
Submission to the consultation on the National Recovery & Resilience Plan

22 February 2021

Introduction

The American Chamber of Commerce Ireland (henceforth ‘the American Chamber’) is the leadership voice of US business in Ireland. Our mission is to strengthen the transatlantic business community through advocacy and networking with purpose. American Chamber membership includes US companies operating from Ireland, Irish companies expanding in the US and organisations with strong bilateral links between Ireland and the US. The American Chamber greatly welcomes the opportunity to provide a submission to the National Recovery and Resilience Plan, noting that the EU Recovery and Resiliency Facility¹ (henceforth ‘the Facility’) presents an enormous opportunity for Ireland. In particular the American Chamber welcomes the focus on the digital transition and sustainability within the Facility and believes Ireland must pivot to embrace the opportunities this Facility offers to modernise and innovate.

The American Chamber strongly recommends that the National Recovery and Resilience Plan includes ambitious investments and reforms that focus on digitalisation as well as sustainability, noting that the EU will assess the national plans against the targets of a minimum of 37% of expenditure on climate change investments and reforms, and a minimum of 20% of expenditure to foster the digital transition.

Digitalisation

The American Chamber believes that there is a need for a more accelerated approach and coordinated approach to digitalisation, not as an end in itself, but as a framework for accelerating Ireland’s recovery, facilitating a more sustainable, circular economy whilst embedding principles of fairness and social equity. Ireland must reprioritise and set out an ambitious plan for the digitalisation of the economy including the public sector.

Ireland’s national recovery and resilience plan presents an opportunity to roadmap an ambitious approach to digitalisation across the economy including the public sector. The modernisation and digitalisation of public administration is a flagship area of reform. Digital infrastructure and connectivity have proved to be of critical importance during this crisis period and the pandemic has only served to underline the importance of citizens having access to public services digitally. In particular, the European Commission has identified seven flagship priorities under the EU facility, three of which the American Chamber has selected as key areas relevant to digitalisation:

- 1. Scale up**
- 2. Public administration**
- 3. Reskill and upskill**

The American Chamber outlines below recommended projects that would fall under these three areas, align with examples of investments and reforms provided by the European Commission in their guidance to Member States, and tie into the country specific recommendations for Ireland in 2019 or 2020.

¹ The Facility was agreed and deployed in 2020 by the EU with €672.5 billion in loans and grants available to support reforms and investments undertaken by Member States. The aim is to mitigate the economic and social impact of the coronavirus pandemic and make European economies and societies more sustainable, resilient and better prepared for the challenges and opportunities of the green and digital transitions. https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility_en

1. Scale up (Digital components and cloud capabilities)

The 'scale up' priority identified by the European Commission seeks to build up trust in data management for businesses and public entities and to encourage entities to invest in cloud infrastructure. The American Chamber recommends under this priority that the Government seeks funding to invest in a cloud procurement framework that would encourage the uptake of cloud adoption across the public sector. The European Commission has clearly outlined under this priority that investments in cloud infrastructure in public entities would be an example of an investment that could qualify under the Facility.

Cloud adoption

Governments across the world are increasingly moving to sustainable public cloud computing – which is most easily defined as cloud services delivered by third-party providers over the internet – in order to improve public services. By doing so, they are benefitting from its well-documented advantages, including scalability, cost savings, increased security and innovation.

The Irish Government has also taken steps to make better use of the public cloud, including in response to the COVID-19 pandemic. It is time to accelerate this progress, particularly if the Government's ambition of delivering 90% of all services digitally within three years is to be achieved. Ireland is already a global hub for cloud computing infrastructure by virtue of extensive investment here from leading international digital firms. This ground-breaking technology, and the potential it offers, is on our doorstep. This extensive untapped cloud capacity and large pool of technical expertise can be better leveraged by Government to drive digitalisation of public services.

For Ireland to avail of this opportunity, and to have the necessary digital infrastructure in place for a digital transition as well as to avoid falling further behind other States when it comes to cloud-use, the American Chamber recommends three key areas that could be an investment under the EU Facility to scale up and modernise public administration:

- 1. Implement a public-cloud first policy requiring public sector bodies to implement where possible a public cloud solution**, when upgrading or introducing a new service to help drive public cloud adoption across the public sector. Those bodies would remain free to choose an alternative to the cloud but would have to justify it on account of cost or other compelling reasons. Such a policy would build on the OGCI's Cloud Computing Advice Note of 2019 and the more recently issued OGP Cloud Services Guidance Notes 2021, and help drive public cloud adoption across the public sector.
- 2. To facilitate this transition to public cloud-driven public services, a uniform data classification model needs to be put in place.** This model would see data categorised as unclassified, official, or secret and above. It would thereby help address any uncertainty across Government that can act as a barrier to cloud adoption. Such models have long been utilised in other countries, including the UK, and have aided their respective transitions to the public cloud.
- 3. Public sector bodies must be better able to procure cloud services.** Public sector entities are accustomed to buying IT infrastructure using procurement rules designed for purchases such as hardware and related software. The relevant structures are not in place, however, to enable them to purchase cloud technology, which is in turn frustrating digital transformation. **A clear, competition-friendly cloud procurement framework therefore needs to be established by the Office of Government Procurement.**

The public cloud must be at the heart of Ireland’s digitalisation agenda – the Government can readily take the steps to make that happen and the EU Facility provides an opportunity for Ireland to take these steps. This investment would also tie into the country specific recommendations of 2020 for Ireland to ‘focus investment on the green and digital transition, in particular on digital infrastructure.’

Although this submission does not contain any explicit recommendations for the adoption and implementation of specific Big Data, Analytics, and Artificial Intelligence (AI) services or solutions, the American Chamber recognises the importance of such capabilities and the role that it plays in support of data driven decision-making as part of the digitalisation journey for public services. It should also be recognised that the greatest amount of capability and benefit in this area can only be realised through the adoption of cloud-based solutions and thus the adoption of the public cloud as a platform is a key enabler for progress in other areas of digital transformation

2. A Public Administration fit for the Future

The European Commission has identified a range of different investments and reforms that could be utilised under the priority of modernising public administrations. One of the most exciting developments in this space is the concept of self-sovereign identify management. The EU is proposing a new framework² for a European Digital Identity (eID) for all that can be widely used online and protects personal data and privacy cross border. eID and eSignature would mean that EU citizens do not need to leave their homes to interact with public administrations, they do not have to meet face-to-face to sign or even mail documents. Ireland has made progress with the development of MyGovID, which is a secure online account for accessing some public services and provides citizens with an online identity that only you can use, but there is further investment that can be made.

Self-sovereign identity management

The American Chamber recommends that Ireland invests in equipping the public sector to implement the European Digital Identity (eID)³ which would strengthen the provision of digital identity, and deepen the digital transformation both for accessing public services . The key to achieving widespread social acceptance of increased digitization of end to end processes between the State, private enterprise and the citizen is the ability to assure the citizen that they retain control over the visibility and use of their data. The American Chamber also recommends that the Government implements a personal data strategy⁴ as a type of reform under the EU Facility.

We believe that this is a logical extension of the capabilities in MyGovID and the Government Digital Postbox and offers the citizen all the capabilities of the former while extending access and control to the citizen themselves. The American Chamber notes that a pilot project is already underway - Emerald consortium⁵ –with the aim of putting in place a self-sovereign, credentials sharing network serving the island of Ireland. The idea behind the project is that a citizen could digitally store documents or their credentials – such as passport, birth certificate, exam results or proof of address – and decide who they share their credentials with, which is the core of self-sovereign identity systems. The availability of credentials online is key to the success of this initiative such as Government issued ID or utility bills as well as financial or tax statements.

² The eIDAS regulation on electronic identification and trust services for electronic transactions in the internal market

³ ‘Investment 2.4: Equipping the public sector to implement the European Digital Identity (eID) for authentication by national and cross border users’, p19, Recovery and Resilience Plans, Example of component of reforms and investments, A public administration fit for the future

⁴ ‘Reform 2.1: Personal data strategy allowing citizens to monitor the use of personal data held by public administrations’, p3, Recovery and Resilience Plans, Example of component of reforms and investments, A public administration fit for the future

⁵ Emerald is an initiative of interested stakeholders in Ireland, seeking to establish a critical mass of credential issuers (Government, Financial, Educational bodies, and others) and credential verifiers (organisations who will accept these credentials in lieu of the older, less reliable physical ones).

Identity management is a key step for allowing citizens and businesses to interact online with the healthcare system, education system or customs and tax system, and this should be an investment⁶ that Ireland prioritizes under the EU Facility. Digital identity is the future for public administration, and in times of crisis, such as the pandemic, it is critical that citizens can still access public services digitally. It would also be of economic benefit as Ireland and the EU move into recovery, noting that ‘countries implementing digital ID could unlock value equivalent to 3 to 13% of GDP by 2030’⁷.

The American Chamber has also identified certain public services that are ripe for digitalization including customs & trade, education and healthcare, with more detail outlined below on each area.

Customs and Trade

The American Chambers notes that customs and trade would benefit greatly from digitalisation and that a suggested investment could be in the design of a frictionless, automated border customs compliance solution, based on consistent and digital data, that allows process integration and automation with exception-handling for road and maritime cargo transport, with no uniquely-associated physical infrastructure. The European Commission has outlined ‘that customs and tax administration have to process vast amounts of data and currently lack the digital tools - and lack of reuse of interoperable building blocks – to conduct such processes in an efficient and error-proof manner’.

This type of investment should be viewed particularly in light of trade between Ireland and UK post Brexit, noting that the process for imports and exports between Ireland and UK is broadly a paper- based system that eventually updates two discrete systems. The American Chamber envisages that an investment in this area could allow an export declaration on one side to automatically trigger the creation of the import documentation for the far side, areas for innovation should include:

- Make the current paper based cargo import/export crossing fully digital for all businesses with integration into freight forwarders.
- Enable the process with an easy to use ‘App’ with pre-populated form filling
- Through the use of blockchain technology, aggregate and present version-controlled, digitally signed and verified customs documentation on digital request to relevant authorities
- Automate the efficiency of cargo customs checks using vehicle/cargo tracking technology, automated checking of verified shipments from blockchain with preclearance possible without vehicle stops.
- Use artificial intelligent and machine learning to streamline all newly digital import/export procedures and greatly improve identification of noncompliant shipments or traders

⁶ ‘Investment 2.5: Digitalisation of the healthcare and justice systems, customs and tax administrations, with special focus on covering rural and more remote areas’ p3, Recovery and Resilience Plans, Example of component of reforms and investments, A public administration fit for the future

⁷ ‘Digital identification: A key to inclusive growth’ section 5, found at <https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/digital-identification-a-key-to-inclusive-growth#:~:text=Our%20analysis%20of%20Brazil%2C%20China,implementation%20of%20digital%20ID%20programs.>

Education

If Digitalisation is to achieve the greatest benefits for society and the economy then we must provide the broadest possible range of education to citizens, both in the formal educational system and in retraining. The American Chamber recommends that education is an area that is further digitalised, the section below outlines what is needed in terms of reforms to school curriculum in this area but education will also need the required investment in infrastructure. To support the learning of digital skills and to aid digitalisation in education, **an investment in digital equipment and infrastructure** should be made in schools across Ireland which also addresses the digital divide that impacts on lower income areas.

Healthcare

Covid-19 has accelerated the digital transition in many areas, and this includes in healthcare which has witness a significant growth in the use of digital tools since the onset of the covid-19 pandemic. For example, many citizens have had their first virtual interaction with a GP or remote monitoring of patients at home has become an important tool for the HSE. Likewise the HSE has also sought to accelerate its digital transition, announcing recently that it has launched nine digital health labs across the country working to address issues such as Covid-19 and using AI in healthcare⁸. The importance of digital in healthcare has been recognised by the European Commission noting that ‘the limited digitalisation and low interoperability leads to repeated tests, increased costs for the budget, low access to healthcare and limited use and re-use of health data’⁹. Ireland must build on the momentum we are witnessing and enable it to become a digital health leader. Ireland’s 2019 country specific recommendations also stated a need to address the expected increase in age-related expenditure by making the healthcare system more cost-effective.

3. Reskill and upskill

Digital Skills

If Digitalisation is to achieve the greatest benefits for society and the economy then we must provide the broadest possible range of education to citizens, both in the formal educational system and in retraining. Ireland must provide digital literacy for all and it must be accessible to all. The European Commission has outlined under the priority ‘Reskill and upskill- education and training to support digital skills’ of the Facility that investments and reforms should focus on digital skills, the American Chamber notes that digital skills are needed across the population and has identified three key groups to target.

As a type of reform, the American Chamber recommends that digital skills including media literacy and personal security are integrated across school curricula at both primary and secondary level to ensure this generation of children are equipped with the necessary skills to navigate the digital world.

The American Chamber also notes that digital skills are important for all citizens. The pandemic has proved that the ability of elderly and more vulnerable citizens to connect online is also important, and **investments in a digital training and information awareness** campaigns should be rolled out to target citizens who need it in the areas of accessing the internet, awareness on identifying and avoiding online crime, and personal security while

⁸ found at <https://www.hse.ie/eng/services/news/media/pressrel/digital-health-living-labs-accelerate-healthcare-solutions.html>

⁹ P7, Recovery and Resilience Plans, Example of component of reforms and investments, A public administration fit for the future

online. Ireland has significant work to do in relation to digital literacy (currently at 48% of the population according to the European Commission Digital Economy and Society Index 2019) to bring this rate to the EU average and then to the top 3 among EU member states. This would tie into the Country Specific Recommendation of 2019 to ‘facilitate upskilling, in particular for vulnerable groups and people living in households with low work intensity’.

As outlined above, the American Chamber recommends that the public sector accelerates the digital transition through cloud first approach and the digitalisation of certain public services. To support this transition, **the American Chamber recommends that an investment is made to establish a digital training fund to re-train or upskill public sector workers to realise this.** This follows the suggested investment outlined by the Commission under this priority area, ‘Development of a competency model for civil service management, with training programmes providing management/leadership, green and digital skills’. The European Commission also notes that ‘public sector staff lacks necessary skills to judge, use and regulate many key areas of the digital transformation, including advanced computing, data infrastructure, governance and processing as well as cybersecurity, or advanced technologies like Machine Learning (ML). There is a pressing need to equip staff with the necessary basic and advanced digital skills and to update these skills continuously.’¹⁰ As a final recommendation under this area, the American Chamber notes that the use and increase of apprenticeships within the public sector ¹¹that are linked to the digital transformation would be a useful tool to build up the necessary skills.

Green transition

The European Commission has also identified the green transition as the second part of the twin pillar priorities under the EU Facility, with a minimum of 37% of expenditure to be spent for climate investments and reforms. The three flagship priorities that cover the green theme are:

- [Renovation wave](#)
- [Clean, smart and fair urban mobility](#)
- [Power up](#)

The American Chamber has identified three different areas for investments and reforms as outlined below.

Green Recovery Power Up

Retrofitting/deep renovation

We are very supportive of the emphasis of sustainable and inclusive growth within the consultation document. We believe that The National Recovery and Resilience Plan should pro-actively incentivise the development of green jobs. As business navigates the challenging post COVID economy, investing in retrofitting or deep renovations will not be top of mind for many organisations, particular SMEs. We believe that The National Recovery and Resilience Plan should pro-actively spur on the development of green job, including incentivising opportunities for organisations to improve the efficiencies of their buildings, manufacturing and business processes.

¹⁰ P8, Recovery and Resilience Plans, Example of component of reforms and investments, A public administration fit for the future

¹¹ The American Chamber notes that apprenticeships in ICT have been implemented in the public sector, and that this trend should continue into other areas needed for digitalisation.

The pandemic has demonstrated the powerful impact that our entire community working together can achieve. Sustainability and the promotion of the circular economy should be at the heart of policy decisions affecting all sectors of the economy and should be a consideration in all state funded activities. The National Recovery and Resilience Plan should include an emphasis on research and the promotion of innovative skills through the creation of pilot programmes across a range of promising retrofitting technologies as well as other technology necessary for the circular economy including hydrogen and battery storage.

Renewable power generation

Our members are very conscious of the need to transform where we source our energy and ensure the grid is prepared to support business growth. Significant investment is required to ensure adequate regional/local capacity to support investment locations, especially in Ireland's main urban centres. Ireland's National Recovery and Resilience Plan, as well as the renewed National Development Plan, should seek significant alignment between all policies linked to the carbon neutral economy to encourage the transition from fossil fuels to renewable fuels into order achieve the target of 70% renewable energy by 2030 while supporting investment and business growth in Ireland.

To enable this transition the electricity grid requires significant upgrades: at present it is incapable of serving new large-scale customers, or for the volume of renewables we require to meet our national climate targets. The Dublin area grid is in need of reinforcement and a generation needs to be brought online to support customers. Greater interconnection, including the delivery of the North-South Interconnector and connections to the continent, will ensure energy security and generation diversity. The capacity of the energy grid directly affects the ability of companies, particularly SMEs, to grow inside and outside of Dublin, and is currently leading businesses to divert their investments from Ireland to other competitor more sustainable locations.

The National Recovery and Resilience Plan should focus on the development of technologies that will enable Ireland to adopt an inclusive localized energy policy and encourage all end users, including SMEs, to transform their energy usage. In delivering these targets it is important that policies are developed which will ensure that corporate procurement (in the form of PPAs) and Government supported subsidy schemes (currently RESS) can work in unison to ensure targets are met and delivered in a manner that is efficient and ensure the best economic outcome to all consumers. Reducing barriers to CPPAs to encourage voluntary corporate renewable purchasing would help to offset the costs that would otherwise be borne by businesses and customers.

Recharge and Refuel (electric and hydrogen chargers)

As the economy recovers and moves towards carbon neutrality there is a need for a significant change in our mindset surrounding the modes, and role played by, shared and public transport in Ireland. This change must be underpinned by a transparent and well-funded sustainable mobility policy that enables growth in the sector.

For the new policy to be a driver of change, significant emphasis should be placed on future modes of transport and technology innovation. The Climate Action Plan's electrical vehicles target on Irish roads must needs to be aggressively pursued utilising the Recharge and Refund funding within the EU's Resilience and Recovery Facility. Mobility policy should have enough built-in flexibility to react to the rapidly evolving low emission vehicles and autonomous vehicles markets, including the development of hydrogen and other alternative technologies. Ireland should aim to an early adopter of new technologies, focusing on improved travel time predictions, encouraging multi modal transport and encouraging confidence within the system.

Conclusion

The American Chamber greatly appreciates the opportunity to input into this important consultation and look forward to further engagement on the topic. If the Department has any questions on the above, please do not hesitate to contact the American Chamber.