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Subject:	COUNCIL IMPLEMENTING DECISION on the approval of the assessment of the recovery and resilience plan for Ireland

COUNCIL IMPLEMENTING DECISION

of …

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 thereof,

Having regard to the proposal from the European Commission,

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[1] OJ L 57, 18.2.2021, p. 17.

Whereas:

(1) The COVID-19 outbreak has had a disruptive impact on the economy of Ireland. In 2019, the gross domestic product (GDP) per capita of Ireland was 231 % of the Union average. Despite the pandemic, the real GDP of Ireland rose by 3,4 % in 2020 on the back of a very strong performance by the information and communication technology (ICT) and pharmaceutical sectors and, according to the Commission's summer 2021 forecast, is expected to increase by 10,8 % cumulatively in 2020-2021. Long-standing aspects with an impact on medium-term economic performance include high public and private debt and highly negative net external liabilities, while the pandemic might potentially have a lasting impact on the dynamics and structure of the labour market.

(2) On 9 July 2019 and on 20 July 2020, the Council addressed recommendations to Ireland in the context of the European Semester. In particular, the Council recommended that Ireland take all measures necessary to effectively address the pandemic, achieve prudent medium-term fiscal positions and ensure debt sustainability, while increasing investment. It also recommended that it improve the cost-effectiveness, accessibility and resilience of the country's health system. The Council also recommended that Ireland support employment through active integration support and upskilling, address the risk of digital divide, including in the education sector, increase access to affordable and quality childcare and increase the provision of social and affordable housing. Furthermore, the Council recommended Ireland to implement measures to secure access to liquidity for firms in the context of the pandemic, to frontload public investment projects and to promote private investment to foster the economic recovery. The Council also recommended that Ireland focus investment on the green and digital transitions, in particular on clean and efficient production and use of energy, sustainable transport and water, as well as on research and innovation and digital infrastructure. Lastly, the Council recommended that Ireland broaden its tax base, address features of its tax system that facilitate aggressive tax planning and improve the effectiveness of its anti-money-laundering supervision and enforcement as regards professionals providing trust or company services.

Having assessed progress in the implementation of those country-specific recommendations at the time of submission of the recovery and resilience plan (‘RRP’), the Commission finds that the recommendation on taking, in line with the general escape clause of the Stability and Growth Pact, all measures necessary to effectively address the pandemic, sustain the economy and support the ensuing recovery has been fully implemented. Substantial progress has been achieved with regard to the recommendations on securing access to liquidity for firms and investment-related policies on the clean and efficient production and use of energy. Finally, the recommendation to increase access to affordable and quality childcare has been addressed in a broadly satisfactory manner outside the RRP.

(3) On 2 June 2021, the Commission published an in-depth review under Article 5 of Regulation (EU) No 1176/2011 of the European Parliament and of the Council[1] for Ireland. The Commission’s analysis led it to conclude that Ireland is experiencing macroeconomic imbalances, in particular related to high private and public debt and net external liabilities, and that those vulnerabilities remain.

[1] Regulation (EU) No 1176/2011 of the European Parliament and of the Council of 16 November 2011 on the prevention and correction of macroeconomic imbalances (OJ L 306, 23.11.2011, p. 25).

(4) The Council Recommendation on the economic policy of the euro area recommended euro-area Member States to take action, including through their RRPs, to, inter alia, ensure a policy stance which supports the recovery and further improve convergence, resilience and sustainable and inclusive growth. That Council Recommendation also recommended euro-area Member States to strengthen national institutional frameworks, ensure macro-financial stability, complete the economic and monetary union and strengthen the international role of the euro.

(5) On 28 May 2021, Ireland submitted its national RRP to the Commission, in accordance with Article 18(1) of Regulation (EU) 2021/241. That submission followed a consultation process, conducted in accordance with the national legal framework, involving local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders. National ownership of the RRPs underpins their successful implementation and lasting impact at national level and credibility at European level. Pursuant to Article 19 of Regulation (EU) 2021/241, the Commission has assessed the relevance, effectiveness, efficiency and coherence of the RRP, in accordance with the assessment guidelines set out in Annex V to that Regulation.

(6) The RRPs should pursue the general objectives of the Recovery and Resilience Facility established by Regulation (EU) 2021/241 (the ‘Facility’) and of the European Union Recovery Instrument set up by Council Regulation (EU) 2020/2094[1] in order to support the recovery in the aftermath of the COVID-19 crisis. They should promote the Union’s economic, social and territorial cohesion by contributing to the six pillars referred to in Article 3 of Regulation (EU) 2021/241.

(7) The implementation of the Member States’ RRPs will constitute a coordinated effort involving reforms and investments across the Union. Through coordinated and simultaneous implementation and the implementation of cross-border and multi-country projects, such reforms and investments will mutually reinforce each other and generate positive spillovers across the Union. Therefore, about one third of the impact of the Facility on Member States’ growth and job creation will come from spillovers from other Member States.

[1] Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis (OJ L 433I, 22.12.2020, p. 23).

Balanced response contributing to the six pillars

(8) In accordance with Article 19(3), point (a), of and Annex V, criterion 2.1, to Regulation (EU) 2021/241, the RRP 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.

(9) The RRP includes measures that contribute towards all of the six pillars, with all components of the RRP addressing multiple pillars. Such an approach contributes to ensuring that each pillar is comprehensively addressed in a coherent manner. Furthermore, given the specific challenges faced by Ireland, the particular focus on smart, sustainable and inclusive growth, along with the overall weighting across pillars, is considered adequate.

(10) The RRP has a strong focus on the green transition with energy- and climate-related measures. Those measures include increasing the carbon tax and reforming climate governance, promoting investments in energy efficiency, decarbonising the enterprise sector, promoting sustainable railway transport, rehabilitating peatlands, improving water treatment, and promoting green research and development. The RRP also contributes to the digital transformation, with an emphasis on connectivity and the digitalisation of the public sector. Digitalisation of companies, mainly small and medium-sized enterprises (SMEs), is supported through measures that should also increase their productivity and competitiveness. The RRP focuses specifically on enhancing digital skills in schools and beyond, to bridge the digital divide.

(11) The RRP is expected to contribute to the pillar on smart, sustainable and inclusive growth. Several measures, such as support for labour-intensive energy renovation of buildings or active integration support and upskilling programmes have a focus on economic cohesion, jobs, productivity and competitiveness. The National Grand Challenge Programme aims to facilitate the realisation of research and innovation projects. The RRP supports the application of the so-called ‘SME test’, in line with recommendations from the Commission, that aims to reduce regulatory barriers to the business activity of SMEs. Reforms and investments such as those aiming to improve the provision of social and affordable housing, to simplify and harmonise the supplementary pension landscape, or to support education capacity in regional technological universities are expected to contribute directly to social and territorial cohesion. The healthcare system, as well as economic, social and institutional resilience, are expected to be reinforced by a set of reforms and investments, such as the deployment of ePharmacy and an integrated financial management system in the field of healthcare, support for the digitalisation of SMEs, and the reinforcement of Ireland’s anti-money-laundering framework. Finally, measures in the RRP aim to help the next generations develop the necessary skills and support young people in gaining or regaining their footing in the labour market.

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

(12) In accordance with Article 19(3), point (b), of and Annex V, criterion 2.2, to Regulation (EU) 2021/241, the RRP 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.

(13) The recommendations related to the immediate fiscal policy response to the pandemic can be considered to fall outside the scope of Ireland's RRP, notwithstanding the fact that Ireland has generally responded adequately and sufficiently to the immediate need to support the economy through fiscal means in 2020 and 2021, in line with the general escape clause of the Stability and Growth Pact. Moreover, the recommendation to achieve the medium-term budgetary objective in 2020 is no longer relevant, due to both the lapsing of the corresponding budgetary period and the activation in March 2020 of the general escape clause of the Stability and Growth Pact in the context of the COVID-19 crisis.

(14) The 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 European Semester in 2019 and in 2020, in particular those in the areas of the green transition and climate action, sustainable public transport, water, digital infrastructure, the digital divide, research and innovation, frontloading public investment, promoting private investment, employment through active integration support and upskilling, regulatory barriers to entrepreneurship, anti-money-laundering, aggressive tax planning, social and affordable housing, pensions and healthcare.

(15) The RRP places a significant focus on the green transition. Measures include investments in energy efficiency in private and public buildings, decarbonisation of enterprises, sustainable railway transport, green research and development, the rehabilitation of peatlands, and improvement of wastewater treatment. The implementation of the Climate Action and Low Carbon Development (amendment) Bill 2021 and the carbon tax reform are expected to incentivise the frontloading of green investments and accelerate the green transition.

(16) With regard to the digital transition, the RRP includes investments in digital infrastructures. More specifically, the building of a platform that can process data with a minimum delay and close to the user, the development of a shared government data centre, the online census response option and the suite of e-health projects serve to focus investments on the digital transition and in particular on digital infrastructures that may further drive the digital transformation in the public sector. The RRP is also expected to address the risk of a digital divide, including in the education sector. The programme to provide digital infrastructure and funding to schools aims to equip learners with digital skills and to ensure that learners have equal access to appropriate digital infrastructure. In addition, the reform measures focus on the strategic development of digital skills throughout the education and further training system so that all learners develop foundational or advanced skills to enable them to take part in the digital economy.

(17) The RRP is expected to contribute to frontloading mature public investment projects, promoting private investment and using direct funding instruments to stimulate research and innovation. Public investment is expected to be promoted through the retrofitting of selected public buildings and the work to enable the future electrification of the Cork commuter rail. Private investment is expected to be stimulated through a financial instrument targeting home renovations, as well as the fund for the decarbonisation of the enterprise sector and the programme to drive the digital transformation of businesses with a particular focus on SMEs. Funding provided through the National Grand Challenge Programme is expected to stimulate research, development and innovation. The RRP is also expected to include the establishment of four European Digital Innovation Hubs.

(18) The RRP aims to support employment through active integration support and upskilling by providing work placement and training opportunities, with a particular focus on the green and digital skills and sectors.

(19) The RRP also seeks to reduce unnecessary regulatory obstacles that SMEs face when establishing and growing their business by further applying the SME test when preparing new legislation.

(20) The RRP is expected to partially address challenges to the effective supervision and enforcement of the anti-money-laundering framework as regards trust or company service providers. The publication of a sectoral risk assessment of trust or company service providers and an increased number of inspections have the potential to improve the understanding of the risk exposure of these professionals and strengthen their supervision. In addition, new legislation operationalising any recommendations from a working group reviewing the regulatory enforcement toolkit could lead to better enforcement by expanding the regulatory toolkit to include an administrative financial sanctions regime.

(21) The reforms set out in in the RRP are expected to contribute to partially addressing features of the tax system that facilitate aggressive tax planning. In particular, legislative measures, including those on withholding taxes or non-deductibility, applying to outbound payments to EU-blacklisted and all other zero-tax and no-tax jurisdictions are expected to limit the possibility of outbound payments not being taxed.

(22) The RRP is expected to contribute to fully implementing pension reform plans, by simplifying and harmonising the additional pension landscape.

(23) The RRP also includes a reform measure that aims to increase the provision of social and affordable housing. This measure is expected to be complemented by investments funded by the national budget to address existing shortages in social housing, including for the most vulnerable.

(24) The cost-effectiveness, accessibility, and resilience of the healthcare system are also expected to be addressed by the RRP. A reform measure should support the implementation of Sláintecare, a major and long-term domestic health reform initiative currently underway, which aims to achieve a modern universal single-tier healthcare system where everyone has equal access to services based on need, and not on ability to pay.

(25) The RRP does not directly address access to affordable and quality childcare, as this has already been addressed in a broadly satisfactory manner by a variety of actions undertaken by the government outside the RRP.

(26) By addressing the aforementioned challenges, the RRP is expected to also contribute to correcting the imbalances that Ireland is experiencing, as identified in recommendations made pursuant to Article 6 of Regulation (EU) No 1176/2011 in 2019 and 2020, in particular with regard to large net external liabilities and private and public debt.

Contribution to growth potential, job creation and economic, social and institutional resilience

(27) In accordance with Article 19(3), point (c), of and Annex V, criterion 2.3, to Regulation (EU) 2021/241, the RRP is expected to have a high impact (Rating A) on strengthening the growth potential, job creation, and economic, social and institutional resilience of Ireland, contributing to the implementation of the European Pillar of Social Rights, including through the promotion of policies for children and youth, and on mitigating the economic and social impact of the COVID-19 crisis, thereby enhancing the economic, social and territorial cohesion and convergence within the Union.

(28) Simulations by the Commission services show that the RRP, together with the rest of measures of the European Union Recovery Instrument, has the potential to increase the GDP of Ireland by between 0,3 % and 0,5 % by 2026, not including the possible positive impact of structural reforms, which can be substantial, and with spillovers accounting for a large part of the increase. Investments and policies to improve energy efficiency and support the decarbonisation of the enterprise sector are expected to contribute to creating jobs and advancing the green transition. Investments and policies to accelerate digitalisation as well as reforms in the social, education and business fields are expected to improve productivity over different time horizons, create jobs and encourage job growth.

(29) The RRP contains a range of measures that are expected to strengthen social cohesion by supporting employment, particularly through the creation of work placements and upskilling and reskilling opportunities, as well as investments in education. Reforms and investments included in the RRP are expected to address the risks of a digital divide for those in employment, the unemployed and students alike. Furthermore, a set of reforms has the potential to contribute to addressing the high need for social and affordable housing and help ensure timely access to affordable healthcare of good quality, thereby strengthening social resilience. Those measures are expected to help deliver on the implementation of the European Pillar of Social Rights.

(30) The RRP contains measures with a focus on young people. Reforms and investments in the RRP are expected to address the risk of digital divide and adopt a strategic approach to digital skills throughout the education and training system. The Technological Universities Transformation Fund is expected to support regionally-embedded higher education and training, which may help improve the skills of young people and address regional disparities. Finally, the young unemployed are mentioned as a target group benefitting from the reskilling and upskilling measures in the RRP.

Do no significant harm

(31) In accordance with Article 19(3), point (d), of and Annex V, criterion 2.4, to Regulation (EU) 2021/241, the RRP is expected to ensure that no measure for the implementation of reforms and investment projects included in the RRP does significant harm to environmental objectives (Rating A) within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council[1] (the principle of 'do no significant harm').

(32) In line with the technical guidance provided in the Commission Notice entitled 'Technical guidance on the application of "do no significant harm" under the Recovery and Resilience Facility Regulation', Ireland has provided justification that its RRP is expected to do no significant harm to any environmental objective. In particular, this is the case for the measure related to energy efficiency in private buildings. This is also the case for the measure on sustainable rail transport, which should enable the future electrification of the Cork commuter rail line.

1 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).

Contribution to the green transition, including biodiversity

(33) In accordance with Article 19(3), point (e), of and Annex V, criterion 2.5, to Regulation (EU) 2021/241, the RRP 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 42 % of the RRP's total allocation calculated in accordance with the methodology set out in Annex VI to Regulation (EU) 2021/241. In accordance with Article 17 of that Regulation, the RRP is consistent with the information included in the National Energy and Climate Plan for 2021-2030.

(34) A significant part of the RRP relates to the green transition. The RRP contains measures targeting the increase of the energy efficiency of residential and public buildings, and industry. The RRP includes a significant investment in the transport sector, which is the second largest contributor in Ireland to emissions from sectors not covered by the emissions trading system. The RRP includes two reforms that are expected to support and accelerate the green transition in Ireland. The Climate Action and Low Carbon Development (amendment) Bill 2021 is expected to drive Ireland's transition to a climate neutral economy by 2050. The other reform sets out successive annual increases in the carbon tax rate, by EUR 7,50 per year, following a trajectory that would lead to a rate of EUR 100 per tonne of CO_2 emissions in 2030.

(35) Investment in research and innovation is expected to complement the significant investments and reforms required for Ireland to achieve its greenhouse gas emissions targets. The National Grand Challenge Programme is expected to provide investment for research, development and innovation through three rounds of project selection on themes such as climate and digital.

(36) Improving biodiversity should also contribute to the reduction of greenhouse gas emissions. The rehabilitation of peatlands is expected to promote biodiversity and eco-systems, water quality improvements, increased sequestration of carbon and reduced carbon emissions. The RRP also invests in the development and upgrade of smaller wastewater treatment plants across Ireland, thereby contributing to the sustainable use and protection of water and marine resources, pollution prevention and control. This measure should also contribute to the protection and restoration of biodiversity and ecosystems.

Contribution to the digital transition

(37) In accordance with Article 19(3), point (f), of and Annex V, criterion 2.6, to Regulation (EU) 2021/241, the RRP contains measures that contribute to a large extent (Rating A) to the digital transition or to addressing the challenges resulting from it. The measures supporting digital objectives account for an amount which represents 32 % of the RRP's total allocation calculated in accordance with the methodology set out in Annex VII to Regulation (EU) 2021/241.

(38) The Irish RRP has a strong focus on the digital transition and addressing related challenges, with a component entirely dedicated to the digital transformation of several sectors and to addressing the country-specific challenges resulting from the digital transition. Several measures aim to contribute to the digital transition by supporting the digitalisation of enterprises, addressing the risk of the digital divide, including in the education sector, enhancing digital skills, and supporting the development of digital infrastructure and the delivery of digital public services.

(39) Therefore, measures related to the digital transition, or to addressing the challenges resulting from it, are prominent in the Irish RRP. They should contribute to the digital transformation of several economic and social sectors and to addressing the country-specific challenges resulting from the digital transition.

Lasting impact

(40) In accordance with Article 19(3), point (g), of and Annex V, criterion 2.7, to Regulation (EU) 2021/241, the RRP is expected to have a lasting impact on Ireland to a large extent (Rating A).

(41) The RRP contains structural changes in relevant policies and in administration and institutions. Reforms requiring the adoption of sectoral greenhouse gas emissions budgets in line with the 2030 target and the climate neutrality objective by 2050 and introducing successive annual increases in the carbon tax rate are expected to drive the green transition. Reforms aimed at supporting the digital transformation of Irish education are expected to have a lasting impact on digital skills and addressing the risk of a digital divide. Strengthened capacity of technological universities to provide quality education and training programmes should help tackle the regional economic disparities in Ireland, enhancing inclusive growth and social cohesion. Other reforms expected to have a lasting impact on Ireland's economy and social system include the application of the SME test that is expected to help reduce regulatory barriers to entrepreneurship, the strengthening of the supervision and enforcement of the anti-money-laundering framework, reforms that are expected to address features of the tax system that may facilitate aggressive tax planning, reforms that are expected to increase the provision of social and affordable housing, and reforms that are expected to improve the accessibility and resilience of the healthcare system.

(42) In the area of investment, the measures that aim to increase employability and skills are expected to have a positive long-lasting impact. Public administration and healthcare are expected to be strengthened by investments in their digitalisation. In addition, many of the investments in the RRP are expected to have a lasting impact by facilitating the green and digital transitions in Ireland.

(43) The lasting impact of the RRP can also be enhanced through synergies between the RRP and other programmes financed by the cohesion policy funds, in particular by addressing in a substantive manner territorial challenges and promoting a balanced development.

Monitoring and implementation

(44) In accordance with Article 19(3), point (h), of and Annex V, criterion 2.8, to Regulation (EU) 2021/241, the arrangements proposed in the RRP are adequate (Rating A) to ensure effective monitoring and implementation of the RRP, including the envisaged timetable, milestones and targets, and the related indicators.

(45) The overall responsibility for the implementation of the RRP rests with the Irish government, whilst for each measure a government department or other body is designated as accountable. A newly created implementing body for the RRP (the 'Implementing Body') within the Department of Public Expenditure and Reform is to be tasked with the RRP's overall strategic monitoring and management as well as coordination among Irish authorities.

(46) The milestones and targets are clear and realistic and the proposed indicators for those milestones and targets are relevant, acceptable and robust. The milestones and targets constitute an appropriate system for monitoring the RRP's implementation.
The verification mechanisms, data collection and responsibilities described by Ireland are sufficiently robust to justify in an adequate manner the disbursement requests once the milestones and targets are assessed as completed.

(47) Member States should ensure that financial support under the Facility is communicated and acknowledged in line with Article 34 of Regulation (EU) 2021/241. Technical support may be requested under the Technical Support Instrument established by Regulation (EU) 2021/240 of the European Parliament and of the Council[1] to assist Member States in the implementation of their RRPs.

[1] Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument (OJ L 57, 18.2.2021, p. 1).

Costing

(48) 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 RRP 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.

(49) Ireland provided documents to justify and explain the amounts proposed and gave explanations on how those amounts were computed. The estimated total cost of the RRP is in line with the nature and type of the envisaged reforms and investments. The assessment of the estimates shows that costs are assessed as reasonable and plausible. However, the level of details and clarity of the information provided was not homogeneous across the RRP. Moreover, a share of the costs were assessed as reasonable and plausible only up to a medium extent. Finally, the estimated total cost of the RRP is in line with the principle of cost-efficiency and is commensurate to the expected national economic and social impact.

Protection of the financial interests of the Union

(50) In accordance with Article 19(3), point (j), of and Annex V, criterion 2.10, to Regulation (EU) 2021/241, the arrangements proposed in the RRP and the additional measures contained in this Decision are adequate (Rating A) to prevent, detect and correct corruption, fraud and conflicts of interest when using the funds provided under that Regulation, and the arrangements are expected to effectively avoid double funding under that Regulation and other Union programmes. This is without prejudice to the application of other instruments and tools to promote and enforce compliance with Union law, including for preventing, detecting and correcting corruption, fraud and conflicts of interest, and for protecting the Union budget in line with Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council[1].

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[1] Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433I, 22.12.2020, p. 1).

(51) The RRP is accompanied by satisfactory implementing measures. The relevant departments and other bodies are responsible and accountable for implementing, delivering and reporting on the individual investment and reform commitments in the RRP within their areas of competence. The Implementing Body will be responsible for the strategic monitoring and management of the RRP. A Delivery Committee, in which all accountable Departments and other bodies as well as the Implementing Body are represented, will maintain ongoing oversight over the implementation of the RRP. Overall, the system presents a robust process and structure, where the roles and responsibilities are clearly defined and the relevant control functions are appropriately segregated. Ireland should provide the necessary details requested in order to ensure that the actors responsible for controls have the administrative capacity to exercise their roles and tasks. A dedicated milestone should ensure that a workload analysis on the audit body and Implementing Body is provided to the Commission by the time of the first payment request. The analysis should provide adequate information in terms of administrative capacity needs with a view to reaching them in a timely manner, including by developing a set of recommendations to address insufficient capacity where necessary. Based on the analysis and recommendations, necessary resources should be allocated to the institutions involved.

(52) The internal control system described in Ireland's RRP presents a satisfactory process and structure, where the roles and responsibilities are clearly defined and the relevant control functions are appropriately segregated. The proposed measures give a sufficient assurance that there is an adequate level of control to prevent, detect and correct irregularities identified when using funds provided under Regulation (EU) 2021/241. A reporting mechanism in the RRF (Recovery and Resilience Facility) information system should be created to ensure that data on final recipients, including all beneficial owners in line with Article 22 of Regulation (EU) 2021/241, are adequately recorded to declare the absence of conflicts of interest for the accountable Departments and other bodies. In accordance with Article 20(5), point (e), of Regulation (EU) 2021/241, Ireland should implement the RRF information system in order to comply with Article 22 of that Regulation, and confirm the status of its implementation with the first payment request. A dedicated audit report on the system should be undertaken. That report should confirm the functionalities of the repository system and, in particular, the recording and storing of all relevant data related to the implementation of the RRP, including the achievement of milestones and targets, data on beneficiaries, contractors, subcontractors and their respective beneficial owners. The report should analyse any related weaknesses found and corrective actions taken or planned. A specific milestone should ensure the creation, before the first payment request is submitted, of a repository system for recording, storing and making available all relevant data related to the implementation of the RRP.

(53) Disbursements are conditional on the fulfilment of the milestones referred to in recitals 51 and 52.

Coherence of the RRP

(54) In accordance with Article 19(3), point (k), of and Annex V, criterion 2.11, to Regulation (EU) 2021/241, the RRP includes to a high extent (Rating A) measures for the implementation of reforms and public investment projects that represent coherent actions.

(55) The RRP reflects an adequate balance between reforms and investments in view of the main challenges to be addressed, and between investments in different territories. The three components of the RRP pursue complementary aims, aligned with the Irish government's broader recovery efforts. An example is the third component on social and economy recovery and job creation, which includes measures that are expected to support the development of green and digital skills in the workforce. At the same time, measures in each of the individual components mutually reinforce each other. For instance, in the second component on the digital transition, the investments in broadband connectivity and ICT infrastructure for schools are reinforced by reform measures that aim to strengthen digital education and skills in general.

Equality

(56) The RRP contains measures that are expected to contribute to addressing the country's challenges in the area of gender equality and equal opportunities for all. In particular, the RRP states that measures consisting of the provision of work experience and upskilling or reskilling opportunities specifically aim to support workers most impacted by the pandemic, which disproportionately affected women. Those measures are expected to be relevant for all the pillars referred to in Article 3 of Regulation (EU) 2021/241, in particular by supporting labour market participation through the development of green and digital skills. The RRP also refers to employment levels disaggregated by gender and age as well as to the gender employment gap as key metrics to be used at the national level to measure Ireland's recovery efforts, including the contribution of the RRP.

Security self-assessment

(57) A security self-assessment has not been provided as it has not been considered appropriate by Ireland, in accordance with Article 18(4), point (g), of Regulation (EU) 2021/241.

Cross-border and multi-country projects

(58) Ireland included one multi-country project in its RRP to support the digitalisation of companies in Ireland, particularly SMEs. To tackle the unbalanced digitalisation among companies, the RRP includes a programme to drive digital transformation of companies, particularly SMEs, across all sectors in Ireland. Digital transition of companies in Ireland through that programme is expected to be further supported through Ireland's participation in the network of European Digital Innovation Hubs (EDIHs), in the context of a multi-country project. The support to the establishment of four EDIHs and the creation of clusters anchored by the EDIHs is expected to be an important facilitator of cross-border collaboration, which is also expected to strengthen value chains.

Consultation process

(59) A public consultation allowed interested parties to make submissions as to which investments and reforms should be prioritised, and to indicate the country-specific recommendations they considered most relevant. The government received over 110 written stakeholder submissions, including from regional representatives, political parties, business associations, trade unions, youth organisations, environmental organisations, academia, and other civil society stakeholders, as well as from members of the public. The submissions were summarised and shared with relevant government departments as part of the RRP's development.

(60) At the stage of implementation of the investments and reforms included in the RRP, the government intends to continue stakeholder involvement and consultation. To ensure ownership by the relevant actors, it is crucial to involve all local authorities and stakeholders concerned, including social partners, throughout the implementation of the investments and reforms included in the RRP.

Positive assessment

(61) Following the positive assessment of the Commission concerning Ireland's RRP 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, this Decision should set out the reforms and investment projects necessary for the implementation of the RRP, the relevant milestones, targets and indicators, and the amount made available from the Union for the implementation of the RRP in the form of non-repayable financial support.

Financial contribution

(62) The estimated total cost of the RRP of Ireland is EUR 989 938 300. As the RRP satisfactorily complies with the criteria for assessment set out in Regulation (EU) 2021/241 and, furthermore, as the amount of the estimated total costs of the RRP is higher than the maximum financial contribution available for Ireland, the financial contribution allocated for Ireland's RRP should be equal to the total amount of the financial contribution available for Ireland.

(63) In accordance with Article 11(2) of Regulation (EU) 2021/241, the calculation of the maximum financial contribution for Ireland is to be updated by 30 June 2022. As such, in accordance with Article 23(1) of that Regulation, an amount for Ireland not exceeding the maximum financial contribution referred to in Article 11(1), point (a), of that Regulation should be made available for a legal commitment by 31 December 2022. Where necessary following the update of the maximum financial contribution, the Council, on a proposal from the Commission, should amend this Decision to include the updated maximum financial contribution, calculated in accordance with Article 11(2) of that Regulation, without undue delay.

(64) The support to be provided is to be financed from the borrowing by the Commission on behalf of the Union on the basis of Article 5 of Council Decision (EU, Euratom) 2020/2053[1]. The support should be paid in instalments once Ireland has satisfactorily fulfilled the relevant milestones and targets identified in relation to the implementation of the RRP.

(65) This Decision should be without prejudice to the outcome of any procedures relating to the award of Union funds under any Union programme other than the Facility or to procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty. It does not override the requirement for Member States to notify instances of potential State aid to the Commission under Article 108 of the Treaty,

HAS ADOPTED THIS DECISION:

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1 Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom (OJ L 424, 15.12.2020, p. 1).

Article 1

Approval of the assessment of the RRP

The assessment of the 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.

Article 2

Financial contribution

1. The Union shall make available to Ireland a financial contribution in the form of non-repayable support amounting to EUR 988 966 534[1]. An amount of EUR 914 368 618 shall be available to be legally committed by 31 December 2022. If the update provided for in Article 11(2) of Regulation (EU) 2021/241 results in an updated maximum financial contribution for Ireland that is equal to or more than EUR 988 966 534, a further amount of EUR 74 597 916 shall be available to be legally committed from 1 January 2023 until 31 December 2023. If the update provided for in Article 11(2) of Regulation (EU) 2021/241 results in an updated maximum financial contribution for Ireland that is less than EUR 988 966 534, the difference between the updated maximum financial contribution and the amount of EUR 914 368 618 shall be available to be legally committed in accordance with the procedure set out in Article 20(8) of Regulation (EU) 2021/241 from 1 January 2023 until 31 December 2023.

[1] 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.

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 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 release of instalments in accordance with the agreement provided for in Article 23(1) of Regulation (EU) 2021/241 shall be conditional on available funding and a decision by the Commission, taken in accordance with Article 24 of that Regulation, that Ireland has satisfactorily fulfilled the relevant milestones and targets identified in relation to the implementation of the RRP. In order to be eligible for payment, Ireland shall complete the milestones and targets no later than 31 August 2026, subject to the entry into force of the legal commitments referred to in paragraph 1.

Article 3

Addressee

This Decision is addressed to Ireland.

Done at …,

For the Council
The President