Ireland's Innovation Index 2024.

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01. Executive Summary

The annual Ireland's Innovation Index report provides an overview of the research, development and innovation (RDI) landscape in Ireland. RDI is a key driver of economic growth and is fundamental to tackling complex economic and social challenges including climate change, digitalisation and public health. Building and expanding RDI capacity is essential to ensure the continued prosperity of Ireland's innovation economy. As the global economy becomes increasingly competitive, with rapid technological advancements, talent shortages, and evolving consumer demands, the pathways to growth have become more challenging than ever before.

Following 2023's inaugural Ireland's Innovation Index, IRDG and KPMG carried out our second annual survey on attitudes to Research and Innovation in Ireland, how Ireland compares to other countries, and what improvements are necessary to maintain and enhance our performance.

Almost 500 survey responses were received, an increase of 100 on 2023 giving a significant representation of companies performing RDI in Ireland. Responses were split between 62% Irish and 38% International.

The Key Takeaways:

1. Over the past three years, 74% of businesses conducting RDI in Ireland increased their overall Research and Innovation spend, and 77% expect to increase their RDI investment over the next three years.

2. Lack of budget / perceived high cost of innovation activities, and time to plan and administer (identified by 60% and 48% of respondents respectively) are the biggest factors impacting companies' ability to innovate. The number of respondents who selected recruitment of key talent as one of the biggest factors impacting the ability to innovate has fallen by 15% indicating the increasing depth and confidence in the talent pool available to companies operating in Ireland.

3. Admin time related to grant drawdowns or R&D tax credit claims (41% of respondents) and the grant application process (40%) remain the biggest barriers stopping companies from applying for RDI supports.

4. 54% of companies have between 1 and 10 people directly involved in RDI in Ireland, 26% have 11-50, 13% have 51-250, 5% have 251-1000 and 2% have over a thousand employees directly involved in RDI.

5. 65% of respondents indicated that state funding supports allowed them to conduct more R&D and 52% noted that the funding supported more employment.

6. 51% of respondents feel that Ireland's RDI grants and R&D tax credit supports compare equally or favourably to other countries. 13% feel that the Irish system compares negatively to other jurisdictions. 36% responded that they weren't sure.

7. Of multinational corporations (MNCs) half responded that 10% or less of their R&D would take place in Ireland without the R&D Tax Credit. 83% indicated that 50% or less of their R&D would be carried out in Ireland without the presence of the R&D tax credit..

8. According to survey respondents, the main factors Ireland needs to look at to remain competitive in the evolving international landscape are; simplifying the claims process/ reducing admin work (40% up from 29% in 2023), increasing funding amounts/expanding eligibility criteria (32%), and improving access for Small and Medium Enterprises (SMEs) (9%).

9. In relation to improving supports for SMEs conducting RDI, 35% of SMEs feel that increasing the level of funding / increasing the scope of qualifying expenditure, 24% feel that increasing education/training and 21% indicated that making the application/ claims process easier will significantly improve supports for them.

10. 34% of companies are engaged in incremental innovation (extension of products/services with existing customers) to a great extent, 27% engage in breakthrough innovation (Breakthrough product market changing products/services) to a great extent and 21% engage in disruptive innovation (Technology or new business model that disrupts the existing market) to a great extent.

11. 73% responded that new product, process or service development is one of their key innovation priorities. 45% of companies conducting RDI in Ireland are prioritising disruptive technologies / leveraging Artificial Intelligence (AI).

12. 78% of respondents stated that they think a R&D Tax Credit of 50% would incentivise increased R&D of Green and Sustainable Technologies.

02. Introduction

Research, Development, and Innovation (RDI) are key catalysts for economic development. They are essential to tackling our economic and social challenges, including climate change, digitalisation, and public health. To sustain the growth of our innovation-driven economy, we must significantly enhance the RDI capabilities of Irish businesses. Given the evolving economic landscape and the establishment of global minimum effective corporate tax rates, a robust and effective innovation policy and practice will be vital for continued economic growth and progress.

Business investment in RDI occurs within both national and international contexts. Over 25 years, Ireland has gone from a base of 800 R&D active firms, with research spend of €300 million, to almost 1,800 RDI active enterprises spending €3.88bn in 2022. In that year, Ireland had the highest proportion of business RDI in Europe, with 80% of our total investment being performed in private enterprises (CSO, 2021 - 2022).

An increasingly competitive global economy, characterised by rapid technological progress including the emergence of AI, talent shortages, and changing consumer preferences, means the pathways to growth have become ever more challenging. Businesses around the world are increasing their knowledge investments which is changing the global RDI landscape. The KPMG and IRDG survey indicates that 77% of companies expect an increase in R&D expenditure in next 3 years.

Companies are always looking for new talent and skills to help them achieve their business goals, as they face constant change. They want to remain competitive, satisfy complex consumer needs, create innovative products, processes and services or improve them, so they are upskilling and growing their teams with the talent they need to advance their businesses.

Ireland's journey through the changing world of innovation requires an awareness of the interconnectedness of research, development, and innovation. Research provides the foundation for generating new knowledge, while development involves transforming that knowledge into practical applications and solutions. Innovation focuses on the successful implementation and commercialisation of these solutions, driving economic growth and societal progress.

The 2024 Innovation Index survey on attitudes towards RDI in Ireland provides valuable insights into the current state of RDI activities within the country. By gathering feedback from 496 companies engaged in Research and Innovation, the survey offers a comprehensive overview of the challenges, opportunities, and areas for improvement. Such information supports the development of evidence-based policies and strategies to strengthen Ireland's innovation ecosystem and enhance its RDI position. The report also provides commentary on topical issues relating to RDI in Ireland including government support infrastructure, sustainability, Ireland's international innovation performance and AI.

The survey sheds light on how Ireland compares to other countries in terms of RDI investment and support, allowing for benchmarking. This comparative analysis is essential for Ireland to continuously enhance its performance and foster a favourable environment that encourages and supports RDI activities across various sectors.

By leveraging these findings, policymakers, industry leaders, and other stakeholders can collaboratively shape a vibrant RDI landscape that will drive Ireland's economic progress while addressing critical societal challenges. Since last years' Innovation Index, a notable enhancement has been the increased rate for the R&D tax credit which increased from 25% to 30% for accounting periods commencing on or after 1 January 2024. This will provide an additional incentive for some and for others it will ensure that the credit remains a valuable incentive in the context of international tax reform.

03. Innovation Index Results

3.1 Respondent Profiles

In March 2024, we carried out a survey of companies actively engaged in Research Development and Innovation (RDI) across Ireland. We received responses from 496 companies from large multinationals to High Potential Start-ups on their attitudes to the Research and Innovation landscape in Ireland.

The respondents included US owned multinational companies operating in Ireland (17%), non-US owned subsidiaries (12%) and Irish-owned businesses (62%) across a diverse set of industry sectors with the largest categories being Medical Health/ Wellbeing/Devices (20%), Business Software (ICT/Cloud/Saas) (18%) and Engineering/ Technology (18%).

The profile of respondents is very similar to last year's Index but with just over 100 more respondents in 2024.

FIG.01: RESPONDENTS BY OWNERSHIP

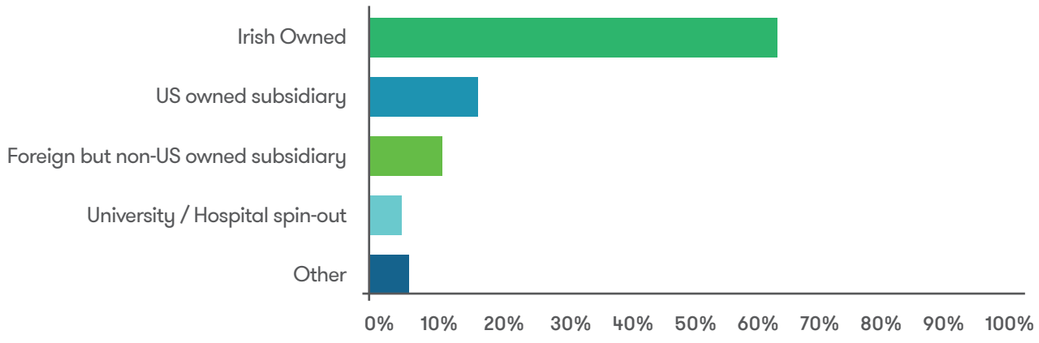


FIG.02: RESPONDENTS BY COMPANY SIZE

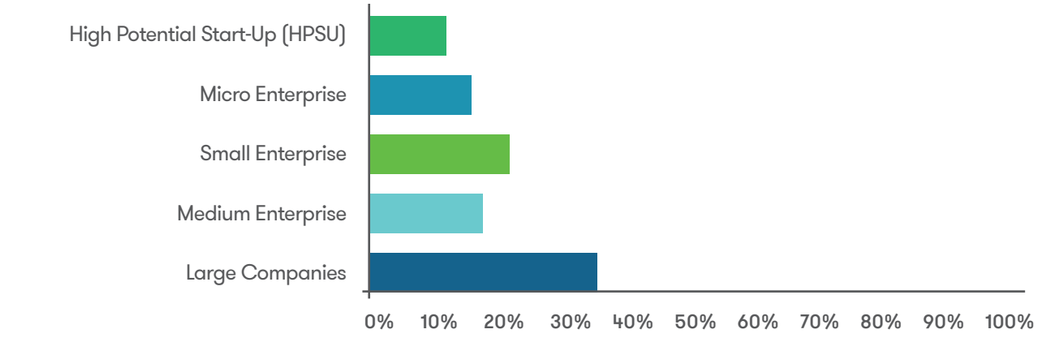
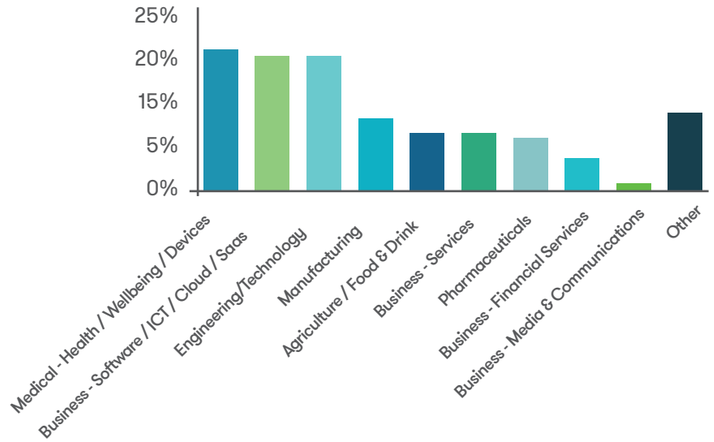


FIG.03: RESPONDENTS BY SECTOR



The figures below show the breakdown of how many full-time equivalent employees (FTE) are working within the surveyed companies and also how many of these employees are directly involved in RDI in Ireland. The data shows that 54% have between 1 and 10 people, 26% have 11-50, 12% have 51-250, 5% have 251-1000 and 2% have 1000 or more employees directly involved in RDI.

FIG.04: NUMBER OF FTES (FULL TIME EQUIVALENTS) EMPLOYED IN IRELAND

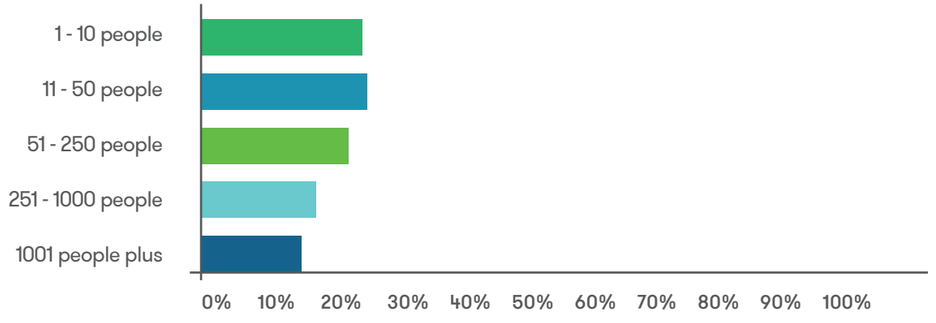
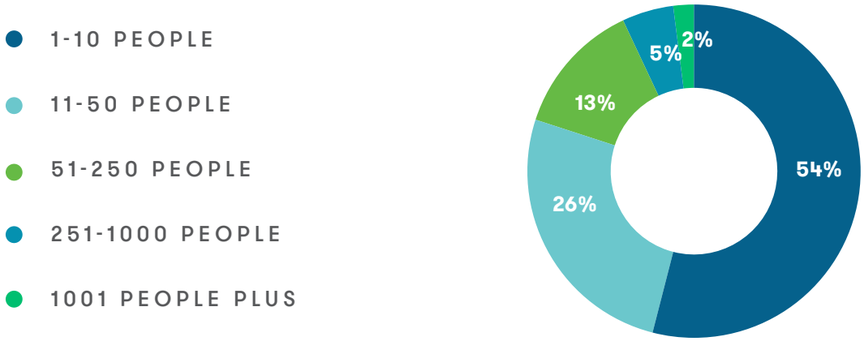


FIG.05: NUMBER OF FTES DIRECTLY ENGAGED IN RDI IN IRELAND



3.2 Innovation Activity & Barriers

75% of businesses have a dedicated structure to drive RDI indicating the importance of RDI to the business which is very similar to the findings from last year (76%). Product innovation is the key focus of Irish innovation, as cited by 76% of respondents with 73% citing it as a key innovation priority in the next 1 to 3 years. Specifically, improving existing products and services over the next 1 to 3 years is a key priority for 61%. Organisational redesign / restructuring and customer experience remains the lowest RDI priority area.

Leveraging AI / disruptive technology is also a big focus area with 45% of respondents prioritising this over the next 1 to 3 years.

FIG.06: PRESENCE OF DEDICATED STRUCTURE DRIVING RDI IN THE BUSINESS

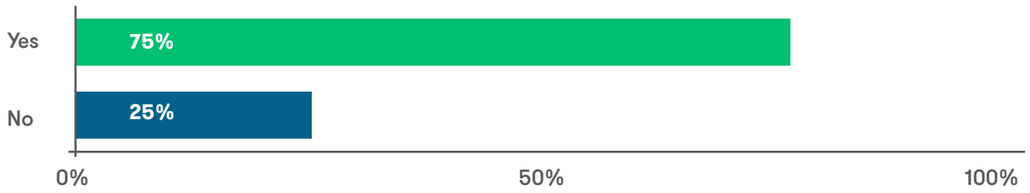


FIG.07: RESPONSIBILITY FOR INNOVATION

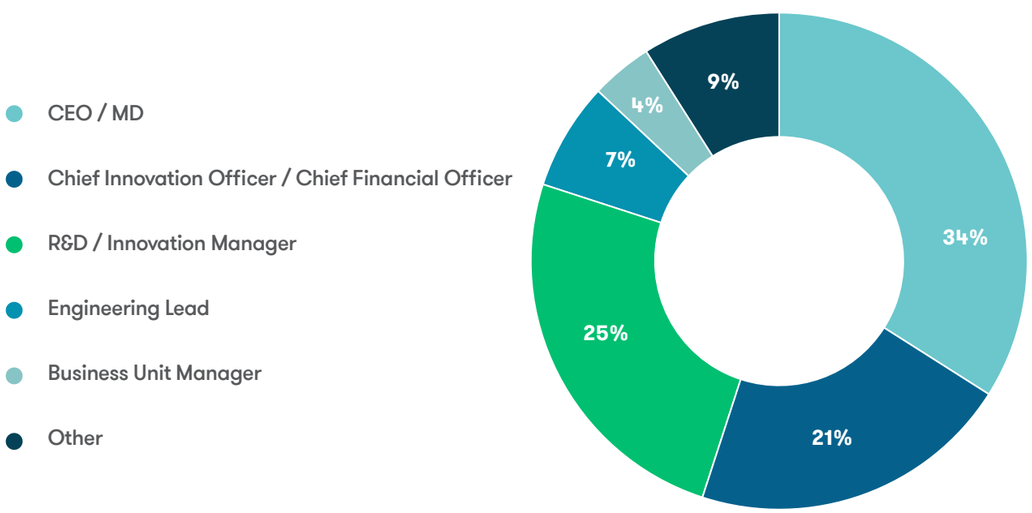


FIG.08: SPECIFIC RDI PRIORITIES FOR NEXT 1-3 YEARS

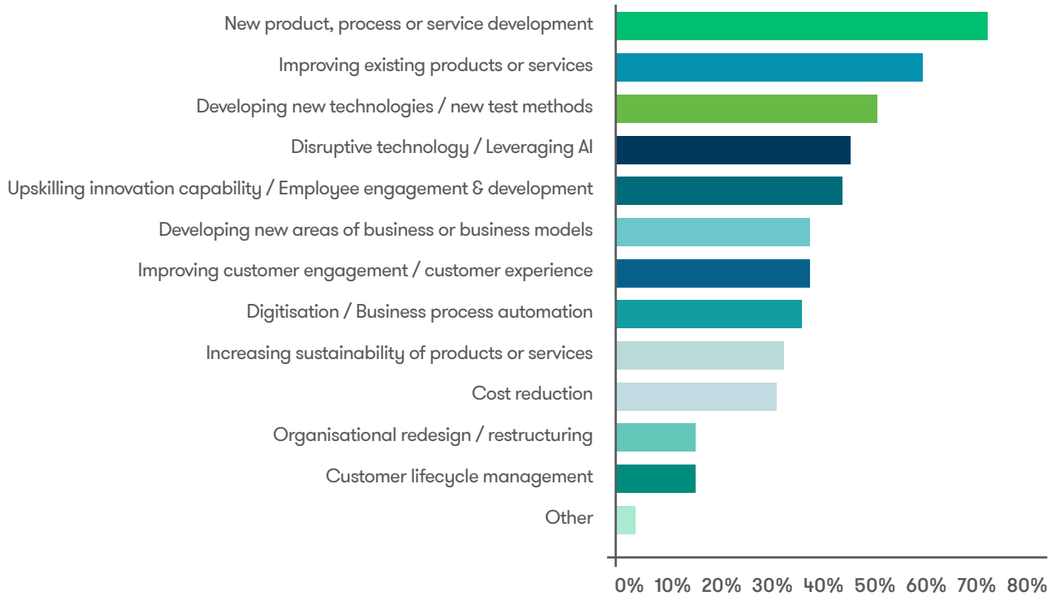
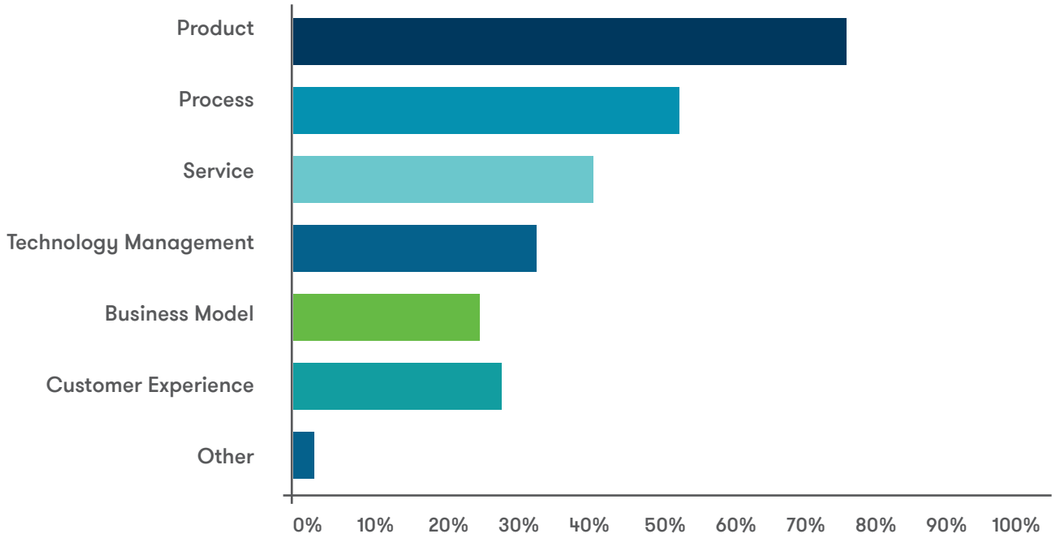


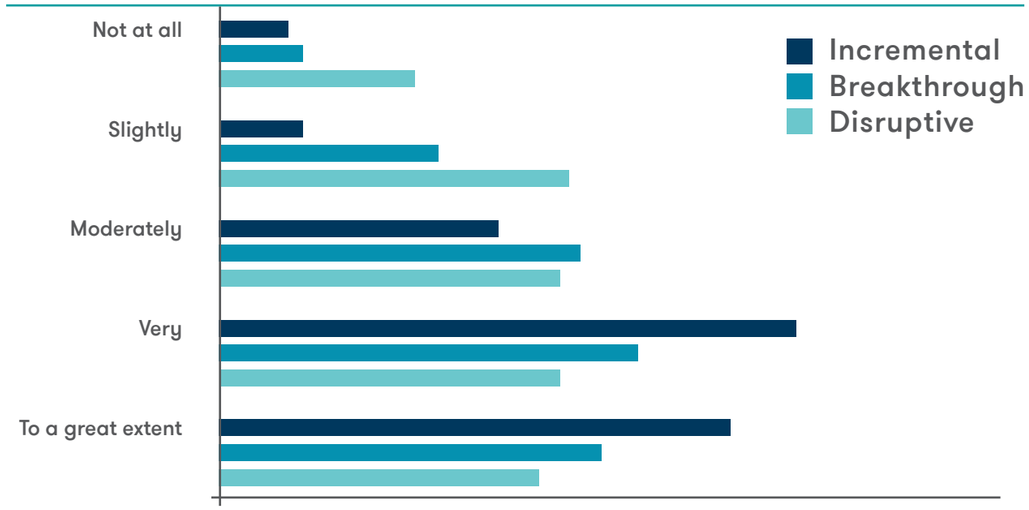
FIG.09: MAIN CATEGORIES OF RDI ENGAGED IN



In relation to the type of change that companies RDI activities are generating, incremental change is the most popular with 63% focusing strongly on this, with only 9% giving incremental little focus. This is followed by breakthrough change at 55% and disruptive change at 43%. These findings are in line with the results of the 2023 Index.

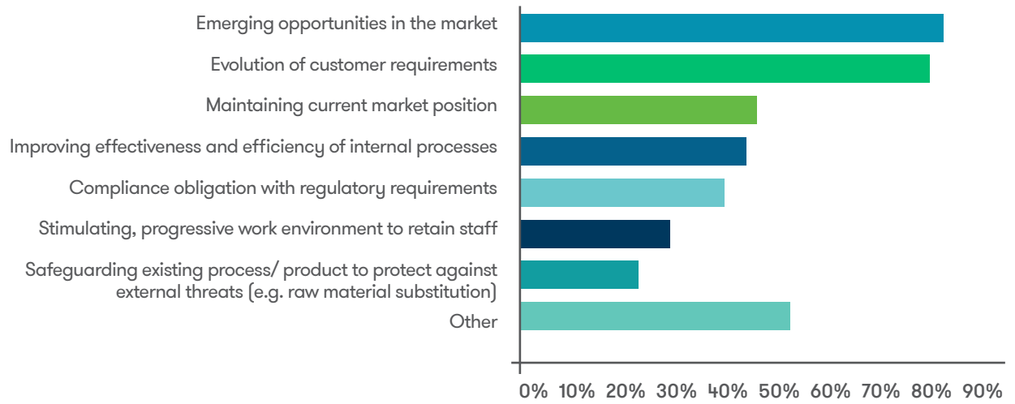
3.2 Innovation Activity & Barriers

FIG.10: TYPE OF INNOVATION ENGAGED IN



In terms of what drives companies operating in Ireland to innovate, emerging opportunities and the evolution of customer requirements in the market (78% and 76% respectively) are the main factors inspiring companies to innovate.

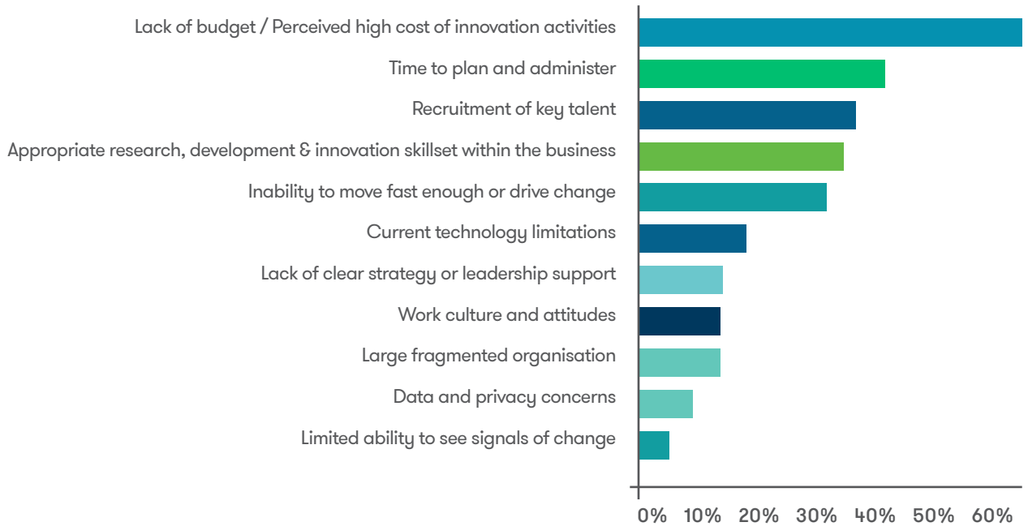
FIG.11: DRIVERS OF RDI



As it was last year, lack of budget is the biggest factor impacting companies' ability to innovate with 60% of respondents (up from 50% last year) stating it to be one of the biggest factors affecting their ability to innovate. Time to plan and administer; Appropriate research, development & innovation skillset within the business; Inability to move fast enough or drive change and Recruitment of key talent were selected as other major factors.

The number of respondents who selected recruitment of key talent has fallen by 15% which indicates companies are finding less difficulty in recruitment.

FIG.12: FACTORS AFFECTING ABILITY TO INNOVATE



3.3 Business Innovation Outlook

Our survey respondents were asked about the changes in the level of their Research and Innovation investment over the last 3 years. 74% stated that their Research and Innovation spend increased over the last 3 years. Just 10% indicated that their investment decreased and the balance 16% noted that their Research and Innovation spend remained unchanged over this period.
In relation to innovation outlook, 77% of respondents indicated that they expect their overall Research and Innovation spend to increase over the next 3 financial years. Only 2% expect their investment to decrease over this period with 21% expecting their spend to remain unchanged.

FIG.13: PROFILE OF RDI SPEND OVER PREVIOUS THREE YEARS

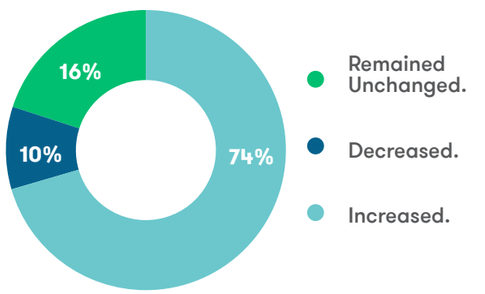


FIG.14: EXPECTED PROFILE OF RDI SPEND IN COMING THREE YEARS

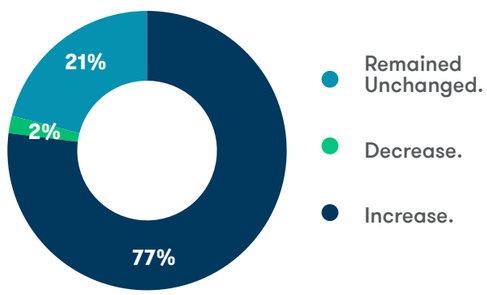
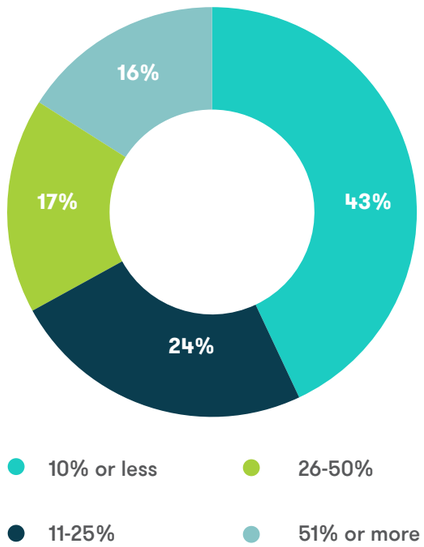


FIG.15: PERCENTAGE OF OVERALL EXPENDITURE ON RDI



It is positive to see that the majority of companies expect their RDI spend to increase over the next 3 years. An increase in Research and Innovation activity is, for good reason, one of the key focus areas when it comes to policy and incentives. The sustaining of R&D activities at a particular level is often overlooked or taken for granted. In an increasingly competitive international environment, the ability to retain a level of Innovation activity at an Irish site of an MNC can be a challenging endeavour and retaining existing levels of RDI is as important as attracting new jobs and investment. The retention of employment in high value RDI jobs can often have an impact on the ability of a company to also retain large numbers of high-skilled manufacturing roles, particularly where R&D is co-located with the manufacturing of the output of the R&D.

3.4 R&D Supports Take Up

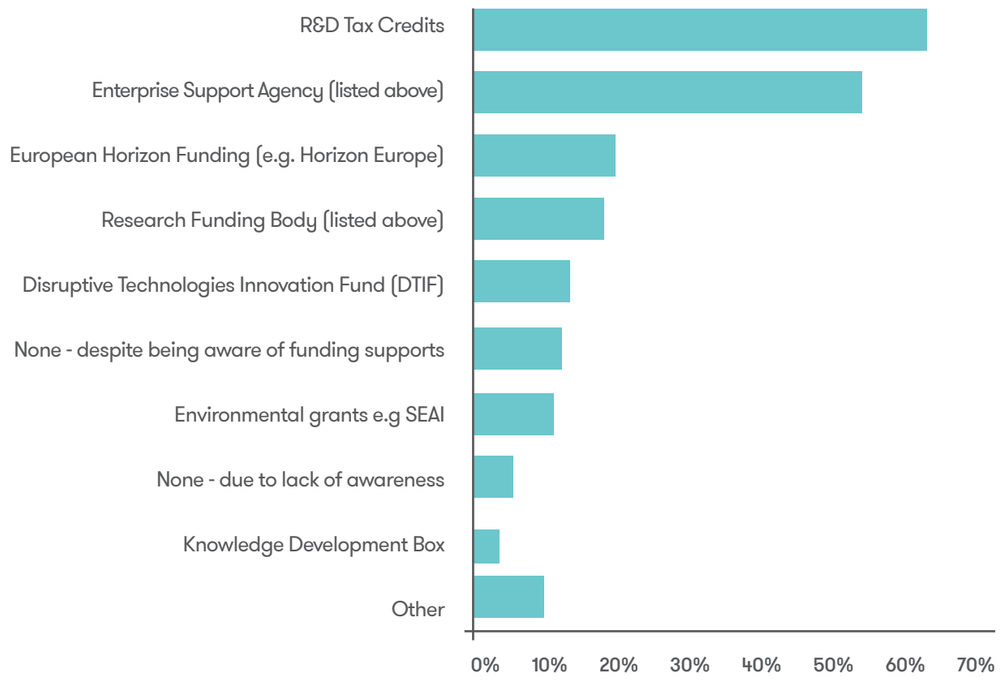
According to the survey the R&D Tax Credit is the most used incentive by companies conducting RDI in Ireland, 63% of companies surveyed have claimed the credit. The most recent figures from the Irish Revenue show that 1,551 companies availed of the R&D Tax Credit in 2022.

Of the other available incentives 53% claimed R&D Grant Supports from an Enterprise Support Agency (Local Enterprise Office (LEO); Enterprise Ireland (EI); IDA Ireland; Údarás na Gaeltachta); 19% claimed Grant Supports from a Research Funding Body (Science Foundation Ireland (SFI); InterTradeIreland and the Irish Research Council (IRC)); 12% used the Disruptive Technologies Innovation Fund (DTIF); 11% claimed Environmental grants (e.g SEAI).

With regards to European funding, 21% availed of European Horizon Funding (e.g. Horizon Europe).

18% of respondents did not avail of any of these incentives, with 6% responding that they did not because of lack of awareness and 12% not availing despite being aware of the funding supports.

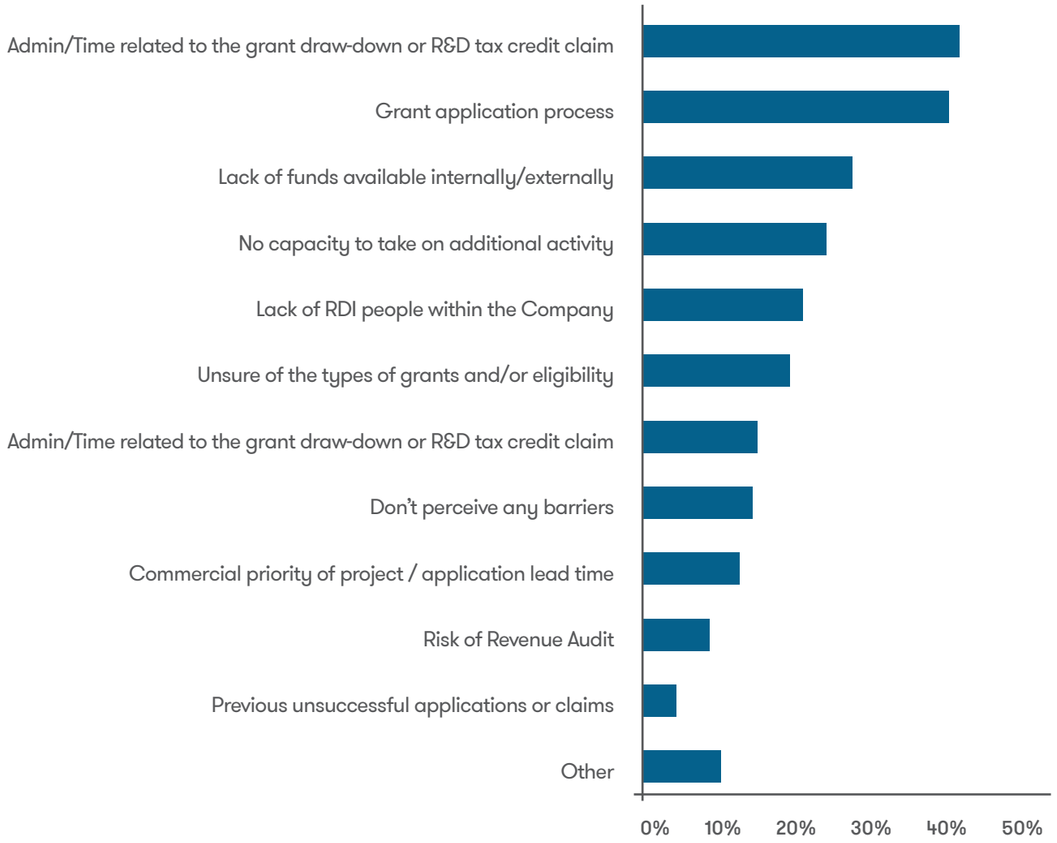
FIG.16: R&D FUNDING SUPPORTS AVAILED OF



3.5 Barriers To Innovation

According to our survey the biggest barriers preventing companies from applying for R&D state funding, R&D tax credits etc were admin/time related to the grant drawdown, the grant application process and lack of funds available internally/externally. Only 11% of respondents stated that they didn't perceive any barriers to applying for incentives.

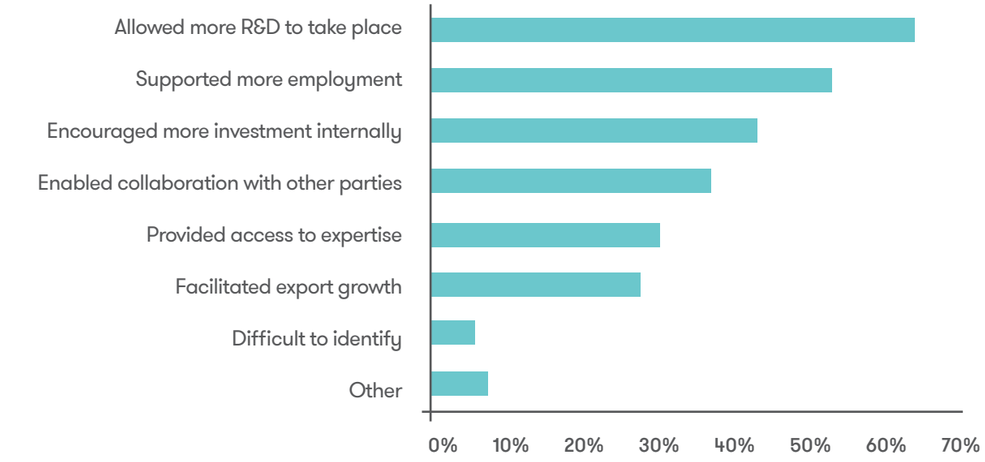
FIG.17: BARRIERS TO ACCESSING STATE SUPPORTS



3.6 The Impact Of Funding Supports On Business Innovation In Ireland

We asked our survey respondents what impacts funding supports have had on their business. The responses demonstrate the importance of R&D/Innovation incentives. 65% of respondents indicated that these funding supports have allowed more R&D to take place, 52% stated that they supported more employment and 42% noted that the funding supports encouraged more investment internally.

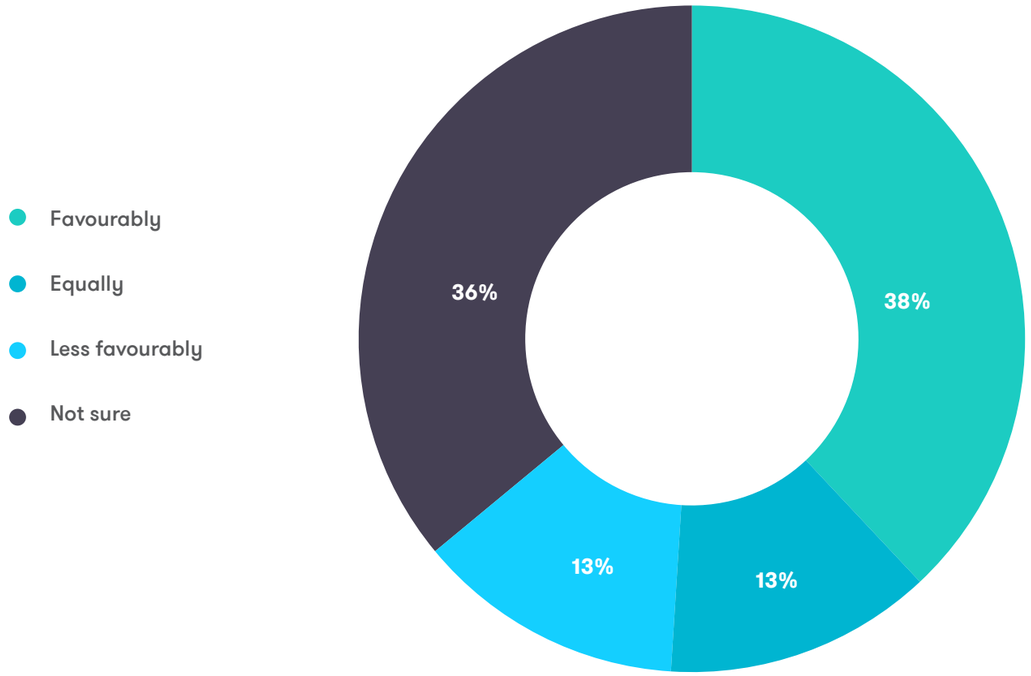
FIG.18: IMPACT OF STATE SUPPORTS ON THE BUSINESS



3.7 International Comparison

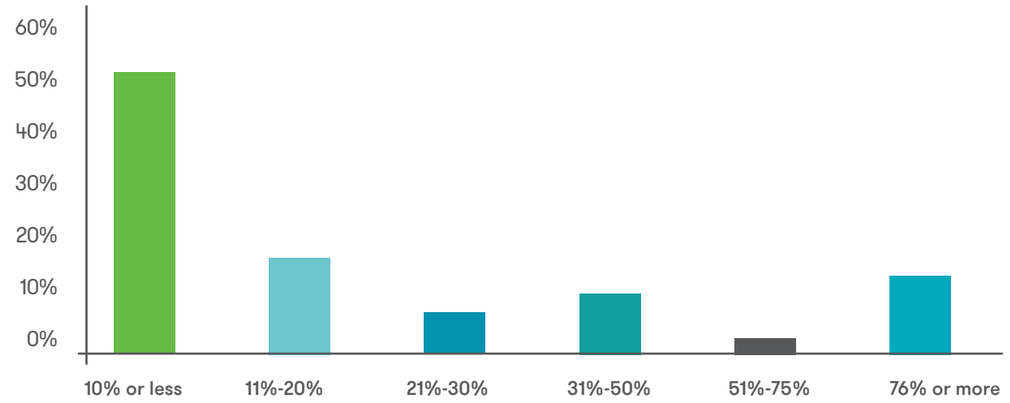
We asked MNC's that conduct R&D in other countries how they felt Ireland's RDI grant and tax supports fared in comparison to those other jurisdictions. While this was a broad question and did not ask about specific elements of Ireland's grants or R&D Tax Credit, responses were mixed, with 38% responding that Ireland's R&D grant and tax supports compares favourably to other countries. 14% feel Ireland compares equally and 13% feel Ireland compares less favourably to other countries. The remaining 36% were unsure about how Ireland compares to other jurisdictions.

FIG.19: HOW IRELAND'S R&D GRANT AND TAX CREDIT SUPPORTS COMPARE TO OTHER JURISDICTIONS



Interestingly, 50% of MNCs stated that 10% or less of their R&D activity would take place in Ireland in the absence of the R&D Tax Credit. These results further emphasise the importance of the R&D Tax Credit for both maintaining and increasing R&D activity in the State. It is quite clear that the absence of the credit would mean the loss of opportunities to compete effectively for new R&D projects. The volume of R&D activities would reduce over time. The Irish operations would likely become less central to the business with resulting loss of employment and business growth opportunities.

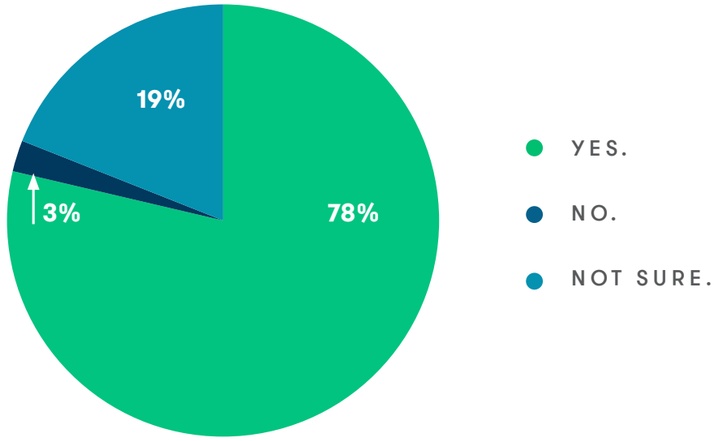
FIG.20: PERCENTAGE OF RDI THAT WOULD TAKE PLACE IN IRELAND WITHOUT THE R&D TAX CREDIT



3.8 Enhanced R&D Tax Credit Rate For 'Green And Climate Technologies'

78% of respondents to our survey stated that they felt an enhanced rate of RDTC (i.e. 50%) would increase R&D investment in these important green technologies. Increased grant supports were also mentioned as an incentive to increase investment in green technologies. (see more information in section 5 'Sustainability').

FIG.21: WOULD A 50% R&D TAX CREDIT RATE INCENTIVISE INCREASED R&D ON GREEN AND SUSTAINABLE TECHNOLOGIES?



3.9 Consultation Questions

How do you think the Irish R&D Tax Credit can remain competitive in the evolving international tax landscape?

In relation to improving Ireland's R&D Tax Credit's competitiveness, simplifying the claims process and reducing the administrative burden was the most common recommendation given, as it was in 2023. However, the percentage of respondents who put forward this recommendation has increased from 29% to 40% (11% increase). This could be due to an increased administrative burden brought in by changes in Finance Act 2022 (see more in section 4 'Government Support Infrastructure'). Other suggestions included, increasing the rate, increased scope of qualifying activities, higher rates for SMEs, clearer guidelines, faster payout and continued benchmarking against other jurisdictions.

If you are a SME, having regard to overall Exchequer cost, what other measures could be taken to improve supports for SMEs carrying out R&D?

We asked SMEs what measures could be taken to improve supports for them carrying out R&D. From the responses to this question, 37% suggested increasing funding/grants available to SMEs, 24% said that improvements could be made on the education/ training provided to them and 21% suggested making the application process for grants/tax credits easier. Other suggestions included increasing collaboration opportunities and speeding up the timing of payments.
Enhancing the SARP (Special Assignee Relief Programme) regime so that it is opened to new hires is something which has been cited as leveling the playing field for SMEs (SME Taskforce Report Action 2.6.4). In addition to being of immediate benefit to Irish SMEs, it would also open the regime to our universities, allowing them to compete more effectively in attracting global talent to lead research and development here. This represents an opportunity to create a powerful positive feedback loop, driving the carrying on of cutting-edge research in Irish Universities while contributing to the education of highly skilled graduates from these same institutions, thereby further promoting Ireland as a global hub for Irish R&D activities with our universities at its centre.

What would incentivise increased investment in Green & Sustainable Technologies in your organisation?

Besides introducing an enhanced 50% R&D tax credit rate for green and sustainable technologies or increasing the amount grants available, the simplification and easing of admin burden in relation to environmental grant applications and increasing education/awareness on the supports available were called out as measures that would incentivise increased investment in green and sustainable technologies.

04. Governmental Support Infrastructure

The Irish government has continued to demonstrate its commitment to Ireland's knowledge-based economy. An example of this can be seen in the supports provided to companies who invest in Research, Development and Innovation in Ireland. Tax incentives such as the R&D tax credit and the Knowledge Development Box along with the broad range of grants (including RDI grants, environmental grants, capital grants, training grants and employment grants etc.) play a critical role in the decision making of companies considering investing in new R&D operations in Ireland. Impact 2030, Ireland's Research and Innovation Strategy paper, outlines the government's vision for Ireland through the lens of research and innovation up to 2030. Some of the key targets within Impact 2030 Include:

1. Gross expenditure on R&D (i.e. 'GERD' - public and private expenditure on R&D in Ireland) to be 2.5% of Gross National Income

2. Business expenditure on R&D (i.e. 'BERD') to be doubled by 2030 from the €3.4 billion baseline from 2020, and

3. Ireland to progress from "Strong Innovator" to become an "Innovation Leader" within the European Innovation Scoreboard.

It is crucial that the suite of RDI incentives continue to be relevant for companies and are enhanced to encourage further investment in RDI in order to achieve the ambitious targets set out in Impact 2030.

Recent Improvements To The R&D Tax Credit

Fundamental improvements to the R&D Tax Credit were introduced in Finance Act 2022 which ensure the credit remains a highly attractive incentive to all claimants, be they Irish indigenous companies or subsidiaries of multinationals.

In addition, for accounting periods commencing on or after 1 January 2024, the R&D Tax Credit rate has increased from 25% to 30% for all claimants. This will provide a marked increase in benefit for any company with turnover under €750 million which incurs qualifying expenditure on R&D activities. For companies within the scope of BEP's Pillar 2, it will mean that the net benefit of 25% is fully retained where going forward, R&D Tax Credit income received is subject to tax under Pillar 2 GloBE rules.

Administrative Burden On R&D Tax Credit Claims

The R&D Tax Credit is a significant cost to the exchequer with recent figures showing that it has exceeded the €1 Billion mark for the first time. However, given the Government's key targets of increasing overall expenditure on R&D, and acknowledging that €1Bn of R&D Tax Credit cost equates to €4Bn of R&D expenditure incurred by companies within Ireland, it is a critical incentive and is key to driving our knowledge economy.

Notwithstanding the value created by the R&D tax credit, the Irish Revenue Commissioners have an obligation to ensure that all R&D claims submitted are correct and accurate.

In 2023, a number of changes to the process for filing an R&D Tax Credit claim were introduced. Many companies had the option to claim the R&D credit under the "new rules" introduced by Finance Act 2022 which provides a fully payable credit in three fixed instalments regardless of the company's corporation tax liability or under the "old rules" which allowed companies to offset the credit against corporation tax prior receiving a refund on any excess amount.

This led to Revenue introducing a 'Specified Return' excel form which was required to be completed for R&D claims being filed under the "new rules" with R&D claims filed under the "old rules" continuing to be filed via the corporation tax return. Also, additional reporting requirements were introduced whereby companies must report the breakdown of the qualifying R&D expenditure giving rise to the claim, with the return.

All companies have sought to comply with the additional filing and reporting obligations. This additional layer of administration has added to an already burdensome process. According to the survey respondents, admin effort and time related to R&D Tax Credit claims and grant drawdowns represents the biggest barrier for companies considering applying for R&D state provided reports. The increasing administrative burden on companies must not be ignored.

The 'Valid Claim' Requirement

Finance Act 2022 introduced the concept of a "valid claim" for R&D Tax Credits for the first time. Revenue are now only obliged to make a payment of an R&D tax credit instalment once Revenue is satisfied that a 'valid claim' has been filed. The determination of a "valid claim" is a subjective test to be applied by Revenue in relation to whether sufficient information has been provided by the taxpayer to demonstrate how it is entitled to the R&D tax credit that has been claimed.

While the concept of a "valid claim" has always existed under the broader corporation tax requirements and acknowledging that R&D tax credit claims have always been subject to examination by Revenue, the increased focus on the loosely defined valid claim represents a potential new challenge for companies. However, this depends on how it is implemented in practice, and Revenue have sought to re-assure taxpayers that this will not result in any change to the existing process, i.e. in most cases Revenue have said R&D claims will be processed promptly with some subject to an intervention by Revenue before the refunds are processed, as is normal practice.

Filing Issues

The Specified Return was a temporary measure introduced for 2023 to cover the period when, the corporation tax return form CT1, was being updated for the new R&D refund rules and reporting requirements. While the corporation tax return was being updated in Q4 2023, Revenue made a request for companies to refrain from filing R&D tax credit claims until the updated corporation tax return was operational.

However, there were technical issues arising for many companies seeking to file R&D claims using the updated corporation tax return form once this became live. While this can happen when new systems are implemented, particularly for an online system like ROS, it's important that any issues around the filing of R&D tax credit claims which arose through a technical issue on ROS are dealt with sensitively by Revenue and that a pragmatic approach is adopted.

Timing Of Refunds

A backlog of R&D Tax Credit refunds properly due which were filed in 2022 occurred in late 2023/early 2024. This was mainly due to the need to manually process the R&D claims filed via Specified Return. Going forward, it is crucial that R&D refunds which companies are correctly entitled to receive, are processed in a timely manner. Failure in this regard can directly impact companies' ability to increase investment or indeed to continue to invest in Ireland. We would recommend that R&D refunds be processed automatically to ensure timely payment to taxpayers, as opposed to the current approval process which frequently leads to significant delays in payments issuing. This would not impact on Revenue's ability to enquire into an R&D claim or raise an audit but would streamline the current process with respect to the issuing of refunds.

Barriers To Grant Claims

Grants play a vital role in both attracting innovative FDI companies and in supporting indigenous Irish businesses to invest in RDI. These grants encompassing RDI, Training, Capital, Employment, and Environmental categories, together with R&D Tax Credits, make Ireland a compelling location for RDI activities. Despite their availability, our survey indicates that fewer companies engage with RDI Grant Supports compared to those claiming R&D tax credits.

The two major hurdles identified are the administrative effort and time required for the grant application and drawdown processes. This two-step process compared to the tax credit claims may be deterring companies. Understanding the potential benefits of a grant is often complicated by a lack of internal knowledge about what qualifies for funding and the varying grant rates influenced by factors such as technology type or company location. This can make it more difficult to accurately assess the potential benefit arsing through a grant claim.

Additionally, many companies are still uncertain about the types of grants available and their eligibility. With numerous grants on offer, pinpointing the most applicable one for a company's operations presents another challenge. Despite the extensive support available, clarity on targeting the right grants based on a company's specific profile remains crucial for maximising potential benefits.

Excellent Supports In Place But Room For Improvement

The R&D Tax Credit incentivises €4Bn of R&D spend a year and along with grants it is pivotal to the Government's Impact 2030 aim of doubling business expenditure on R&D (BERD). The credit and grants need to remain attractive to companies and Government agencies need to work with companies to simplify the application and claims process. While there is certainly room for improvement it is also important to note the positive enhancements made to the credit in recent years, in particular the rate increase from 25% to 30% and the minimum first instalment threshold increase from €25k to €50k. In the grants space, the introduction of the new Environmental Aid Scheme is a welcome addition to the national grants catalogue to complement existing supports such as RDI, Training, Capital and Employment grants.

05. Sustainability

How is Ireland placed in the race towards achieving net zero, what supports are available to fund the change, and how is RDI strategy setting the foundation for the shift to green?

Ireland's climate performance, as captured in the Climate Change Performance Index (CCPI), has fluctuated in recent years. Despite rising 9 places in 2023, in 2024 Ireland has fallen 6 places and is currently ranked 43rd of the EU and 63 other countries that make up the CCPI. Ireland remains a low performer in this index with notable weaknesses in Climate Policy and GHG Emissions. However, Ireland ranks high (21st) in relation to renewable energy and is acknowledged as a transition leader in the EU's Transition Performance Index, second only to Denmark. This presents an opportunity to reflect on the areas in which we are performing strongly while identifying areas where Ireland can improve based on its ranking position.

Corporate Sustainability Reporting Directive (CSRD)

2024 is a landmark year for the corporate reporting landscape, with CSRD set to impact more companies than any previous sustainability regulation to date. CSRD will no doubt have a major impact on companies and will create some challenges for businesses conducting innovation, particularly with respect to how they manage their processes.

EU law requires all large companies and all listed companies (except listed micro-enterprises) to disclose information on what they see as the risks and opportunities arising from social and environmental issues, and on the impact of their activities on people and the environment. Companies subject to CSRD will have to report according to European Sustainability Reporting Standards (ESRS). The standards are developed in a draft form by the European Financial Reporting Advisory Group ("EFRAG"), an independent body bringing together various stakeholders who provide technical advice to the European Commission in the form of fully prepared draft EU Sustainability Reporting Standards.

Scoping

The first companies required to report will be Public Interest Entities (PIEs) as per the CSRD and companies with listed securities on an EU regulated market, which are large and have more than 500 employees. These companies will report in 2025 on 2024 results. In the second year of phasing in, all other EU large companies will be required to report i.e. reporting in 2026 on 2025 results.

Large companies are those that on the balance sheet date exceed two out of the following three criteria:

1. 250 employees,
2. net revenue of €40 million or
3. total assets of €20 million.

More companies will come into scope in subsequent years. Therefore, the net has been cast widely and and scoping can be nuanced. It is something that should be examined in detail at the outset of any project a company undertakes in respect of CSRD reporting.

The Challenge

There is mounting evidence that compliance with CSRD will pose a significant challenge for many organisations. KPMG's most recent CEO Outlook found that only 57 percent of CEOs say they have the capability and capacity required to meet new CSRD reporting requirements. Evidently, businesses will need to urgently invest significant time and resources to achieve compliance with new regulatory obligations.

Although it may initially pose challenges for companies, given the focus on reporting in the EU, many hope that CSRD will help drive innovation around ESG related challenges facing society such as climate change, pollution and biodiversity loss.

It is clear that the direction of travel for sustainability reporting is only going one way - with companies required to comply where they are within scope. Given the broadening scope for companies which are required to report, the earlier companies begin factoring this into their general reporting structure the better. It will provide companies with an opportunity to convey their own story in a coherent and relevant manner that complies with sustainability reporting requirements and can safeguard a company's future performance.

Sustainability RDI Investment Opportunities

In addition to the R&D tax credit and RDI grants, there are several key funding streams that can part-finance a company's transition to more sustainable production. The Sustainable Energy Authority of Ireland's (SEAI) EXEED programme focuses on supporting energy-efficient capital projects, with up to €31m available per project. The Support Scheme for Renewable Heat scheme provides financial support to help businesses move to renewable heating.

FDI companies can receive approximately 30% support on the additional expenditure incurred on the sustainability element of projects compared to the base case projects. Companies can receive up to €7.5M on a single project or €15M on multiple projects. Awards higher than these have to go to Irish Cabinet and/or EC for approval.

The Disruptive Technology Innovation Fund, not specifically for sustainability projects, but may be leveraged for more ambitious projects, which has funded 91 projects totalling €306m to date. The DTIF call 7 opened in Q2 2024.

The Green Transition Fund is a €55m fund to support companies across each of the different aspects of their decarbonisation journey, from initial planning and capability building to investment and RDI. The Environmental Aid Scheme aims to incentivise and accelerate investment in initiatives that promote environmental protection, energy efficiency, and the use of renewable energy sources. The scheme is administered by Enterprise Ireland, IDA Ireland, and Údarás na Gaeltachta. There are also many more funding mechanisms through Enterprise Ireland, Environmental Protection Agency, and the IDA.

On the EU level, Horizon Europe offers ample funding opportunity with 42% of the 2023-2024 work programme's budget dedicated to reaching key climate action objectives, finding innovative solutions to reduce greenhouse gas emissions, and adapting to climate change. Ireland punches above its weight in attracting EU funding. Leveraging these suppots to finance our sustainability goals is critical.

The challenge with EU funding is the administrative burden involved in preparing an application and the extremely low success rates – a little less than 16% of Horizon Europe proposals are successful, and 71% of high-quality quality proposals go unfunded.

Increased funding through a range of different grant supports is becoming available for companies involved in environmentally focussed projects and for implementing more sustainable processes. This is being made available both at a national level and at a European level.

Need For Further Funding To Meet Climate Action Plan Objectives

Although there are various incentives which are emerging for sustainability and green projects, more is needed if we are to meet our commitments made under the Paris agreement and achieve the goals set out in the Climate Action Plan and the European Green deal:

- Rapid and significant reductions in GHG emissions are required if we are to meet the 2015 Paris Agreement Goals.
- The European Green Deal commits to delivering net-zero GHG emissions at EU level by 2050; with Ireland committed to achieving a 51% reduction in emissions from 2021 to 2030, and to achieving net-zero emissions no later than 2050.

Research and innovation provide the knowledge, expertise, data, evidence, technologies and solutions to enable the transition to a competitive, low-carbon, climate-resilient, and environmentally sustainable society and economy.

The evidence available suggests that there is a low level of RDI being carried out on green and climate technologies, which is essential to achieving the climate action goals listed above. The lack of this type RDI suggests a distinct market failure which specific and targeted supports could address.

To help address this, the Government should consider enhancing the R&D tax credit regime to introduce a 50% credit on expenditure incurred on R&D activities undertaken in the 'green technology' space. This could include R&D with respect to solar, wind, hydro, or biomass energy technologies, as well as other green technologies such as soluble or compostable materials for packaging, air filtration methods, ocean cleaning technology, etc.

78% of respondents to our survey stated that they felt this enhanced rate of RDTC (i.e. 50%) would increase R&D investment in these important green technologies. Increased grant supports were also mentioned as an incentive to increase investment in green technologies.

We recommend a higher rate as a bold and substantial step of support to targets at R&D that impacts:

- effective and efficient green decarbonised energy sources
- pollution reduction and promotion of a circular economy
- sustainable agriculture and food production
- energy efficient buildings
- green transport and
- initiatives to foster biodiversity.

Ireland – Climate Performance Ranking 2024 | Climate Change Performance Index - https://ccpi.org/

Transitions performance index 2021 - Publications Office of the EU - https://op.europa.eu/

https://www.gov.ie/en/publication/79659-climate-action-plan-2024/

06. International Comparison

The Global Innovation Index (GII) and the European Innovation Scoreboard are two objective measures of international innovation performance. Since the publication of the 2023 Innovation Index Ireland's performance on the European Innovation Index has continued to decline. Ireland's performance in the GII saw a slight increase. Despite the slight improvement, 2023 performance is well below the 5 year average ranking from 2018-2022 (produced by the World Intellectual Property Organisation, WIPO). Ireland was ranked 10th on the GII as recently as 2017. In terms of the European Innovation Scoreboard, which is a similar regional metric focusing on innovation within Europe, Ireland was categorized as a "Strong Innovator" in both 2022 and 2023.

Critically, the European Index notes both that the countries ahead of Ireland (The Innovation Leaders consisting of Sweden, Finland, Denmark, Netherlands and Belgium) are increasing their performance gap over the Strong Innovators while the rest of the EU is improving their performance faster than the Strong Innovators group.

From an Irish perspective those ahead of us are moving further ahead and those behind us are catching up. Ireland's challenge in becoming an Innovation leader is reflected in the underinvestment in R&D at national level. From 2012, government budget allocations for R&D have hovered below 1% of total government expenditure, only growing above this in 2019. This falls well below the EU target of 1.34%. In other terms the GBARD (the Government Budget in R&D) whether compared against GDP (Gross Domestic Product), GNP (Gross National Product or the Government's preferred measure of GNI* (Modified Gross National Product) in percentage terms is significantly behind 2010 (a decline from .64% of GNI* to .43% across that decade). Total Government expenditure would have been 50% higher in euro figures in 2020 if it had expended the same percentage on R&D in 2020 as it did in 2010.

The recent National Competitiveness and Productivity Council (NCPC) bulletin "Re-estimating Ireland's International Innovation Performance" presents a refined analysis of Ireland's 2023 GII performance, making an adjustment in the assessment method to account for the effects of economic globalisation on GDP. The document suggests using Modified Gross National Income (GNI*) as a more accurate measure of Ireland's innovation performance compared to its global competitors. This alternative measure, GNI*, accounts for the unique aspects of Ireland's economic model.

We agree with this approach and had similarly adopted GNI* for evaluating innovation in the inaugural 2023 Innovation Index. According to the NCPC, when Ireland's innovation performance is evaluated using GNI* rather than GDP, there is a notable improvement in its position on the Global Innovation Index (GII), potentially elevating Ireland from 22nd to 12th place globally.

This adjustment not only reflects a more accurate ranking but also highlights significant factors that merit deeper investigation. Regardless of the ranking, by GDP or GNI*, Ireland's weakest performance is in the area of Market Sophistication, particularly in industry diversification. This is particularly evident in the concentrated nature of Ireland's industrial output, primarily dominated by a few sectors.

The document points out Ireland's poor performance in industry diversification due to a concentrated composition of industrial output. The bulletin does not set out to discuss the strategic implications of this concentration or whether diversification should be a goal, considering that specialisation can also be a source of competitive advantage.

• Underlying Data Timeliness:

There is a mention that some of the data points tracking indicators for Ireland are outdated (e.g., industry diversification data from 2014). This raises concerns about the current relevance of these indicators and whether they reflect the latest economic conditions. Ireland also no longer participates in the Global Entrepreneurship Monitor which also feeds into GII analysis.

• Policy Recommendations:

The bulletin does a good job of re-estimating Ireland's position and we await the future policy recommendations in next National Competitiveness Challenge report.

• Assumptions in Re-estimation:

The bulletin re-estimates the GII by changing the denominator for certain parameters to GNI*. However, it acknowledges that further refinements might be needed to adjust certain numerator values for globalisation-related distortions.

In summary – the Bulletin does a good job of understanding our current innovation performance, and it would be of value if the WIPO could review and take onboard this analysis so a true picture could be provided on an ongoing basis.

Despite methodological improvements in how innovation is measured, actual investment and support for innovation need to be increased to match and exceed international standards. The Innovation Index research shows that similarly corrected for GNI* vs GDP distortions Ireland continues to underinvest in Innovation at a national level. Indeed if we reached the same levels as comparator countries the total spend in 2023 would have been €6.8Bn. – a Government Spend of €2Bn and an Industry Spend of €4.8Bn. State support is similar to 2009 levels of investment in actual cash basis. State support should go from €1 to €2 billion a year. In parallel with this Industry investment should rise by another €1bn a year for a total spend of €4.8 rather than €3.8 billion to be comparable with leading countries globally.

International trends, like the UK and Germany significantly increasing their public R&D spending, highlight the need for Ireland to not only catch up but also proactively enhance its R&D ecosystem.

The NCPC Bulletin makes a strong case for adjusting innovation performance indicators to better reflect the true state of the economy. At the same time focus of this Index is to provide a practical roadmap for actual investment in R&D. Ireland should consider the following actions:

- Increase R&D Spending: To remain competitive and foster innovation, significantly increase state investment in R&D, aiming for the targets proposed by IRDG.
- Enhance Support Mechanisms: Revise the R&D tax credit system and other support mechanisms to be more inclusive and beneficial, particularly for SMEs and green technologies.
- Improve Regulatory Environment: Develop world-class regulatory frameworks in emerging strategic areas like AI and cybersecurity, as underinvestment in these areas could hamper future innovation.
- Facilitate Innovation Infrastructure: Invest in and improve innovation infrastructure, ensuring that companies have the resources and support needed to innovate effectively.
- By focusing on these areas, Ireland can strengthen its position not just in innovation rankings but, more importantly, in actual economic and societal advancement driven by research, development, and innovation.

07. AI

AI is generating huge interest in business. 45% of respondents to "Ireland's Innovation Index 2024" are looking at leveraging it in their AI efforts in the next 1-3 years. The primary survey provides specific valuable insights into innovation in RDI preforming companies. In addition to the primary Innovation Index Survey, IRDG carried out a second survey with 100 companies taking part in a AI for New Product Development (NPD) workshop. This second survey completed online before the workshop provided additional insight into the specific challenges companies face around AI and to provide specific recommendations drawing on data from both surveys.

Key Insights

1. AI as a Priority in RDI

Leveraging AI and Disruptive Technologies: The survey indicates that 45% of respondents will prioritise leveraging AI and other disruptive technologies for their RDI efforts over the next 1 to 3 years. This highlights the growing importance of AI as a strategic focus area within business. Irish companies were lower on this scale at 40% compared to 56% for both US and other FDI companies indicating a significant divergence in looking at the technologies.

2. Innovation Activity and Barriers

Product Innovation Focus: A significant 76% of businesses focus on product innovation, with AI potentially playing a critical role in enhancing these the role of new product development.

Barriers to Innovation: While AI is seen as a priority, there are notable barriers to its adoption. The biggest barriers include budget constraints (60% up from 50% last year), lack of appropriate RDI skillset, and the challenge of driving change fast enough within the business.

In addition to the primary Innovation Index Survey, IRDG carried out an additional survey with 100 companies taking part in a AI for New Product Development (NPD) workshop. This additional survey highlighted some key challenges in the adoption of AI by looking at how companies are performing to date.

• Low Adoption Rates Across Applications:

The survey investigated 13 possible AI applications in NPD and found minimal use of AI across these areas. The average adoption score across these applications was only 1.44 out of 5, indicating a low level of existing AI integration into NPD processes.

• Modest Performance Improvements:

Despite the low adoption rates, businesses that have implemented AI reported an average of 20% improvement in key performance metrics such as reduced time-to-market and enhanced decision-making capabilities

• Cautious Intentions to Adopt AI:

The survey results show that while there is some intention to adopt AI in the future, the commitment levels are relatively cautious. Most businesses scored around the midpoint on a scale of intention to use AI, indicating a more targeted approach towards AI integration as opposed to an 'all in' style implementation.

• Barriers to Adoption:

Among the surveyed firms the readiness to adopt AI is lukewarm. Many companies have challenges with sufficient resources, capabilities and strong executive sponsorship.

• Sector-Specific Insights:

Software developers within the sample tended to show marginally higher adoption and intention scores compared to hardware and product developers. This suggests that software-centric firms are more receptive to AI applications, possibly due to their more inherent digitisation.

• Specific AI Applications Discussed:

The front-end of NPD, which involves idea generation and concept development, shows particularly low AI use. However, this area also presents a significant opportunity for AI to make a transformative impact for companies.

Analysis and Implications

The data from the survey paints a picture of cautious optimism. Irish businesses recognise the potential of AI but experience challenges with adopting it fully within their NPD processes. This cautious approach may stem from several factors, including:

- Lack of clear ROI: Companies may be waiting to see more definitive success stories and clearer returns on investment before committing heavily to AI.
- Cultural and organisational barriers: There might be resistance within companies to adopt new technologies that could disrupt established processes and roles.
- Skill gaps: A shortage of AI-skilled personnel can delay implementation and integration efforts.

Increasing R&D Spend:

74% of businesses reported an increase in their R&D spending over the last three years, with 77% expecting to increase their spend over the next three years . This suggests a healthy investment climate for AI and other innovative technologies.

1. R&D Supports and Funding

Utilisation of R&D Supports: The R&D Tax Credit is the most utilized incentive, with 63% of companies claiming it. This is followed by R&D Grant Supports from various agencies. The use of these incentives can facilitate further AI integration by reducing the financial risk associated with innovative projects.

2. International Comparison and the Role of AI

Competitive Comparison: 38% of multinational corporations (MNCs) feel that Ireland's R&D grant and tax supports are more favourable compared to other countries, which could attract more AI-driven R&D activities to Ireland.

Dependence on R&D Tax Credit: Interestingly, 50% of MNCs indicated that without the R&D Tax Credit, only 10% or less of their R&D would likely take place in Ireland, underscoring the critical role of fiscal incentives in sustaining R&D, including AI initiatives.

Analysis and Implications

The data from the Ireland's Innovation Index 2024 underscores a growing recognition of AI's potential to drive innovation across various sectors. The commitment to increasing R&D investment and the reliance on supportive fiscal measures like the R&D Tax Credit illustrate an opportunity for adopting these technologies.

However, the challenges identified, particularly around budget constraints and skill deficits, suggest that while the willingness to adopt AI is there, practical hurdles still hinder integration. Addressing these barriers through targeted educational programs, strategic funding allocations, and clear policy frameworks can help maximize AI's impact on Ireland's innovation landscape.

Strategic Recommendations

To capitalise on the observed trends and overcome the barriers, it is recommended that:

- Strengthen AI-specific Incentives: Align R&D tax credits and grants specifically towards AI projects, with the opportunity to explicitly recognise these in revenue guidance especially in high-growth and high-impact sectors like green technologies and healthcare.
- Invest in AI Skills Development: Expand initiatives aimed at building AI competencies within the workforce to ensure that businesses have the internal capabilities to match their innovation ambitions.
- Promote AI Awareness and Collaboration: Facilitate greater awareness of AI benefits and foster collaboration between academia, industry, and government to create a cohesive innovation ecosystem.
- Enhancing AI Literacy: Providing education and training to build a robust understanding of AI across all levels of an organization.
- Developing Clear Use Cases: Demonstrating clear, sector-specific use cases with measurable outcomes can help articulate the value of AI.
- Strengthening Leadership Commitment: Ensuring that there is strong leadership support to champion AI initiatives is vital for overcoming resistance and fostering a culture open to innovation.

The survey report offers a critical snapshot of the current AI landscape in Ireland's Innovation sectors, revealing both the challenges and opportunities ahead. By leveraging these insights, businesses can better navigate their AI integration strategies to capitalize on the transformative potential of this technology.

08. Conclusions

Irish R&D tax and grant supports remain well regarded among companies operating in Ireland, but Ireland needs to keep up with the competition and find ways to continually enhance our system and boost our appeal as a nation for mobile RDI and for motivating native companies to innovate. While significant enhancements have been made in recent years, to stay ahead in the changing global scene, the main things Irish policy should concentrate on are:

1. Simplifying the claims process and reducing the administrative burden associated with accessing tax and grant supports.
2. Ensuring that R&D tax credit payments are made in a timely manner..
3. Increasing funding amounts and expanding eligibility criteria to encourage broader participation in R&D initiatives.
4. Improving access to grants and supports specifically for small and medium-sized enterprises (SMEs).
5. Enhancing supports and incentives for investment in "Green Technologies" to promote sustainable and environmentally friendly innovation.
6. Reducing barriers that hinder companies from applying for RDI supports, streamlining the process to facilitate greater engagement.
7. Significantly increasing government spending on R&D to surpass the minimum recommended levels set by the European Union, demonstrating a strong commitment to Research and Innovation.
8. Strengthen AI-specific Incentives: Align R&D tax credits and grants specifically towards AI projects, with the opportunity to explicitly recognise these in revenue guidance especially in high-growth and high-impact sectors like green technologies and healthcare.

Reduce Barriers To Applying For RDI Supports

RDI supports are a significant contributor to Ireland's economy, with over half of respondents (52%) saying R&D funding has supported more employment, while almost two-thirds (65%) say it has allowed them to conduct more R&D activity. However, some companies find it quite difficult to access these funding supports.

As evidenced by the survey responses and outlined in section 4, "Administrative time related to grant drawdowns or R&D Tax Credit claims" was cited by (41%) as the most significant barrier stopping their companies from applying for RDI supports, with the grant application process itself cited by 40% as a barrier. One respondent stated:

'It would be good if the process could be streamlined and simplified - the whole process has become quite time consuming for R&D teams. A lot of the people working on projects that qualify for R&D tax credits are usually the busiest people working on key projects. There is a lot of administration and time involved in preparing the technical reports, having them reviewed and finalising all of the elements of the claim.'

These barriers need to be eliminated or reduced to allow more companies access to these supports and increase their ability to fund their RDI projects. Revenue's R&D Guidelines provide a concession for small and micro companies who are in receipt of an RDI grant and who have an R&D tax claim of less than €50k. The concession aims to reduce the administrative burden by outlining that Revenue will generally not challenge the 'science test' where the same activity has already been accepted for an RDI grant. However, the concession only applies to a small cohort of claimant companies due to the criteria which apply.

We would also recommend that R&D refunds be processed automatically to ensure speedy payment to taxpayers, as opposed to the current approval process which frequently leads to significant delays in payments issuing. This would not impact on Revenue's ability to enquire into an R&D claim or raise an audit but would streamline the current process with respect to the issuing of refunds.

Increasing Funding Amounts/ Expanding Eligibility Criteria

Lack of budget was the biggest single factor identified that is impacting companies' ability to innovate, with 60% of businesses stating that more funding would allow them to conduct more RDI.

To reach the Government's ambitious goal of doubling BERD (Business Expenditure in R&D) by 2030 (Impact 2030), more funding will need to be made available to businesses. An expansion of the eligible criteria for the RDTC and RDI grants will also increase uptake of these supports which our survey findings suggest inspire more innovation investment (65% of respondents indicated that these funding supports have allowed more RDI to take place).

Improving Access For SMEs

Responses to the survey show that SMEs feel that it is very difficult for them to avail of funding supports, with one respondent commenting:

'The current supports are fair but I guess some companies do not engage the supports because there is a lot of documentation and judgement required and this can tip the balance on either accessing the available supports or not.'

The burden is particularly acute for Irish companies with 58% of those claiming an R&D Tax Credit citing administration as a difficulty compared with 31% of Multinational companies.

In relation to improving supports for SMEs conducting RDI, over a third (37%) of SMEs feel that increasing grants and funding will significantly enhance supports for SMEs, while over one in five (21%) indicated that making the application/claims process easier would better support them. 24% also feel that increasing education and training will improve supports.

Enhanced Supports For Investment In Green Technologies

As outlined in section 5, without a sustained national investment in Sustainability Research and Innovation, Ireland will be reliant on technological solutions and expertise from outside the country, reducing our competitiveness both at home and abroad. 78% of respondents stated an enhanced rate of RDTC (i.e. 50%) would increase R&D investment in these important green technologies. Increased grant supports were also mentioned as an incentive to increase investment in green technologies.

Our Recommendations

1. Increase Government spend on R&D to .8% of GNI to align with Innovation Leaders and set an explicit target of Business and Government spend (GERD) to reach 2.5% of GNI over the next three years, a key objective within Impact 2030.

2. Increase the rate of the R&D tax credit to 35%. Ireland's score in the 2023 European Innovative Scoreboard for R&D expenditure in the business decreased between 2016 and 2023. In an era where Ireland is looking to increase expenditure on R&D, this trend in R&D spending by businesses must be reversed. An increase of the credit rate to 35% would make it more attractive for businesses to set up their research facilities in Ireland. This should create a knowledge spill over to Irish indigenous businesses and should create a positive feedback loop when seeking to attract further operations here.

3. Setup a centralised R&D Tax Credit Unit in Revenue to improve and standardise treatment of SMEs and address the challenged identified by 40% of companies.

4. An automatic refund of R&D cash refund instalments by compliant taxpayers for claim amounts below a de minimis threshold of, say, €300,000. This change in administrative process would not affect Revenue's right to audit and review the claims but would reduce delays currently experienced by claimants. In particular, this enhancement to the claims process would benefit SMEs who are most vulnerable to cashflow challenges.

5. Increase the limit on the amount of allowable expenditure on outsourced activities to third parties to the greater of 25% of a company's non outsourced R&D expenditure or €250,000.

6. Increase the R&D tax credit rate to 50% for R&D carried out on green technologies to help establish Ireland as a hub for green technology. And increase the awareness, accessibility and amount of grant aid available for RDI in Green technology. Increase the awareness, accessibility and amount of grant aid available for RDI in Green technology.

7. A technical amendment is required to Section 766(1)(a), TCA 1997 to insert: "wholly and exclusively for the purposes of R&D activities", in place of: "wholly and exclusively in the carrying on by it of R&D activities". The amendment is required to align the definition of "expenditure on R&D" with the original policy intention. This amendment would also provide greater clarity and certainty to claimants with respect to qualifying costs.

8. Expand the list of qualifying fields beyond the existing science and technology categories. For example, the list of qualifying fields should be expanded to include specific reference to research into technologies such as artificial intelligence, machine learning, blockchain and other emerging technologies.

We believe that introducing these changes will help with:

1. Simplifying the claims process/reducing admin work.
2. Increasing funding amounts/expanding eligibility criteria.
3. Improving access for SMEs.
4. Enhancing supports for investment in 'Green Technologies'.
5. Reducing barriers to applying for RDI supports.
6. Significantly increasing spending on R&D to surpass the minimum recommended levels set by the European Union, demonstrating a strong commitment to Research and Innovation.

Delivering these 8 recommendations will make the goal of doubling BERD much more achievable. It will help us remain competitive with the UK and other European countries and can help us challenge and indeed become one of the European and Global 'Innovation Leaders'.

Additional Data Sources

Ireland – Climate Performance Ranking 2024 | Climate Change Performance Index - **https://ccpi.org/**

Transitions performance index 2021 - Publications Office of the EU - **https://op.europa.eu/**

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Survey Methodology

The survey was carried out online between the 5th of March and the 2nd of April 2024. A total of 496 responses from Innovation leaders across the country were received, of which 434 responses were fully completed.

Respondents could reply anonymously to the survey or submit their email address to receive a copy of the completed Index – 323 submitted their email addresses.

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