperation is realised. We see economic cooperation in this field as central to the future economic well-being of the island – the all-island economy is central to all government economic plans.

“This Government will implement the groundbreaking Comprehensive Study on the All-Island Economy.”

#### **DET&E Actions:**

The Comprehensive Study on the All-Island Economy (October, 2006) concluded that there is a clear rationale for co-ordinated Government intervention on an all-island basis to improve the economic prospects for all citizens. The report sets out high level goals for co-operation and actions in the areas of science, technology and innovation; trade, and investment promotion; labour market and skills; and enterprise development. The Department of Enterprise, Trade and Employment is, in conjunction with the Department of Foreign Affairs and other key stakeholders, pursuing the implementation of the recommendations which fall within its remit.

The development of the all-island economy is a priority for the Department and it co-sponsors *InterTradeIreland*, the all-island Trade and Business Development Body. *InterTradeIreland* continues to develop key business networks and it implements a range of programmes covering business networks, science technology and innovation, micro enterprise support, supply chain management and private equity awareness.

Progress has been achieved on opening trade missions, whether sponsored by Enterprise Ireland or Invest Northern Ireland, to companies across the island. To date in 2008 two Ministerial trade missions were led to South Africa, and Brazil and Mexico with a total of 8 Northern Ireland companies participating. In 2007 a total of 35 Northern Ireland companies participated in four trade missions to the Gulf States, Belgium, China and Russia.

The Government committed a total of €60 million over four years to the cross-border Innovation Fund announced by the Minister for Finance and Personnel in the Northern Ireland Assembly in January 2008. The Northern Ireland Executive will match this funding. The Innovation Fund will focus on promoting North South collaborative research.

On 27 May 2008, Enterprise Ireland and Invest NI jointly launched an all-island Innovation Voucher initiative. This development will provide Irish SMEs with access to a further 10 knowledge providers based in the North, and will allow Northern Ireland based SMEs to use Invest NI innovation vouchers (Stg£3,500) to access expertise in research institutions based in the South. This is the first initiative to be launched under the all-island innovation fund.

In June 2007, Enterprise Ireland and Invest NI jointly launched the Transform Ideas into Business Programme supported by funding from the EU Programme for Peace and Reconciliation. The project comprised 42 entrepreneurs and was formally completed in June 2008. Many of these entrepreneurs are now working closely with the development agencies North and South in pursuing their development strategies. Discussions are underway between EI and Invest NI to build on the experience of this initiative in 2008.

IDA, along with the other enterprise development agencies are in co-operation with Invest NI focussed on areas of mutual benefit to enhance the attractiveness of the entire island as a location for Foreign Direct Investment (FDI) and progress the development of an all-island economy. The agencies have agreed that the initial focus for collaboration would be around the business-operating environment (e.g. Communications, Infrastructure, Skills, Legislative Policy, Business Environment and Knowledge / Research). The agenda is being developed in line with the objectives of the North-South Ministerial Council.

The report of the All-island Mapping Study of Research Institutes on the island of Ireland was published in January 2008 and contained a number of recommendations to support cross-border research and development. This study recognises the area of science and technology as being of vital importance to the future economic development of both jurisdictions. In Ireland, we have increased spending on R&D in higher education from €492m in 2004 to approximately €600m in 2006, and invested some €1.56bn in R&D in the business sector in 2006. We recognise the mutual benefits of co-operation and have set aside €60 million for the North/South Innovation fund.

The *InterTradeIreland* Skillnets Pilot initiative is now in operation. The first five networks have been selected - in the areas of Computer Software, Lean Manufacturing, Wireless Technology, Plastics and Digital Media. The five identified networks have been delivering a range of co-operative training initiatives to over thirty separate companies and two hundred individuals. The pilot is due to complete at the end of September 2008, at which time it will be subject to a formal evaluation.

The North-West Gateway Initiative (NWGI), launched by the British-Irish Inter-Governmental Conference in May 2006, provides an over-arching strategic framework to guide investment and enhance public services in Donegal, Derry, Limavady and Strabane. Work has continued on the Initiative between Departments North and South since the launch of the Initiative, and the restored Northern Ireland Executive took the decision to re-engage on the Initiative in February 2008. This laid the basis for a visit to Donegal and Derry by NWGI officials in July 2008. The agreement on Government support to enhance the A5 road to Derry/Letterkenny to dual-carriageway status will provide a major boost to the economy of the North-West.

The Department of Enterprise Trade and Employment has, through its agencies, been supporting strategic initiatives in the North West. The North West Business and Technology Zone (NWBTZ) is a joint initiative between IDA Ireland and Invest Northern Ireland. The Project was approved EU Structural funding of €10 million, under the InterReg IIIA Programme for Ireland and Northern Ireland (2000 – 2006).

The NWBTZ incorporates Business Parks in Letterkenny and Derry City. The project rationale is to create a Business zone with sufficient critical mass to allow the North West Region to compete, more favourably for inward investment. It seeks to harness the synergetic effects of linking the populations, the graduate pools, the educational and research institutions, the business clusters and the enhanced property solutions of Letterkenny and Derry City, within a high specification telecommunications network.

The NWBTZ which will be jointly promoted by IDA Ireland and Invest NI for inward investment, will offer a wide variety of modern property solutions and will benefit from a combined population of 346,000 and a student population in excess of 10,000 in three separate Third Level institutions, making it the fourth largest urban conurbation on the island of Ireland.

In R&D, there is scope to further encourage and facilitate the development of deeper company and research institute links to develop new products/services for off-island sales. This cooperation will lead to sharing of best practice, increasing the complementarities of our respective services and supports and exploring the opportunity for greater, beneficial synergy. An inventory of All-Island Cooperation on R&D has been drawn up as an aid to identify potential areas of enhanced cooperation.

An All-Island Skills Conference will be hosted in Letterkenny and Derry on the 8<sup>th</sup>-9<sup>th</sup> October 2008. The conference which will be opened by Ms. Mary Coughlan T.D, Tánaiste and Minister for Enterprise, Trade and Employment and Sir Reg Empey, MLA, NI Minister for Employment and Learning. It will include presentations from leading national and international speakers and invitees include senior business people, policy influencers and decision makers.

An 'All-Island Statement on Future Skills Demand' will be completed by October 2008. The Statement will provide an analysis of current demand for skills across the island of Ireland and will be published and presented at the All-Island Skills Conference.

FÁS and the Department for Employment and Learning are also working together on the North West Workforce Development Forum to identify the critical labour market skills needs of the North West.

### ***Border Communities***

#### **Commitment:**

“Establish a cross border innovation fund to support education, skills, science and innovation, energy research, regional development, tourism development, poverty, social inclusion, and community infrastructure.”

#### **DET&E Actions:**

The intention to set up a North / South Innovation Fund was announced in March 2007 consequent to the agreement on restoration of institutions and devolved government in NI. The contribution to the Innovation Fund from the Republic of Ireland side has been set at €60million over the lifetime of the fund, to be sourced

from within the overall envelope of NDP committed investment in R&D. On the Northern Ireland side there is a global provision of £90million, comprehending innovation both within Northern Ireland and on a collaborative all-Ireland basis. The fund will run for 3 years and four themes have been identified - innovation vouchers, innovation advisers, strengthening the all-island research base and the Ireland-US Research Partnership.

On 27<sup>th</sup> May 2008, an all island Innovation Voucher initiative was jointly launched by Enterprise Ireland and Invest Northern Ireland in Belfast. This development provides Irish SMEs with access to a further 10 knowledge providers based in the North, and will allow Northern Ireland based SMEs use Invest NI innovation vouchers (Stg£3,500) to access expertise in research institutions based in the Republic of Ireland. This is the first initiative to be launched under the all island innovation fund.

Another important initiative in place is that Science Foundation Ireland (SFI) has invited applications from existing SFI award holders for supplementary funding for collaborative projects with scientists in Higher Education Institutions in Northern Ireland. SFI is also to carry out a future CSET (Centres for Science, Engineering and Technology) Call on an all-island basis.

In June 2008 the Department of Employment and Learning, Northern Ireland, invited Queens University Belfast and the University of Ulster, Coleraine to bring forward for allocation from a provision of £11m over 3 years proposals which fulfil the objectives of:

- Enabling Northern Ireland universities to build additional and sustainable research capacity and capability that will contribute to the development of the “All Island Research Infrastructure” through meaningful and appropriately targeted collaboration with leading research teams in the Republic of Ireland; and,
- Contributing to the economic and social development of Northern Ireland, and the island of Ireland as a whole, through the funding of projects which support the Northern Ireland Executive’s priorities as expressed through the Programme for Government, the Economic Vision, and the Regional Innovation Strategy.

Proposals made must include evidence of support from each identified Republic of Ireland partner institution confirming its intended level of involvement in the anticipated collaboration.

Further meetings of officials are planned to progress the other three themes highlighted for attention under the Innovation Fund i.e. innovation advisers, strengthening the all island research base and the Ireland-US Research Partnership. In relation to access to EU research funding, cooperative links have been established between the National Support Structure for FP7 (see below) and the Northern Ireland counterparts to facilitate more targeted cooperation on an all-Ireland basis.

## **Ireland in the World**

### *Development Aid*

#### **Commitment:**

“Ensure that the sourcing of Fair Trade goods where possible is part of all Government Departments' purchasing policy.”

#### **DET&E Actions:**

DETE is prepared to make its contribution towards ensuring that the sourcing of Fair Trade goods, where possible, will be part of this Department's purchasing policy although its contribution in this area would be very limited.

### *Disarmament and the Arms Trade*

#### **Commitments:**

“We will continue to press for nuclear disarmament and nuclear non-proliferation.

“We will support a binding and comprehensive global treaty on the trade of arms, covering all weapons and ammunition, and a binding, strengthened EU code of conduct for arms exports.

“We will strengthen controls on military exports and to regulate arms-brokering activities in Ireland through the enactment of the Control of Exports Bill.”

#### **DET&E Actions:**

The Programme proposes support for a global treaty on the arms trade, a binding and strengthened EU code for the conduct of arms exports and enactment of legislation to strengthen our export controls. In this regard, the Control of Export Act 2008 came into effect on 5 May.

## **Ireland in Europe**

#### **Commitments:**

“We believe passionately in a constructive agenda to use our membership of the European Union to make our country and the wider Union stronger. The EU has been the greatest force for peace and prosperity in the history of Europe and we believe that it must continue to evolve to meet modern challenges and deliver practical improvements in the lives of Europeans.

#### **DET&E Actions:**

This Department continues to work with other Department in pursuit of these objectives.

#### **Commitment:**

“Support moves to increase competitiveness within the Union through developing research and knowledge capacities, as well as promoting competition.”

**DET&E Actions:**

The Strategy for Science, Technology and Innovation (SSTI) identified active participation in the Seventh European Research Framework Programme (FP7), on the part of both public research organisations and the private sector, as being key to the internationalisation of Ireland's research and, therefore, central to realising the vision on which the strategy is based.

A new National Support Network for FP7 has been established to assist potential researchers and research teams, both public and private, to optimise their participation in FP7. The Cabinet Committee on Science, Technology and Innovation, in November, 2007, agreed that Ireland would target an extra €200 million in EU funding for research and technology. The increased target will see Ireland working to achieve €600m in EU Framework Funding over the period to 2013.

**Commitment:**

“Support moves to minimize EU bureaucracy.”

**DET&E Actions:**

This is a cross cutting issue that involves a number of Government Departments and DET&E continues to play its role in working collaboratively in support of this Programme commitment.

**Irish Language and the Gaeltacht****Commitment:**

“Increasing support for the public service to develop the capacity to provide comprehensive services through the medium of the Irish language.”

**DET&E Actions:**

D/ETE already fulfils all the current requirements of the Official Languages Act 2003 and continues to develop its capacity to provide its services through the medium of the Irish language.

**The Arts*****Arts & Investment*****Commitment:**

“Create a new combined Cultural Visa Work Permit that simplifies and speeds up entry by incoming artists and groups to Ireland.”

**DET&E Actions:**

This matter is currently handled by the Department of Justice, Equality and Law Reform and the Garda National Immigration Bureau without a formal work permit (an arrangement which DET&E believes would add an unnecessary layer of bureaucracy and slow the process down).

**September, 2008**