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Proposal for a

COUNCIL IMPLEMENTING DECISION

on the approval of the assessment of the recovery and resilience plan for Ireland

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2021/0238 (NLE)

Proposal for a

COUNCIL IMPLEMENTING DECISION

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,

Whereas:

(1) The COVID-19 outbreak has had a disruptive impact on the economy of Ireland. In 2019, the gross domestic product per capita (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 ICT and pharmaceutical sectors and, according to the Commission's Summer 2021 forecast, is expected to increase by 10,8% cumulatively in 2020-2021. Longer-standing aspects with an impact on medium-term economic performance include high public and private debts 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 necessary measures 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. Further, the Council recommended to implement measures to secure access to liquidity for firms in the context of the pandemic, to front-load 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 the

[1] OJ L 57, 18.2.2021, p. 17-75.

country broaden the tax base, address features of the 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, the Commission finds that the recommendation on taking, in line with the General Escape Clause of the Stability and Growth Pact, all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery has been fully implemented. Substantial progress has been achieved with respect to the recommendations on securing access to liquidity for firms and investment-related policy 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 plan.

(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[2] 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 those vulnerabilities remain.

(4) [The Council recommendation on the economic policy of the euro area recommended to euro area Member States to take action, including through their recovery and resilience plans, to, inter alia, ensure a policy stance which supports the recovery and to further improve convergence, resilience and sustainable and inclusive growth. The Council recommendation also recommended to strengthen national institutional frameworks, to ensure macro-financial stability and to complete the Economic and Monetary Union and strengthen the international role of the euro.] [If the Council recommendation is not adopted by the time of the CID adoption, please remove the recital].

(5) On 28 May 2021, Ireland submitted its national recovery and resilience plan 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, of local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders. The national ownership of the recovery and resilience plans is underpinning their successful implementation and lasting impact at national level and credibility at European level. Pursuant to Article 19 of that Regulation, the Commission has assessed the relevance, effectiveness, efficiency and coherence of the recovery and resilience plan, in accordance with the assessment guidelines of Annex V to that Regulation.

(6) The recovery and resilience plans should pursue the general objectives of the Recovery and Resilience Facility established by Regulation (EU) 2021/241 and of the EU Recovery Instrument set up by Council Regulation (EU) 2020/2094[3] 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.

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[2] 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).

[3] 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.).

(7) The implementation of the Member States' recovery and resilience plans will constitute a coordinated effort of investment and reforms across the Union. Through the coordinated and simultaneous implementation of these reforms and investments and the implementation of cross-border projects, these reforms and investments will mutually reinforce each other and generate positive spillovers across the whole 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.

Balanced response contributing to the six pillars

(8) In accordance with Article 19(3), point (a) and section 2.1 of Annex V to Regulation (EU) 2021/241, the recovery and resilience plan represents to a large extent (Rating A) a comprehensive and adequately balanced response to the economic and social situation, thereby contributing appropriately to all six pillars referred to in Article 3 of Regulation (EU) 2021/241, taking the specific challenges and the financial allocation of the Member State concerned into account.

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

(10) The plan has a strong focus on the green transition with energy and climate related measures. Those measures include increasing the carbon tax and reforming the 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 plan 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 recovery and resilience plan focuses specifically on enhancing digital skills in schools and beyond, to bridge the digital divide.

(11) The recovery and resilience plan 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 recovery and resilience plan supports the application of the SME test, which has the potential 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 recovery and resilience plan 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) and section 2.2 of Annex V to Regulation (EU) 2021/241, the recovery and resilience plan is expected to contribute to effectively addressing all or a significant subset of challenges (Rating A) identified in the relevant country-specific recommendations, including fiscal aspects thereof, addressed to the Member State concerned 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 as falling outside the scope of Ireland's recovery and resilience plan, 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 provisions of 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 both to 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 pandemic crisis.

(14) The plan 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, notably those in the areas of the green transition and climate action, sustainable public transport, water, digital infrastructure, the digital divide, research and innovation, front-loading 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 recovery and resilience plan 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 front-loading of green investments and accelerate the green transition.

(16) With regard to the digital transition, first, the plan includes investments in digital infrastructures. More specifically, the building of a platform that can process the 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 focus investments on the digital transition and in particular on digital infrastructures that may further drive the digital transformation in the public sector. Second, the recovery and resilience plan 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 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 recovery and resilience plan is expected to contribute to front-loading 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 plan is also expected to include the establishment of four European Digital Innovation Hubs.

(18) The recovery and resilience plan 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 recovery and resilience plan also seeks to reduce unnecessary regulatory obstacles that SMEs face when establishing and growing their business by further applying the so-called SME test when preparing new legislation.

(20) The recovery and resilience plan 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 recovery and resilience plan 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 plan is expected to contribute to fully implementing pension reform plans, by simplifying and harmonising the additional pension landscape.

(23) The plan 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 plan. 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 recovery and resilience plan 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 plan.

(26) By addressing the aforementioned challenges, the recovery and resilience plan is expected to also contribute to correcting the imbalances[4] that Ireland is experiencing, notably with respect to large net external liabilities, 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) and section 2.3 of Annex V to Regulation (EU) 2021/241, the recovery and resilience plan is expected to have a high impact (Rating A) on strengthening the growth potential, job creation, and economic, social and institutional resilience of the Member State, 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 plan has the potential to increase the GDP of Ireland by between 0,3% and 0,5% by 2026[5] with spillovers accounting for a large part of this impact. 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 recovery and resilience plan contains a range of measures that are expected to strengthen social cohesion by supporting employment, particularly through creating work placement, upskilling and reskilling opportunities, as well as investments in education. Reforms and investments included in the plan 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 recovery and resilience plan contains measures with a focus on youth. Reforms and investments in the plan 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 plan.

Do no significant harm

(31) In accordance with Article 19(3), point (d) and section 2.4 of Annex V to Regulation (EU) 2021/241, the recovery and resilience plan is expected to ensure that no measure (Rating A) for the implementation of reforms and investment projects included in the

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4 These macroeconomic imbalances refer to the recommendations made pursuant to Article 6 of Regulation (EU) No 1176/2011 in 2019 and 2020.

5 Such simulations reflect the overall impact of NGEU, which also includes funding for ReactEU, and increased funding for Horizon Europe, InvestEU, JTF, Rural Development and RescEU. Such simulations do not include the possible positive impact of structural reforms, which can be substantial.

recovery and resilience plan 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[6] (the principle of 'do no significant harm').

(32) In line with the 'do no significant harm' technical guidance adopted by the Commission (2021/C 58/01), Ireland has provided justification that its plan is expected to do no significant harm to any environmental objective. This is the case notably 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 line.

Contribution to the green transition including biodiversity

(33) In accordance with Article 19(3), point (e) and section 2.5 of Annex V to Regulation (EU) 2021/241, the recovery and resilience plan 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 plan's total allocation calculated in accordance with the methodology of Annex VI to Regulation (EU) 2021/241. In accordance with Article 17 of Regulation (EU) 2021/241, the recovery and resilience plan is consistent with the information included in the national energy and climate plan for 2021-2030.

(34) A significant part of the recovery and resilience plan relates to the green transition. The plan contains measures targeting the increase of the energy efficiency of residential and public buildings, and industry. The plan 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 plan 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 CO2 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 carbon storage and reduced carbon emissions. The plan 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.

[6] 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 digital transition

(37) In accordance with Article 19(3), point (f) and section 2.6 of Annex V to Regulation (EU) 2021/241, the recovery and resilience plan 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 plan's total allocation calculated in accordance with the methodology of Annex VI to Regulation (EU) 2021/241.

(38) The Irish recovery and resilience plan 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 plan. 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) and section 2.7 of Annex V to Regulation (EU) 2021/241, the recovery and resilience plan is expected to have a lasting impact on Ireland to a large extent (Rating A).

(41) The recovery and resilience plan 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 aiming 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 plan are expected to have a lasting impact by facilitating the green and digital transitions in Ireland. Lasting impact of the plan can also be enhanced through synergies between the plan and other programmes financed

by the cohesion policy funds, notably by addressing in a substantive manner territorial challenges and promoting a balanced development.

Monitoring and implementation

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

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

(45) 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 plan'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.

(46) 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 to assist Member States in the implementation of their plan.

Costing

(47) In accordance with Article 19(3), point (i) and section 2.9 of Annex V to Regulation (EU) 2021/241, the justification provided in the plan on the amount of the estimated total costs of the recovery and resilience plan 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.

(48) 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 plan 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 plan. 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 recovery and resilience plan is in line with the principle of cost-efficiency and is commensurate to the expected national economic and social impact.

Protection of financial interests

(49) In accordance with Article 19(3), point (j) and section 2.10 of Annex V to Regulation (EU) 2021/241, the arrangements proposed in the recovery and resilience plan and the additional measures contained in this Decision are adequate (Rating A) to prevent, detect and correct corruption, fraud and conflicts of interests when using the funds provided under that Regulation, and the arrangements are expected to effectively avoid double funding from 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 interests, and for protecting the Union finances in line with Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council[7].

(50) The plan 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 plan within their areas of competence. The Implementing Body for the National Recovery and Resilience Plan will be responsible for the strategic monitoring and management of the plan. 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 plan. 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 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.

(51) The internal control system described in Ireland's recovery and resilience plan 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 Information System should be created to ensure final recipients data, including all beneficial owners in line with Article 22 of the RRF Regulation, are adequately recorded to declare the absence of conflict 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. It should confirm the repository system functionalities and, in particular, the recording and storing of all relevant data related to the implementation of the recovery plan, 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 recovery and resilience plan.

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[7] 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.)

(52) Disbursements are conditional on the fulfilment of the milestones referred to in recitals 50 to 51 above.

Coherence of the plan

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

(54) The plan 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 plan 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

(55) The plan 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 plan states that measures consisting of the provision of work experience, upskilling or reskilling opportunities specifically aim to support workers most impacted by the pandemic, which disproportionately affected women. These measures are expected to be relevant for all the pillars referred to in Article 3 of Regulation (EU) 2021/241, notably by supporting labour market participation through the development of green and digital skills. The plan 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 plan.

Security self-assessment

(56) 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

(57) Ireland included one multi-country project in its recovery and resilience plan to support the digitalisation of companies in Ireland, particularly of SMEs. To tackle the unbalanced digitalisation among companies, the recovery and resilience plan includes a programme to drive digital transformation of companies, particularly SMEs, across all sectors in Ireland. Digital transition of the Irish enterprise through this programme is expected to be further supported through Ireland's participation in the European Digital Innovation Hubs (EDIHs) network, 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

(58) 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, and members of the public. The submissions were summarised and shared with relevant government departments as part of the plan development.

(59) At the stage of implementation of the investments and reforms included in the plan, 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 plan.

Positive assessment

(60) Following the positive assessment of the Commission concerning Ireland's recovery and resilience plan with the finding that the plan satisfactorily complies with the criteria for assessment set out in Regulation (EU) 2021/241, in accordance with Article 20(2) of that Regulation, this Decision should set out the reforms and investment projects necessary for the implementation of the plan, the relevant milestones, targets and indicators, and the amount made available from the Union for the implementation of the plan in the form of non-repayable financial support.

Financial contribution

(61) The estimated total cost of the recovery and resilience plan of Ireland is EUR 989 938 300. As the recovery and resilience plan 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 recovery and resilience plan is higher than the maximum financial contribution available for Ireland, the financial contribution allocated for Ireland's recovery and resilience plan should be equal to the total amount of the financial contribution available for Ireland.

(62) 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 should be made available now for a legal commitment by 31 December 2022. Where necessary following the updated maximum financial contribution, the Council, on a proposal from the Commission, should amend this Decision to include the updated maximum financial contribution without undue delay.

(63) 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[8]. 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 recovery and resilience plan.

(64) This Decision should be without prejudice to the outcome of any procedures relating to the award of Union funds under any other Union programme than Regulation (EU)

[8] 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.).

2021/241 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:

Article 1
Approval of the assessment of the recovery and resilience plan

The assessment of the recovery and resilience plan of Ireland on the basis of the criteria provided for by Article 19(3) of Regulation (EU) 2021/241 is approved. The reforms and investment projects under the recovery and resilience plan, the arrangements and timetable for monitoring and implementation of the recovery and resilience plan, 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[9]. An amount of EUR 914 368 618 shall be available to be legally committed by 31 December 2022. Subject to the update provided for in Article 11(2) of Regulation (EU) 2021/241 calculating an amount for Ireland equal to or more than this amount, a further amount of EUR 74 597 916 shall be available to be legally committed from 1 January 2023 until 31 December 2023.
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 Financing Agreement shall be conditional on available funding and a decision by the Commission, taken in accordance with Article 24 of Regulation (EU) 2021/241, that Ireland has satisfactorily fulfilled the relevant milestones and targets identified in relation to the implementation of the recovery and resilience plan. Subject to the entry into force of the legal commitments referred to in paragraph 1, to be eligible for payment, milestones and targets shall be completed no later than 31 August 2026.

[9] 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.

Article 3
Addressee

This Decision is addressed to Ireland.

Done at Brussels,

For the Council
The President