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Delegations will find attached document COM(2024) 222 final.

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2024/0124 (NLE)

Proposal for a

# COUNCIL IMPLEMENTING DECISION

**amending Implementing Decision (EU) (ST 11046/21 INIT; ST 11046/21 ADD 1) of 8 September 2021 on the approval of the assessment of the recovery and resilience plan for Ireland**

{SWD(2024) 135 final}

2024/0124 (NLE)

Proposal for a

# COUNCIL IMPLEMENTING DECISION

## amending Implementing Decision (EU) (ST 11046/21 INIT; ST 11046/21 ADD 1) of 8 September 2021 on the approval of the assessment of the recovery and resilience plan for Ireland

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility[1], and in particular Article 20(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) Following the submission of the national recovery and resilience plan ('RRP') by Ireland on 28 May 2021, the Commission proposed its positive assessment to the Council. The Council approved the positive assessment by means of the Council Implementing Decision of 8 September 2021[2]. That CID was amended on 14 July 2023[3] and 8 December 2023[4].

(2) On 22 March 2024, Ireland submitted a modified national RRP, including REPowerEU chapter in accordance with Article 21c of Regulation (EU) 2021/241, to the Commission. Ireland also made a reasoned request to the Commission to make a proposal to amend the Council Implementing Decision of 8 September 2021 in accordance with Article 21(1) of Regulation (EU) 2021/241 on the grounds that the RRP is partially no longer achievable because of objective circumstances. On that basis, Ireland has submitted an amended RRP.

(3) The submission of the amended RRP including a REPowerEU chapter followed a consultation process, conducted in accordance with the national legal framework, involving local and regional authorities, social partners, civil society, and other relevant stakeholders. The summary of the consultations was submitted together with the amended national RRP. Pursuant to Article 19 of Regulation (EU) 2021/241, the Commission assessed the relevance, effectiveness, efficiency and coherence of the amended RRP in accordance with the assessment guidelines set out in Annex V to that Regulation.

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1 OJ L 57, 18.2.2021, p. 17.
2 ST 11046/21 INIT; ST 11046 21 ADD 1.
3 ST 11336/23 INIT.
4 ST 15965/23 INIT; ST 15965/23 ADD 1.

*Amendments based on Article 21 of Regulation 2021/241*

(4) The amendments to the RRP submitted by Ireland because of objective circumstances concern four measures.

(5) Ireland has explained that one measure is no longer achievable because the pandemic resulted in an unexpected surge of enrolments of students in 1-year ICT programmes in 2021, which was then followed by a drop in the following year as many potential students had already completed a programme. In addition, a low unemployment rate as a result of the unexpected resilience of employment after the pandemic crisis resulted in a lower number of enrolements in ICT courses as of 2022 than expected. This concerns target 75 of measure 2.7 (Addressing the digital divide and enhancing digital skills) under component 2 (Accelerating and expanding digital reforms and transformation). On this basis, Ireland has requested to amend target 75. The Council Implementing Decision of 8 September 2021 should be amended accordingly.

(6) Ireland has explained that for one measure, better alternative for its implementation exist in order to achieve the original ambition of the measure. This concerns milestone 85 under measure 3.3 (Technological Universities Transformation Fund) under component 3 (Social and economic recovery and job creation). On this basis, Ireland has requested to amend milestone 85. The Council Implementing Decision of 8 September 2021 should be amended accordingly.

(7) Ireland has explained that one measure is no longer achievable, because the unexpected finalisation of the text of the 6th Anti-Money Laundering Directive and its adoption by the Parliament and the Council before the end of the current legislature have provided the opportunity for a more effective Anti-Money Laundering reform. This concerns milestone 94 of measure 3.5 (Anti-Money Laundering) under component 3 (Social and economic recovery and job creation). On this basis, Ireland has requested to extend the implementation timeline of the milestone 94. Furthermore, Ireland has requested to amend milestone 94. The Council Implementing Decision of 8 September 2021 should be amended accordingly.

(8) Ireland has explained that one measure is no longer achievable because localised affordability needs have been identified by local authorities outside what was initially envisaged. Consequently, the existing eligibility criteria proved to be restrictive and not apt to achieve the objectives of the measures. For this reason, the Department of Housing needed to expand the eligibility criteria of the Cost Rental Scheme. This expanded eligibility equally achieves the objective of the measure without reducing its ambition. This concerns targets 102, 103 and 104 under measure 3.8 (Increasing The Provision Of Social And Affordable Housing) under component 3 (Social and economic recovery and job creation). On this basis, Ireland has requested to amend the aforementioned targets. The Council Implementing Decision of 8 September 2021 should be amended accordingly.

(9) The Commission considers that the reasons put forward by Ireland justify the amendment(s) pursuant to Article 21(2) of Regulation (EU) 2021/241, and the Council Implementing Decision of 8 September 2021 should be amended accordingly.

*Corrections of clerical errors*

(10) One clerical error has been identified in the text of the Council Implementing Decision, affecting one milestone and one measure under one component. The Council Implementing Decision should be amended to correct this clerical error that does not reflect the content of the RRP submitted to the Commission on 28 May 2021, as

agreed between the Commission and Ireland. This clerical error relates to milestone 57 of investment 2.2 (Programme to drive the digital transformation of enterprise in Ireland) under component 2 (Accelerating and expanding digital reforms and transformation). This correction does not affect the implementation of the measure concerned.

***The REPowerEU chapter based on Article 21c of Regulation (EU) 2021/241***

(11) The REPowerEU chapter includes one new reform and five new investments. The chapter includes a reform to introduce a plan-led regime in the deployment of offshore renewable energy through the introduction of a policy statement, the adoption of two designated maritime planning areas by the Irish parliament (the Oireachtas), as well as an auction of offshore renewable energy capacity. The reform contributes towards the development of offshore wind energy in Ireland, enabling a combined capacity of offshore wind of 5 GW by 2030. The chapter further includes investments in scaling-up the production of sustainable biomethane in Ireland through the adoption of a dedicated biomethane strategy and an action plan, and the introduction of a capital grant for the construction or upgrade of the production capacity of sustainable biomethane, investments in sustainable rail transport through the construction of charging infrastructure on the route from Dublin City Centre to Drogheda on the Northern Line, facilitating the deployment of battery electric rolling stock, as well as dedicated energy efficiency interventions in hospitals, public schools (combined with the delivery phase of the Energy Profile Programme to identify further cost-efficient energy interventions), and public office buildings. Overall, the new reform and the new investments included in the REPowerEU chapter contribute to reducing the overall reliance on fossil fuels by accelerating the deployment of renewable energy sources and renewable gases, boosting energy efficiency and reducing primary energy consumption, and by facilitating sustainable urban transport. The REPowerEU chapter also contributes to addressing energy poverty by increasing the deployment of renewable energy and renewable gases, as well as decreasing energy consumption in public buildings, thereby reducing energy system costs.

***Commission's assessment***

(12) The Commission has assessed the amended RRP against the assessment criteria laid down in Article 19(3) of Regulation (EU) 2021/241.

***Balanced response contributing to the six pillars***

(13) In accordance with Article 19(3), point (a), of and Annex V, criterion 2.1, to Regulation (EU) 2021/241, the amended RRP, including the REPowerEU chapter, represents to a large extent (Rating A) a comprehensive and adequately balanced response to the economic and social situation, thereby contributing appropriately to all of the six pillars referred to in Article 3 of that Regulation, taking into account the specific challenges faced by and the financial allocation for the Member State concerned.

(14) The Irish RRP, as well as the inclusion of the REPowerEU chapter, continue to comprehensively cover the six pillars structuring the scope of application of the Facility. The new measures included in the REPowerEU chapter in particular further strengthen the focus of the RRP on the green transition, thereby contributing to the first pillar (green transition).

***Addressing all or a significant subset of challenges identified in country-specific recommendations***

(15) In accordance with Article 19(3), point (b), of and Annex V, criterion 2.2, to Regulation (EU) 2021/241, the amended RRP including the REPowerEU chapter is expected to contribute to effectively addressing all or a significant subset of challenges (Rating A) identified in the relevant country-specific recommendations addressed to Ireland, including fiscal aspects thereof, or challenges identified in other relevant documents officially adopted by the Commission in the context of the European Semester.

(16) Having assessed progress in the implementation of all relevant country-specific recommendations as part of the 2022 and 2023 European Semester, the Commission finds that the recommendation on increasing the deployment of renewables and was fully implemented. Substantial progress has been achieved with respect to the recommendations on additional investments in energy efficiency measures and increasing public investments aimed at addressing climate objectives and the green transition in 2022.

(17) The amended RRP includes an extensive set of mutually reinforcing reforms and investments that contribute to effectively addressing all or a significant subset of the economic and social challenges outlined in the country-specific recommendations addressed to Ireland by the Council in the context of the European Semester, notably the country-specific recommendations on reducing the overall reliance on fossil fuels (country-specific recommendation 4.1 in 2022 and 4.1 in 2023) by accelerating the deployment of renewable energy, in particular offshore wind and sustainable biomethane, and rationalising the planning and permitting framework for renewables (country-specific recommendation 4.2 in 2022 and 4.4 in 2023), as well as implementing additional measures that support energy efficiency in private and public buildings to reduce energy bills and energy system costs (country-specific recommendation 4.5 in 2023). In addition, through retrofit measures bringing reductions in public sector energy consumption, the chapter helps addressing the recommendation to expand public investment for the green transition and energy security (country-specific recommendation 1 in 2022).

***Do no significant harm***

(18) In accordance with Article 19(3), point (d), of and Annex V, criterion 2.4, to Regulation (EU) 2021/241, the amended RRP including the REPowerEU chapter is expected to ensure that no measure (Rating A) for the implementation of reforms and investments projects included in this RRP does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council[5] (the principle of 'do no significant harm').

(19) The modified RRP including the REPowerEU chapter is assessed to be compliant with the principle of 'do no significant harm' following the methodology set out in the Technical Guidance in the Commission Notice (2021/C58/01). The assessment concludes that, for all new measures under the REPowerEU chapter, there is either no risk of significant harm or, where a risk is identified, a more detailed assessment is performed demonstrating the absence of significant harm. Where needed, the requirements of compliance with the principle of 'do no significant harm' are

[5] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

enshrined in the design of a measure and specified in a milestone or target representing such measure.

***Contribution to the REPowerEU objectives***

(20) In accordance with Article 19(3), point (da), of and Annex V, criterion 2.12, to Regulation (EU) 2021/241, the REPowerEU chapter is expected to effectively contribute to a large extent (Rating A) to energy security, the diversification of the Union's energy supply, an increase in the uptake of renewables and in energy efficiency, and an increase of energy storage capacities or the necessary reduction of dependence on fossil fuels before 2030.

(21) The measures included in the REPowerEU chapter are expected to contribute to the objective under Article 21c(3), points (b), (d) and (e), of Regulation (EU) 2021/241. The investment in increasing the production and uptake of sustainable biomethane and the reform of the Offshore Renewable Energy Support Scheme, which aims to introduce a plan-led deployment scheme in Ireland and includes the auctioning of development rights for deployment of additional offshore renewable energy will contribute to the objectives of Article 21c(3) point (b) and point (e) of Regulation (EU) 2021/241. Supporting battery charging infrastructure will enable the utilisation of zero-emission rolling stock and contribute to zero-emission transport and its infrastructure, including railways, in line with objectives of Article 21c(3) point (e) of Regulation (EU) 2021/241. Lastly, investments into energy efficiency retrofits of the public building stock in Ireland, in particular in hospital assets, community nursing units, primary and post-primary schools and a public office building will contribute to the objectives of Article 21c(3) point (d) of Regulation (EU) 2021/241 by incentivising reductions of energy demand.

***Measures having a cross-border or multi-country dimension or effect***

(22) In accordance with Article 19(3), point (db), of and Annex V, criterion 2.13, to Regulation (EU) 2021/241, the measures included in the REPowerEU chapter are expected to a large extent (Rating A) to have a cross-border or multi-country dimension or effect.

(23) The REPowerEU chapter contributes to securing energy supply in the Union as a whole, including by addressing challenges identified in the Commission's most recent needs assessment, in line with the objectives set out in Article 21c(3), taking into account the financial contribution available to Ireland and its geographical position. The measures included in the REPowerEU chapter contributes to reducing Ireland's reliance on imported energy and fossil fuels by developing additional capacity for production of renewable gases and by advancing the deployment of offshore wind energy. The REPowerEU chapter also contributes to reducing dependency on fossil fuels and to reducing energy demand by supporting the retrofit of the public building stock and further enabling sustainable public transport. The estimated costs of the measures included in the REPowerEU chapter having a cross-border or multi-country dimension or effect represents 98% of the estimated total costs of the REPowerEU chapter.

***Contribution to the green transition including biodiversity***

(24) In accordance with Article 19(3), point (e), of and Annex V, criterion 2.5, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter, contains measures that contribute to a large extent (Rating A) to the green transition, including biodiversity, or to addressing the challenges resulting therefrom. The

measures supporting climate objectives account for an amount which represents 50.2% of the RRP's total allocation and 81.6% of the total estimated costs of measures in the REPowerEU chapter, calculated in accordance with the methodology set out in Annex VI to that Regulation. In accordance with Article 17 of Regulation (EU) 2021/241, the amended RRP including the REPowerEU chapter is consistent with the information included in the National Energy and Climate Plan 2021-2030.

(25) The REPowerEU chapter has the overarching objective of accelerating the green transition and climate action through the further deployment of renewable energy such as sustainable biomethane and offshore wind energy, reduction of energy consumption through retrofit actions in the public building stock, and the provision of net-zero public transport.

(26) Three investments in the chapter aim to decrease primary energy consumption in public building stock through investments in energy efficiency interventions. These interventions have the objective of reducing primary energy demand by 30% on average. The provision of battery electric trains and charging stations for the Dublin to Drogheda route enables zero-emissions transport for a large number of commuters. Lastly, the reform on plan-led development of offshore wind deployment and the investment in increasing the production of sustainable biomethane are expected to facilitate the integration of energy from renewable sources.

***Costing***

(27) In accordance with Article 19(3), point (i), of and Annex V, criterion 2.9, to Regulation (EU) 2021/241, the justification provided in the amended RRP including the REPowerEU chapter on the amount of the estimated total costs of the RRP is to a medium extent (Rating B) reasonable and plausible, is in line with the principle of cost efficiency and is commensurate to the expected national economic and social impact.

(28) The cost information provided by Ireland for the amended RRP is detailed and well substantiated. Moreover, Ireland submitted separate documents including more elaborate descriptions of the methodology underlying the cost calculations and explanations of how past projects relate to the cost estimates of the new measures as documentation. The assessment of the cost estimates and inherent supporting information shows that the majority of the costs of the new measures are well justified, reasonable, plausible and do not include costs covered by existing or planned EU financing. However, as some costing elements are not entirely documented, this leads to the assessment that the costing information is clear to a medium extent, which would warrant a B rating. Finally, the amount of the estimated total cost of the RRP is in line with the principle of cost-efficiency and commensurate to the expected national economic and social impact.

***Any other assessment criteria***

(29) The Commission considers that the amendments put forward by Ireland do not affect the positive assessment of the RRP set out in the Council Implementing Decision ST 11046/21 INIT of 8 September 2021 on the approval of the assessment of the RRP for Ireland regarding the relevance, effectiveness, efficiency and coherence of the RRP against the assessment criteria laid down in Article 19(3), points (c), (f), (g), (h), (j) and (k) of Regulation (EU) 2021/241.

***Positive assessment***

(30) Following the positive assessment by the Commission of the amended RRP including the REPowerEU chapter, with the finding that the RRP satisfactorily complies with

the criteria for assessment set out in Regulation (EU) 2021/241, in accordance with Article 20(2) of and Annex V to that Regulation, the reforms and investment projects necessary for the implementation of the amended RRP including the REPowerEU chapter, the relevant milestones, targets and indicators, and the amount made available from the Union for the implementation of the modified RRP including the REPowerEU chapter in the form of non-repayable financial support should be set out.

***Financial contribution***

(31) The estimated total costs of the modified RRP including the REPowerEU chapter of Ireland is EUR 1 163 158 300. As the amount of the estimated total costs of the modified RRP including the REPowerEU chapter is higher than the updated maximum financial contribution available for Ireland, the total financial contribution calculated in accordance with Articles 20(4), 21a(6) and 21b(2) of Regulation (EU) 2021/241 allocated for Ireland's amended RRP should be equal to EUR 914 368 618[6].

(32) Pursuant to Article 21a(5) of Regulation (EU) 2021/241, on 22 March 2024, Ireland submitted a request for the allocation of the revenue referred to in Article 21a (1) of that Regulation, shared between Member States on the basis of the indicators set out in the methodology in Annex Iva to Regulation (EU) 2021/241.The estimated total costs of the measures referred to in Article 21c(3), points (b) to (f) included in the REPowerEU chapter is EUR 240 000 000. As this amount is higher than the allocation share available for Ireland, the additional non-repayable financial support available for Ireland should be equal to the allocation share. This amount is equal to EUR 89 428 389.

(33) Additionally, in accordance with Article 4a of Regulation (EU) 2021/1755[7] on 1 March 2023 Ireland submitted a reasoned request to transfer part of its remaining provisional allocation from the resources of the Brexit Adjustment Reserve to the Facility, amounting to EUR 150 000 000. That amount should be made available to support the reforms and investments in the REPowerEU chapter as additional non-repayable financial support.

(34) The total financial contribution available to Ireland should be EUR 1 153 797 007.

(35) Council Implementing Decision ST 11046/21 of 8 September 2021 on the approval of the assessment of the RRP for Ireland should therefore be mended accordingly. For the sake of clarity, the Annex to that Council Implementing Decision should be replaced entirely,

HAS ADOPTED THIS DECISION:

*Article 1*

The Council Implementing Decision of 8 September 2021 on the approval of the assessment of the recovery and resilience plan for Ireland is amended as follows:

(1) Article 1 is replaced by the following:

"*Article 1*

[6] This amount corresponds to the financial allocation after deduction of Ireland's proportional share of the expenses referred to in Article 6(2) of Regulation (EU) 2021/241, calculated in accordance with the methodology set out in Article 11 of that Regulation.

[7] Regulation (EU) 2021/1755 of the European Parliament and of the Council of 6 October 2021 establishing the Brexit Adjustment Reserve (OJ L 357 8.10.2021, p. 1).

*Approval of the assessment of the RRP*

The assessment of the modified RRP of Ireland on the basis of the criteria provided for in Article 19(3) of Regulation (EU) 2021/241 is approved. The reforms and investment projects under the RRP, the arrangements and timetable for the monitoring and implementation of the RRP, including the relevant milestones and targets, the relevant indicators relating to the fulfilment of the envisaged milestones and targets, and the arrangements for providing full access by the Commission to the underlying relevant data are set out in the Annex to this Decision.";

(2) In Article 2, paragraphs 1 and 2 are replaced by the following:

"1. The Union shall make available to Ireland a financial contribution in the form of non-repayable support amounting to EUR 1 153 797 007.[8] That contribution includes:

(a) an amount of EUR 914 368 618 that shall be available to be legally committed by 31 December 2022;

(b) an amount of EUR 89 428 389, in accordance with Article 21a(6) of Regulation (EU) 2021/241, exclusively for measures referred to in Article 21c of that Regulation, with the exception of measures referred to in Article 21c (3), point (a);

(c) an amount of EUR 150 000 000, transferred from the Brexit Adjustment Reserve to the Facility.

2. The Union financial contribution shall be made available by the Commission to Ireland in instalments in accordance with the Annex to this Decision.

The pre-financing and instalments may be disbursed by the Commission in one or several tranches. The size of the tranches shall be subject to the availability of funding.";

(3) The Annex is replaced by the text in the Annex to this Decision:

*Article 2*
*Addressee*

This Decision is addressed to the Republic of Ireland.

Done at Brussels,

*For the Council*
*The President*

[8] This amount corresponds to the financial allocation after deduction of Ireland's proportional share of the expenses of Article 6(2) of Regulation (EU) 2021/241, calculated in accordance with the methodology of Article 11 of that Regulation.