



National Recovery and Resilience Plan 2021

February 2021

Introduction

Dublin Chamber is the largest membership organisation for businesses in the Greater Dublin Area representing businesses from across the sectoral spectrum, from SME to large MNC. Dublin Chamber has historically been a strong advocate for policy which promotes long term ambitious planning in support of a competitive business climate and a sustainable and resilient urban infrastructure. Dublin Chamber is committed to working in support of the UN Sustainable Development Goals.

Dublin Chamber is pleased to make this submission to the Department of the Taoiseach in response to its public consultation on the National Recovery and Resilience Plan. The alignment of national planning with the strategic objectives of the EU is something that Dublin Chamber has advocated for consistently, including in its position paper on priorities for EU Green Deal funding and in its submission in response to the review of the National Development Plan (NDP).¹ The €853 million of funding being made available to Ireland through grants over the next 5 years can considerably aid in maintaining momentum on vital projects through a difficult economic period, something that the Irish Government has made mistakes with in past recessions. Considering the impact that Covid-19 may have on availability of private sector investment in the years to come, Government investment will be essential.

In the following paper Dublin Chamber will respond to the questions outlined in the consultation paper, as below, noting that the EU Country Specific Recommendations are a broadly accurate reflection of where investment needs to be prioritised.

1. Taking into account the guidance provided by the European Commission, what are the areas Ireland should prioritise for 1) investments and 2) reforms for inclusion in our National Recovery and Resilience Plan?

2. Of the Country Specific Recommendations received by Ireland in 2019 and 2020, which are considered the most relevant for reflection upon in Ireland's National Recovery and Resilience Plan?

¹ Dublin Chamber Priorities for EU Green Deal Funding
https://www.dublinchamber.ie/DublinChamberofCommerce/media/banners/Dublin-Chamber-Priorities-for-Green-Deal-Funding_October-2020_final_1.pdf

Capital infrastructure that works in support of national emissions reduction, and in support of economic recovery, should be a priority for EU recovery funding, this relates well to public transport and active travel infrastructure specifically. This strategy should in turn align with the goals and priorities of the National Development Plan.

The European Commission Country Specific Recommendations for Ireland 2020 clearly identifies that frontloading capital investment and enabling private investment in projects should be prioritised. In light of these recommendations, in addition to the need to focus on sustainability in recovery, Dublin Chamber argues that the National Recovery and Resilience Plan focus on transport infrastructure, as outlined above, and on funding and enabling renewable energy projects, including wind and hydrogen.

The Covid-19 pandemic has had significant impact on how business is conducted and has resulted in a rapid acceleration of the digitisation agenda and 'future of work'. In line with this, businesses and the labour force will need support around skills and training in the medium term. Furthermore, if the benefits of digitisation are to be maintained, there must be focus in the recovery plan on delivering reliable digital connectivity.

Lastly, Dublin Chamber encourages Government to incorporate in the Recovery and Resilience Plan an alignment with national initiatives to progress on the State's commitments to the UN Sustainable Development Goals. Specifically the Recovery and Resilience Plan should focus on goals around sustainable cities and communities as this aligns well with infrastructure spend and with providing housing through density.

Question 1.

Taking into account the guidance provided by the European Commission, what are the areas Ireland should prioritise for 1) investments and 2) reforms for inclusion in our National Recovery and Resilience Plan?

Green Transition

Key for Investment - Urban Planning for Sustainability and City Resilience

UN SDG 11 focuses on Sustainable Cities and Communities, by focusing national sustainability efforts in terms of public transport infrastructure in cities, by virtue of density these projects will have the greatest impact on lowering Ireland's emissions. Furthermore, in terms of economic recovery, cities act as the economic engines for their surrounding counties thus making them a priority to reinvigorate the economy post pandemic. In Dublin's case, in addition to the 718,000 people working and living here, the city provides direct employment to a further 140,000 people living in the commuter belt. This is equivalent to just under a third of all employment in the surrounding 8 counties of the Mid-East and Midlands, and the housing, transport and social needs of this metropolitan workforce demands substantial investment to ensure that Dublin remains competitive and continues to drive growth in the overall economy. Dublin Chamber recommends that the Recovery and Resilience Plan utilise the 15 Minute City vision by way of addressing housing, sustainability, and recovery for cities through urban planning.

Dublin has particularly acute needs in public transport, active travel infrastructure, water infrastructure and social and affordable housing. The capital city region suffers from a legacy of underinvestment over many decades, with implications both for economic competitiveness and quality of life. For example, before the Covid-19 pandemic Dublin ranked among the most traffic-congested cities in the world, with an average of 154 hours lost per driver annually.² This traffic congestion in the Dublin region costs the Irish economy €350 million per annum by a conservative estimate, rising to €2 billion per annum by 2033.³ Similarly recent periods of water shortages in Dublin have highlighted the vulnerability of the city's supply and impacts negatively on the city's ability to cater for its growing economy and population. These costs must be factored into any analysis of costs associated with capital infrastructure investment, and thus could benefit considerably from EU grants.

In response to the ongoing problem of congestion within Dublin, the emerging trends in flexible working and the policy requirement for compact growth and urban density, the Chamber recently produced a report setting out our vision of Dublin as a 15 Minute City.⁴ Projects that help to achieve the urban planning vision of a 15 Minute City should be prioritised. The Chamber's vision for Dublin calls for significant investment in public transport and infrastructure projects, both within the city and wider GDA, to enable us to reach the level of public transport that enable modal change. To achieve this vision, similar investment in active transport, walking and cycling, and the public realm will also be required.

There are a number of key capital infrastructure projects that will considerably contribute to the resilience and sustainability of the State, in particular, the public transport infrastructure in the Capital should be a priority for investment. We outlined the continued need for a modern integrated transport network that is linked to land-use policy across the metropolitan region.

Our priorities include delivery of the following essential infrastructure projects, many of which are at advanced design and consultation phases.

- DART+ Programme
- MetroLink
- BusConnects
- Luas Expansion
- GDA Cycle Network Plan
- Pedestrian infrastructure and public realm improvements

Additionally, investment in inter-city rail, working to improve the national network to ensure strong and efficient connectivity to the Capital would be beneficial and support sustainability. Electrification of the national rail network should be a long-term sustainable public transport goal, and in the short term focus on the electrification of the DART and commuter rail services in the GDA. Funding for projects in new and emerging fuel sources, and, furthering efforts to use renewables and electrify public transport are ideal for inclusion in the Recovery

² INRIX Global Traffic Scorecard 2019, <http://inrix.com/scorecard/>

³ Dáil Question No: 346, John Lahart TD. Ref No: 1857/17, Proof: 348, Answered by the Minister for Transport Tourism and Sport Shane Ross

⁴ Dublin Chamber 15 Minute City

https://www.dublinchamber.ie/DublinChamberofCommerce/media/banners/Dublin_The-15-Minute-City.pdf

and Resilience Plan. Specifically, projects for hydrogen in public transport should be highlighted.

Key for Investment – Sustainable Energy

As the capital city, Dublin is the economic engine for the country. In order for it to remain as such, supply of essential resources must remain secure. Energy security specifically cannot come under threat and Dublin's international reputation as a city in which to do business, live, and work cannot be maintained if this essential resource is not secure. Dublin is due to increase in density by 25% over the coming two decades, meanwhile the largescale electrification of heat and transport will add to the network capacity requirements over the coming years. Support for the progression and acceleration of renewable energy supply must be a focus in energy security policy, as carbon tax continues to increase over the coming years this must be done in order to provide consumers with a cost-effective and viable alternative to fossil fuels. Security of supply and of renewable energy specifically will be essential for the resilience and sustainability of Dublin and the State more widely over the coming years.

This need for energy security must be maintained in consideration of the entirety of its implications for the economy, public policy, and state infrastructure, and, energy security must be considered both in terms of supply, and, in the grid infrastructure. Policy in this area should include progressive and innovative measures to diversify energy sources, invest in residential and commercial energy efficiency, and vastly reduce Ireland's greenhouse gas emissions by 2030, thus indicating that it is the ideal space into which EU NextGeneration funding should be funnelled.⁵

Demand Management Initiatives

Improving the energy efficiency of our built environment and residential buildings will result in an overall reduction in demand, a reduction in emissions, and a reduction in the need for imported energies. A reduction in demand also relieves pressure on the need to improve grid capacity.

Trends indicate that the renewable energy contribution to the energy mix will continue to grow, ahead of this it is important to stabilise energy usage from the 'demand' side. If we reduce our overall energy dependency and help stabilise the grid with increased energy efficiency, it will allow for a swifter, broader and more viable deployment of renewable energies.

An investment plan for the retrofitting of publicly owned buildings would be a beneficial initiative to have a positive impact on emissions.

Improving access to grants for businesses that are engaging in energy efficiency retrofitting would be beneficial, while SEAI has provision for grants to businesses to engage in energy efficiency retrofitting, these grants are often cumbersome to access and do not cover enough of the cost. Considering the significant level of work that needs to be done to

⁵ Cambridge Insight <http://www.cambridgeinsight.com/pages/energy.htm>

improve energy efficiency in Irish buildings, funding and improving ease of access to energy efficiency grants for all businesses should be included in the National Recovery and Resilience Plan.

Furthermore, as national retrofitting campaigns will require considerable labour and skills, the targets as outlined in the Programme for Government and in Budget 2021 in relation to skills and apprenticeships in this space should be brought to the fore.

Renewable Energy Projects

Ireland is still reliant on natural gas, the Recovery and Resilience Plan should focus on projects that will hasten our path to becoming a low carbon economy.

Hydrogen specifically has been highlighted by the European Commission as the future of renewable energy. Realistically, in order to decarbonise our energy sources without risking energy security, Government must significantly ramp up commitment and investment in increasing supply of bio-methane and the infrastructure to support its use, and, in testing and incorporating hydrogen as an energy source for domestic and commercial use. Gas Networks Ireland has identified hydrogen as a key way in which to secure our energy future as we move away from dependence on natural gas and should be supported in this endeavour considering the strong support for this fuel by the EU.

Considering the favourability that the European Commission has shown toward hydrogen and that GNI has recognised the fuel as a key means through which to evolve the country's renewable energy supply, Dublin Chamber recommends that hydrogen projects, including those for transport and mobility, are highlighted in the National Recovery and Resilience Plan.

Wind energy, and offshore wind energy specifically, has significant potential in the Irish context. For wind energy to reach its potential, the key is removing barriers to identified projects progressing.

Digitisation

Key for Investment - Digital Infrastructure and Connectivity

In order to facilitate the digitisation agenda of the State and to align with the strategy of the EU, it is essential first and foremost that digital infrastructure is in place. Broadband specifically needs to be made more reliable across the country, including in the Greater Dublin Area as there remains connectivity issues even in the capital.

Considering the strategic relevance now placed on a level of remote working going forward, connectivity is an essential project for investment that clearly aligns with the parameters of NextGeneration EU and the Recovery and Resilience funding.

Key for Reform - Skills Needs and Access

As is documented by OECD research, general management skills for Irish SMEs is a clear productivity gap. Furthermore, Dublin Chamber research indicates that the management and communications needs required for the digitisation of the world of work have been rapidly accelerated due to the progression of remote working during the Covid-19 pandemic.

While the FET and HE sector have responded well to the need for training and education offerings in this space, it is clear that further work needs to be done to help SMEs to engage with the offering.

Funding for a resource to aid and act as a conduit between SMEs and mapping interaction with the Higher and Further Education and Training sectors would be beneficial. The Regional Skills Fora are a hugely positive addition to the skills and education landscape, in particular the Dublin Regional Skills Forum is a valuable asset to businesses in need of skills audits and serves a considerable business community across the Dublin region. Furthermore, the launch of the 'The Right Course' portal as a one-stop-shop for further education and training courses is very welcome. However, a specific further resource is needed within the business community to enable SMEs to engage with the available offering would be necessary as many SMEs specifically lack the capacity to engage with further education and training options unless they are fully aware of their skills gap and the appropriate courses for them and their staff. Ensuring that SMEs are appropriately skilled for recovery post Covid-19 by maximising engagement with the existing education and training offering is a cost effective means of funding for improved productivity. This will in turn help to progress key objectives in digitisation as many courses on offer through Skills to Advance and Skills to Compete through the FET strategy respond to the digitisation agenda. Specific resourcing should be targetted toward those in the retail sector that have and will experience job losses, improved digital skills for this cohort will be beneficial and should be accounted for in the Recovery and Resilience Plan.

Education and training opportunities to ensure the country has the necessary skills for a green recovery will be essential and align well with Ireland's CSRs. Communicating targets for the commitments made in Budget 2021 for retrofit training and for a climate action upskilling scheme would be appropriate for inclusion in the Recovery and Resilience Plan.⁶

Key for Reform – Flexible and Remote Working

Remote Working

The Covid-19 pandemic has forced a rapid digitiation of the business and work environment, much of this relates directly to the overnight change to remote working that many Irish businesses found necessary. This switch to remote working was achieved in less than ideal circumstances and without the necessary home working infrastructure in place for many, in relation to the employer policies for remote working, government guidance, legal parameters, and in relation to physical working environment. It is essential that these gaps are addressed to support remote working and digitisation going forward. Dublin Chamber

⁶ Budget 2021 <https://www.gov.ie/en/press-release/f1b2f-budget-2021-ministers-harris-and-collins-announce-a-range-of-measures-including-50-million-fund-to-provide-financial-assistance-for-full-time-students-new-reskilling-and-retraining-package-and-extension-of-apprenticeship-scheme/>

has made a number of submissions in relation to remote working over the course of the pandemic, including in response to the public consultation on remote working, the public consultation on the Right to Disconnect, and, a paper detailing qualitative and quantitative data on remote working from the business community.⁷

As indicated above, Dublin Chamber research shows that most businesses will be adopting a hybrid flexible working policy post pandemic, with a 60%-80% of time spent onsite in the office.

Wellness and Mental Health

The resilience of the State is dependent on the wellness of its labour pool and the retention of labour participation long term. It is yet unknown what the long-term impact of the Covid-19 experience has been on the mental health of the labour pool. Extensive Dublin Chamber research through surveying and focus group sessions has shown that employee mental health and wellbeing is a key concern from business leaders.⁸ Surveying indicates that isolation in the context of remote working is the main concern. In consideration of this, Dublin Chamber recommends that Government propose that further mental health and wellbeing supports for businesses to afford their staff be outlined as a priority in recovery and resilience planning.

Female Labour Participation

The Covid-19 pandemic has and will likely have further impact on female labour participation and workplace progression. One aspect of this is in relation to sectors with a majority female labour force such as hospitality and tourism being of the most impacted. Another is because childcare issues were further exacerbated during lockdown situations, this relates directly to remote working and the digitisation agenda.

While improved adoption of flexible and remote working is positive for work life balance, it also has the potential to impact negatively on female labour and progression if not managed correctly. Feedback from Dublin Chamber members indicates that during the pandemic lockdowns, the brunt of childcare fell to female partners (where applicable) and that male counterparts were more likely to be able to return to the office during periods when this was deemed safe. There is concern that there may be a gendered take up of remote working options post pandemic, leading to women having less of a visible presence in the office as

⁷ Dublin Chamber Submission on Response to Remote Working Consultation

<https://www.dublinchamber.ie/DublinChamberofCommerce/media/banners/Dublin-Chamber-Submission-on-Remote-Working-Consultation-to-the-Department-of-Business.pdf>

Dublin Chamber Submission on the Right to Disconnect

https://www.dublinchamber.ie/DublinChamberofCommerce/media/banners/DubCham_Right-to-Disconnect-Submission-to-WRC_January-2021_FINAL.pdf

Dublin Chamber Qualitative and Quantitative Data on Remote Working

https://www.dublinchamber.ie/DublinChamberofCommerce/media/banners/Dublin-Chamber_Remote-and-Flexible-Working_Quantitative-and-Qualitative-Data_Feb-2021.pdf

⁸ Dublin Chamber Qualitative and Quantitative Data on Remote Working

https://www.dublinchamber.ie/DublinChamberofCommerce/media/banners/Dublin-Chamber_Remote-and-Flexible-Working_Quantitative-and-Qualitative-Data_Feb-2021.pdf

they make decisions to remote work due to caring duty pressures. Childcare reform for affordability and accessibility will be key to economic recovery and resilience.⁹ Increased uptake of parental leave for fathers will also be essential to support a shared approach to caring duties.

Childcare costs in Ireland are among the highest in the EU and considering the relatively low level of entry to the higher tax bracket, this seems like poor value for money for working parents.¹⁰ Research shows that Irish women with more than one child are less likely to return to full time employment after maternity leave.¹¹ Surveying shows that approximately half of working mothers have considered leaving the work force due to childcare costs.¹² Further to this, single parents, of which the majority are female, face further barriers to maintaining full time employment in the face of high-cost childcare.

Meanwhile the early childcare sector is struggling. Despite the high cost to parents, early childcare workers are low paid, and insurance and overhead costs are high. Reports show that the impact of the Covid-19 lockdown has meant the closure of many crèches across the country, with more closures likely without Government support.¹³ Insurance costs for the childcare industry needs to be a focus of reform as the judicial system is acting as an impediment to possible viability through reduction of overheads for private childcare providers.

In the medium to long term view, the current system is not fit for purpose and greater State intervention in the sector is necessary to provide a steady supply of affordable, quality childcare. Dublin Chamber explores these issues further in its position paper on the Impact of Covid-19 on Female Labour Participation.¹⁴

Key for Investment - Medium Term Business Support for Recovery

The Covid-19 pandemic and resultant public health measures to lockdown large parts of the economy for extended periods of time have had a hugely negative impact on businesses, particularly those in retail and hospitality, as well as others. We acknowledge the success of

⁹ Dublin Chamber Position Paper on Impact of Covid-19 on Female Labour Participation https://www.dublinchamber.ie/DublinChamberofCommerce/media/banners/Dublin-Chamber_Covid-Impact-on-Female-Labour-Participation_October-2020_FINAL.pdf

¹⁰ European Commission https://eacea.ec.europa.eu/national-policies/eurydice/sites/eurydice/files/infoceec_final.pdf

Independent.ie <https://www.independent.ie/business/personal-finance/latest-news/childcare-costs-here-among-the-most-expensive-in-europe-38290772.html>

¹¹ CSO

<https://www.cso.ie/en/releasesandpublications/er/eampb/employmentanalysisofmaternityandpaternitybenefits2016-2019/>

¹² Irish Times <https://www.irishtimes.com/news/social-affairs/half-of-working-mothers-consider-giving-up-work-over-childcare-costs-1.4189580>

¹³ Independent.ie <https://www.independent.ie/world-news/coronavirus/creche-owners-predict-total-implosion-of-sector-without-state-cash-boost-39369149.html>

¹⁴ Dublin Chamber Position Paper on Impact of Covid-19 on Female Labour Participation https://www.dublinchamber.ie/DublinChamberofCommerce/media/banners/Dublin-Chamber_Covid-Impact-on-Female-Labour-Participation_October-2020_FINAL.pdf

the Employment Wage Support Scheme in stabilising the labour market and minimising further job losses.

Similarly, the Covid-19 Restrictions Support Scheme (CRSS) has been a critical lifeline for many businesses struggling as a result of the pandemic. Direct feedback on the effectiveness of this support from qualifying businesses has been overwhelmingly positive. However, there is anxiety among the business community around the possibility of support measures falling off a cliff edge, or, being removed immediately with first sight of the economy re-opening. In light of the effectiveness of EWSS and CRSS, it is essential that follow on medium term measures to support businesses during post-pandemic recovery should be included in the Recovery and Resilience package as even after the easing of restrictions, a period of support will be required to support business recovery.

For example, the commercial rates waiver has been a particularly valued support throughout this crisis, and there is strong demand for a continuation of this relief. The waiver is due to expire at the end of Q1, and businesses with rateable premises now require certainty from Government as to their future cost base in the context a likely continuation of depressed trade.

Question 2.

Of the Country Specific Recommendations received by Ireland in 2019 and 2020, which are considered the most relevant for reflection upon in Ireland's National Recovery and Resilience Plan?

The Country Specific Recommendations of both 2019 and 2020 reflect well the areas in need of investment in the Irish context, while some references in the 2019 recommendations are now considerably less relevant due to the Covid-19 crisis.

Specifically, Dublin Chamber recommends that the Recovery and Resilience Plan prioritise;

- 2019 CSR No. 2 and 2020 CSR No. 2 prioritisation of skills and upskilling, and of enabling access to skills and upskilling will be essential for economic recovery as much of the labour force will need to re-skill due to job loss or upskill to adapt to digitisation.
- 2019 CSR No 3. Focus on economic policy for the low carbon transition, both in terms of enabling the business community to ready itself for a circular economy and in terms of providing the necessary infrastructure for sustainable cities. Also, skills requirements for a greening economy will be necessary to achieve infrastructure and sustainability goals.
- 2020 CSR No 1 and No 3. The economic recovery post-pandemic will require medium term supports to the business community and a level of certainty as to continued access.