

21 May 2024

Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the first payment request submitted by Ireland on 7 September 2023, transmitted to the Economic and Financial Committee by the European Commission

Executive summary

In accordance with Article 24(2) of Regulation (EU) 2021/241, on 7 September 2023, Ireland submitted a request for payment for the first instalment of the non-repayable support. The payment request was accompanied by the required management declaration and summary of audits.

To support its payment request, Ireland provided due justification of the satisfactory fulfilment of the 40 milestones and targets of the first instalment of the non-repayable support, as set out in Section 2 of the Council Implementing Decision of 8 September 2021 on the approval of the assessment of the recovery and resilience plan for Ireland¹.

For four targets covering a large number of recipients, in addition to the summary documents and official listings provided by Ireland, Commission services have assessed a statistically significant sample of individual files. The sample size has been uniformly set at 60, which corresponds to a confidence level of 95% or above in all cases.

Upon receipt of the payment request, the Commission has assessed on a preliminary basis the satisfactory fulfilment of the relevant milestones and targets. Based on the information provided by Ireland, the Commission has made a positive preliminary assessment of the satisfactory fulfilment of all 40 milestones and targets.

The milestones and targets positively assessed as part of this payment request demonstrate significant steps in the implementation of Ireland's Recovery and Resilience Plan. This includes, among others, a reform on climate action including the entry into force of a Climate Action and Low Carbon Development Bill, the implementation of a new digital strategy in schools to bridge the digital divide and equip disadvantaged students with ICT resources, the reduction of regulatory obstacles to entrepreneurship through the introduction of a 'SME test' in new legislation, and two essential reforms for audit and control. The milestones and targets also confirm progress towards the completion of investment projects related to retrofitting projects under the Public Sector Buildings' Energy Retrofit Programme, the construction of the Government data centre, the establishment of broadband connectivity in schools, and efforts towards facilitating the future electrification of public transport in Cork.

By the transmission of this positive preliminary assessment and in accordance with Article 24(4) of Regulation (EU) 2021/241, the Commission asks for the opinion of the Economic and Financial Committee on the satisfactory fulfilment of the relevant milestones and targets.

¹ ST 11046/21 and ST 11046/21 ADD 1 as amended by ST 15965/23 and ST 15965/23 ADD 1.

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Non-repayable support

Number: 9	Related Measure: 1.3 Public Sector Retrofit Pathfinder Project
Name of the Milestone: Commencement of the retrofit works	
Qualitative Indicator: Main contractors commenced retrofit works	Time: Q4 2021
<p>Context:</p> <p>The objective of this investment is to finance a major upgrade of public office buildings by investing in energy efficiency and modernisation upgrades to significantly reduce their carbon footprint and prolong their useful lifespan. The measure consists of two programmes (i) the upgrade of at least 5 400 m² of public sector office buildings located throughout Ireland and (ii) the deep retrofit of the Tom Johnson House in Dublin, an existing office block of 10 650 m².</p> <p>Milestone 9 concerns the appointment of the main contractors by the Office of Public Works and the commencement of the retrofit works on sites.</p> <p>Milestone 9 is the first step of the implementation of the investment and will be followed by milestone 10, related to the completion of the retrofit of public office buildings throughout Ireland, and milestone 11, related to the completion of the retrofit of the Tom Johnson House. The investment has a final expected date for implementation by Q4 2025.</p>	
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. ii. A copy of the contract between the Office of Public Works and the contractor for Tom Johnson House: <ol style="list-style-type: none"> a. Public works contract for building works: Letter of Acceptance between the Office of Public Works and Duggan Brothers, of 21 January 2022. b. Public works contract for building works: Agreement between the Office of Public Works and Duggan Brothers, of 21 January 2022 c. Project tender specification, page 24: construction and demolition related waste for the project of June 2020. iii. A Form of Commencement Notice for Development from Office of Public Work for Tom Johnson House of 10 January 2022. iv. A copy of the contract and Letter of Acceptance between the Office of Public Works and the contractor for Kilcarn of 10 November 2023. v. A letter on the commencement from the contractor for Kilcarn from 23 November 2023. <p>The authorities also provided:</p> <ol style="list-style-type: none"> vi. Letter of Acceptance of the tender from the Office of Public Work and Duggan Brother for Tom Johnson House, from 21 January 2022. vii. The Progress Report No. 1 Deep Retro-Fit Refurbishment of Tom Johnson House, from the Office of Public Work, from 9 March 2022. viii. A letter confirming compliance with the DNSH requirements from the contractor for Kilcarn from 12 January 2024. ix. Kilcarn’s contractor Construction Site Waste Management Plan (SWMP). 	

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

The main contractors shall have been appointed by the Office of Public Works and shall have commenced the retrofit works on sites

The Office of Public Works accepted the tender from Duggan Brothers for the deep retrofit and refurbishment of Tom Johnson House on 21 January 2022, as justified by the Letter of Acceptance page 1. This Letter further specifies that *“the contract [is] formed by acceptance of your Tender”*. The Office of Public Works accepted the tender from John Sisk & Sons for the façade repairs and energy upgrade works at Kilcarn Government Offices, as evidenced by the contract and Letter of Acceptance from 10 November 2023. Duggan Brothers and John Sisk & Sons are therefore appointed as the contractors for the retrofit works.

The Letter of Acceptance indicates the terms, conditions and obligations of the contractual agreement between the Office of Public Works and the contractors. It specifies that the contract formed by the acceptance of the tender will consist of a range of documents, among them:

- The Letter of Acceptance
- The Agreement
- The conditions of the standardised Public Works Contract for building works (PW-CF1 – Public Works Contract for Building Works designed by the Employer), which therefore constitutes the conditions of the contract.
- The Tender and Schedule appended to the Letter of Acceptance and the Work Requirements, Pricing Documents and Works Proposals identified in the Schedule.

For the purposes of this milestone, the ‘Main Contractor’ is understood as the party which enters into a contract with the employer and is ultimately responsible for carrying out the works. The main contractor can then sub-contract some or all the works to its sub-contractors. As evident from the contracts and Letter of Acceptance between the Office of Public Works and the contractor for Tom Johnson House (Duggan Brothers) and the copy of the contract and Letter of Acceptance between the Office of Public Works and the contractor for Kilcarn (John Sisk and Sons), the enterprises have the primary contractual relationship with the Office of Public Works. In accordance with Article 7.3 of the Public Works Contract for Buildings Works designed by the Employer (PW-CF1) and Contractor (PW-CF2) *“The Contractor shall be responsible for all operations on the Site connected with the execution of the Works”*. This is further evident from the Form of Commencement Notice for Development, submitted to the Building Control Division of the Dublin City Council, which indicates Duggan Brothers as the builder. This means that the contractor has the overall accountability for completion of the project. Thereby, it is asserted that the contractors appointed by the Office of Public Works are the main contractors.

For the retrofit of the Tom Johnson House Building, the Office of Public Works submitted the Form of Commencement Notice for Development, to the Building Control Division of the Dublin City Council. The Form of Commencement is demanded and received by the Dublin City Council. The Form of Commencement indicates a *“Commencement date for this phase: 10/01/2022”* on page 3. This is further confirmed by the ‘Progress Report No. 1 Deep Retro-Fit Refurbishment of Tom Johnson House’, which indicates on page 3 that *“Works are proceeding in accordance with the contract. Duggan Brothers Ltd took full possession of the site on 24 January 2022 and commenced site works and builder’s compound establishment with Substantial Completion indicated as 23rd October 2023”*. For the retrofit of Kilcarn Government Offices, the contractor provided a Letter of

23 November 2023 indicating that *“As main contractor we (John Sisk & Sons) confirm the project commenced on the 21st of October 2023”*..

The evidence therefore shows that retrofit works have commenced on two distinct sites, which satisfies the requirement set out in the milestone.

Furthermore, in line with the description of the measure, **“It is expected that those investments do no significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the investments and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01). In particular, the first at least 70% (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material referred to in category 17 05 04 in the European List of Waste established by Decision 2000/532/EC) generated on the construction site shall be prepared for re-use, recycling and other material recovery, including backfilling operations using waste to substitute other materials, in accordance with the Waste Hierarchy Directive and EU construction and Demolition Waste Management Protocol. Second, operators shall limit waste generation in processes related to construction and demolition, in accordance with the EU Construction and Demolition Waste Management Protocol and taking into account best available techniques and using selective demolition to enable removal and safe handling of hazardous substances and facilitate re-use and high-quality recycling by selective removal of materials, using available sorting systems for construction and demolition waste”**.

For the renovation of Tom Johnson House, the requirement of the Council Implementing Decision Annex was integrated in the project tender specification. The project tender specification is contractually binding, in accordance with the Letter of Acceptance between the Office of Public Works and Duggan Brothers, of 21 January 2022. This specifies that the contract is formed by a range of documents, herein also the tender specification. As evident from page 24 of the tender specification, for construction and demolition related waste for the project from June 2020: *“At least 70 % (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material referred to in category 17 05 04 in the European List of Waste established by Decision 2000/532/EC) generated on the construction site is to be segregated and removed by the Contractor for reuse, recycling and other material recovery, including backfilling operations using waste to substitute other materials, in accordance with the waste hierarchy and the EU Construction and Demolition Waste Management Protocol (589 below). The Contractor shall limit waste generation in all processes related construction and demolition, in accordance with the EU Construction and Demolition Waste Management Protocol and taking into account best available techniques and using selective demolition to enable removal and safe handling of hazardous substances and facilitate reuse and high-quality recycling by selective removal of materials, using available sorting systems for construction and demolition waste”*. The EU Construction and Demolition Waste Management Protocol refers to the Waste Framework Directive (2008/98/EC) on p. 15 which sets out the waste hierarchy. Adherence to the Waste Hierarchy Directive is therefore considered fulfilled.

As evident from the letter confirming compliance with the Do No Significant Harm (DNSH) requirements from the contractor for Kilcarn (John Sisk and Sons) from 12 January 2024, the contractor commits to *“at least 70% (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material referred to in category 17 05 04 in the European List of Waste established by Decision 200/532/EC) generated on the construction site shall be prepared for re-use, recycling and other material recovery including backfilling operations using waste to substitute other material, in accordance with the Waste Hierarchy Directive and EU construction and Demolition Waste Management Protocol”*. The contractor further commits to *“limit waste generation in processes related to construction and demolition, in accordance with the EU Construction and Demolition Waste Management Protocol and taking into account best available*

technologies and using selective demolition to enable removal and safe handling of hazardous substances and facilitate re-use and high-quality recycling by selective removal of materials, using available sorting systems for construction and demolition waste". Furthermore, the Do No Significant Harm requirements were integrated into the contractor Construction Site Waste Management Plan (SWMP), operationalising the waste handling of the contractor.

Commission Preliminary Assessment: Satisfactorily Fulfilled

Number: 12	Related Measure: 1.4 Enable future electrification through targeted investment in Cork commuter rail	
Name of the Milestone: Signature of a framework contract for zero-emission rolling stock using zero-emission propulsion		
Qualitative Indicator: Framework Contract for zero-emission rolling stock using zero-emission propulsion		Time: Q2 2022
<p>Context:</p> <p>The objective of this investment is to enable the future electrification of railways in the Cork metropolitan area. It consists of three sub-investments: (i) creation of an additional through-running line, with an expanded platform at Kent Station; (ii) doubling of the single track (and associated work) between Glounthaune and Midleton; (iii) re-signalling of the lines over the Cork commuter area (62 km). Milestone 12 concerns the rolling stock that will be operating on the railway infrastructure and overarches three sub-investments. It consists in providing the ten-year framework contract, signed by Irish Rail, for zero emission rolling stock using zero-emission propulsion for the Irish rail network.</p> <p>Milestone 12 is the first step of the implementation of the investment and it will be followed by eleven milestones and targets (milestones 13, 14, 15, 16, 17, 18, 19, 21, and 22, and targets 20 and 23). Milestone 13 is the next overarching milestone, relating to the decision regarding the type of zero-emission propulsion for the rolling stock (overhead vs. battery), while the other ten milestones and targets are related to sub-investment 1.4.1 (3 milestones); sub-investment 1.4.2 (3 milestones and 1 target) and sub-investment 1.4.3 (2 milestones and 1 target).The investment has a final expected date for implementation by Q3 2026.</p>		
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i. A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. ii. A copy of the signed framework contract, as signed on 8 December 2021. This is the signed contract between Irish Rail and Alstom, which allows for the procurement of up to 750 electric train carriages. This document includes the 'Commuter Fleet Framework Agreement' (pages 2-138) accompanied by its technical specifications (pages 139-338). <p>The authorities also provided:</p> <ul style="list-style-type: none"> iii. A copy of the procurement strategy, upon which the framework contract is based. 		

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

A ten-year framework contract shall have been signed by Irish Rail for zero-emission rolling stock using zero-emission propulsion for the Irish rail network.

Page 21 of the signed framework contract states that the term of the contract is for 120 months, or 10 years, from December 2021. According to the definition of the 'term' of the contract, this means *"the period commencing on the Commencement Date to the date being 120 months after the date of this Deed, subject to earlier termination of this Deed in accordance with its terms"*. In addition, the Procurement Strategy also specifies that *"The framework will allow for the procurement of up to 750 vehicles over the 10-year life of the agreement"* (page 22) and that *"The New Fleet Framework Agreement was structured so that units can be procured for up to 10 years giving maximum flexibility."* (page 29).

The signed framework contract sets out the terms of the contract between Alstom and Irish Rail. It was signed by the parties on 8 December 2021 (pages 339 and 340).

The specifications of the fleet to be purchased are set out in sections 1.1.2 and 1.1.3 of the signed framework contract, where it is specified that the *"Framework Agreement allowing the purchase of new Electric Multiple Units (EMUs) and Battery Electric Multiple Units (BEMUs) from the selected Manufacturer."* Either electric or battery operated trains are considered zero emission propulsion vehicles. Section 1.1.3 further states the types of trains that can be purchased:

- EMU supplied from 1500V DC overhead line only
- BEMU supplied from 1500V DC overhead line or on-board traction batteries

The section further clarifies that it shall be possible to order either a full-length Unit (FLU) or a half-length Unit (HLU), thereby comprising the rolling stock.

The signed framework contract includes technical specifications (pages 139-338). Appendix 1 of the technical specifications includes the Train Infrastructure Interface Specification of the Irish Rail network. Section 5.5 of the technical specifications indicates that the manufacturer will need to provide rolling stock for the Irish Rail network. In particular, the technical specifications require that *"The Units shall meet the requirements of the gauge information supplied in the [Train Infrastructure Interface Specification]"* (page 167 of the signed framework contract).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 14	Related Measure: 1.4 - Enable future electrification through targeted investment in Cork commuter rail	
Name of the Milestone: -Awarding design contract Kent station		
Qualitative Indicator: Notification of the award of the design contract for Kent station through-running platform.		Time: Q4 2021
Context:		

The objective of this investment is to enable the future electrification of railways in the Cork metropolitan area. This investment consists of three sub-investments: (i) creation of an additional through-running line, with an extended platform at Kent Station; (ii) doubling single track (and associated work) between Glounthaune and Midleton; (iii) re-signalling of the lines over the Cork commuter area (62 km).

Milestone 14 concerns the award of the contract to undertake the design for the Kent station through-running platform.

Milestone 14 is the first step of the implementation of sub-investment 1.4.1 and it will be followed by milestones 15 and 16, related to (i) the award of the construction contracts and (ii) the completion of the platform, respectively.

The investment has a final expected date for implementation by Q3 2026.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. A **summary document** duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii. A copy of **the signed letter of acceptance**. The letter was signed by both Aecom and Irish Rail on 25 February 2022. The letter states that Irish Rail have accepted Aecom's tender to undertake the design work for the additional platform at Kent Station.
- iii. A copy of **the tender by Aecom** of 21 December 2021. The tender was submitted by Aecom to Irish Rail. It outlines Aecom's proposal to undertake the design work for the additional platform at Kent Station.
- iv. A copy of **the project requirements** provided by Irish Rail to tenderers for the design work contract.
- v. A copy of **the scope of services and appendices** for the Kent Station Through Platform, which was issued by Irish Rail as part of the call for tenders.
- vi. A copy of **the post-tender clarifications document** provided by Irish Rail on 9, 10 and 15 December 2021 to answer specific queries posed by f about the Kent Station design work requirements. The post-tender clarifications were included in the letter of acceptance.

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

A contract shall have been awarded to undertake the design for the Kent station through-running platform.

The signed letter of acceptance indicates the costing of the consultancy contract between both parties, amounting to EUR 553 815. It explains that the contract consists of (i) the signed letter of acceptance, (ii) the project requirements, (iii) the scope of services and appendices, and (iv) post-tender clarifications. The tender by Aecom was accepted by Irish Rail with the signed letter of acceptance, which was signed on 25 February 2022.

The signed letter of acceptance specifies that this service will be conducted specifically for the design of a through-platform at Kent Station. The through-platform referred to in the signed letter of acceptance is equivalent to the through-running platform referred to in the Council Implementing Decision annex. The scope of services and appendices uses indifferently the expressions "through platform" and "through-running platform". For instance, on page 3 of the

scope of services and appendices, it is stated: “Train operations at Kent Station in Cork are constrained by the lack of **through running platforms**”.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 32	Related Measure: 1.6 - Enhanced rehabilitation of peatlands
Name of the Milestone: Peatlands rehabilitation preliminary study	
Qualitative Indicator: Publication of a preliminary study that shall be used for the implementation of the measure	Time: Q3 2021
<p>Context:</p> <p>The objective of this investment is to prevent further degradation of peatlands and to improve and enhance their condition. The investment aims to change land use from peat extraction to carbon sequestration and shall also contribute to increased biodiversity, support bog amenity and eco-systems, and improve water quality and flood risk management.</p> <p>The investment will rehabilitate 33 000 hectares of peatlands areas owned by a semi-state-owned company, <i>Bord Na Móna</i>. The rehabilitation will include the creation of wetlands and fens, the improvement of the topography, the trenching of drains blocking the re-wet cutaway, the implementation of different techniques to accelerate the vegetation and the construction of a solar powered pumping system to elevate water.</p> <p>Milestone 32 consists of the publication of a preliminary study on the rehabilitation of peatlands. Milestone 32 is the first step of the implementation of the investment, and it will be followed by milestones 33, 34, 35 and 36 related to (i) the start of works on first bogs and additional bogs, (ii) the completion of rehabilitation works for first bogs, and (iii) completion of rehabilitation work, respectively. The investment has a final expected date for implementation by Q3 2026.</p>	
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. A summary document duly justifying how the milestone (including all its constitutive elements) was satisfactorily fulfilled. ii. A copy of the preliminary study published on the <i>Bord na Móna</i> website in November 2022, as well as a screenshot and a link to the website where it can be accessed (https://www.bnmpcas.ie/wp-content/uploads/sites/18/2022/11/Methodology%20Report%20v19%20For%20issue.pdf) 	
<p>Analysis:</p> <p>The justification and substantiating evidence provided by the Irish authorities covers all constitutive elements of the milestone.</p> <p>A preliminary study on the rehabilitation of peatlands shall have been published including environmental objectives, the standards of rehabilitation that shall apply, the list of bogs selected for rehabilitation and the criteria for their selection.</p> <p>The preliminary study on the rehabilitation of peatlands has been published on the <i>Bord na Móna</i> website as shown by the screenshot.</p>	

The preliminary study includes the environmental objectives on pages 16-20. In particular, it explains the benefits to climate change mitigation and GHG saving objective, through reduced carbon emissions, carbon storage and accelerated carbon sequestration and to ecosystems, relying on existing literature.

The preliminary study includes the standards of rehabilitation that shall apply on pages 34-83, distinguishing between standard rehabilitation measures (not covered by this investment) and enhanced rehabilitation measures. In particular, the study outlines standards for enhanced rehabilitation measures (pages 43-64), while acknowledging that different rehabilitation methodologies will be applied due to different cutaway environments and underlying ground conditions.

The preliminary study includes the list of bogs selected for rehabilitation on pages 105-106. In particular, Table 11.1. in Section 11 shows the 82 bog areas, for a total of 32 779 hectares, initially identified for the Enhanced Decommissioning, Rehabilitation and Restoration Scheme.

The preliminary study includes the criteria for the selection of bogs to rehabilitate in section 3.3. Criteria for selection of bogs are included in the scheme on pages 22-23. For the original list of bogs, the criteria included the proposed and existing commercial activities, proposed and existing *Bord na Móna* Renewable projects, proposed peat production and alignment with broader climate and energy policies. Other criteria included the suitability of the peatlands for rehabilitation and previous use for electricity generation.

Furthermore, in line with the description of the measure, **the investment shall contribute to changing land use from peat extraction to carbon sequestration.**

The preliminary study presents the environmental objectives of the measure on pages 16-20 and explains the benefits in terms of carbon storage and accelerated carbon sequestration.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 33	Related Measure: 1.6 - Enhanced rehabilitation of peatlands		
Name of the Target: Start of works on first bogs			
Quantitative Indicator: Number	Baseline: 0	Target: 19	Time: Q4 2021
Context:			
<p>The objective of this investment is to prevent further degradation of peatlands and to improve and enhance their condition. The investment aims to change land use from peat extraction to carbon sequestration and shall also contribute to increased biodiversity, support bog amenity and ecosystems, and improve water quality and flood risk management.</p> <p>The investment will rehabilitate 33 000 hectares of peatlands areas owned by a semi-state-owned company, <i>Bord Na Móna</i>. The rehabilitation will include the creation of wetlands and fens, the improvement of the topography, the trenching of drains blocking the re-wet cutaway, the implementation of different techniques to accelerate the vegetation and the construction of a solar powered pumping system to elevate water.</p> <p>Target 33 consists of the start of rehabilitation works on at least 19 bogs. Target 33 is the second milestone or target of the investment, and it follows the completion of milestone 32 related to the peatlands rehabilitation preliminary study. It will be followed by milestones 34, 35 and 36 related</p>			

to the works on additional bogs, the completion of rehabilitation works for first bogs and completion of rehabilitation work, respectively. The investment has a final expected date for implementation by Q3 2026.

Evidence Provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. A **summary document** duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled.
- ii. A copy of **the progress report** of the Enhanced Decommissioning, Rehabilitation and Restoration Scheme for Peatlands from 2 March 2023, covering the period from start of January 2021 to end of December 2021.
- iii. A **letter from National Parks & Wildlife Service** (as the appointed regulator for the scheme) from 10 November 2022, certifying that the rehabilitation and restoration work plans for 19 bogs, as listed, were approved and have commenced.
- iv. A **letter from the Department of Environment, Climate and Communications** (as the Project Sponsor for the Scheme) from 11 November 2022, confirming that NPWS, as Regulator of the scheme, have certified the commencement of rehabilitation of 19 bogs in 2021.

The authorities also provided:

- v. A **letter of appointment** of the scheme Regulator, National Parks & Wildlife Service of 8 March 2022.

Analysis:

The justification and substantiating evidence provided by the Irish authorities covers all constitutive elements of the target.

Improvements shall have started on the rehabilitation of at least 19 bogs. The start of the improvements shall be ensured by site inspections and technical assessments that shall have been provided in a progress report.

The National Parks & Wildlife Service was appointed regulator for the Enhanced Decommissioning, Rehabilitation and Restoration Scheme by the Minister for Environment, Climate and Communications as set out in the letter of appointment. The National Parks & Wildlife Service has approved the rehabilitation and restoration work plans for the 19 bogs (letter from National Parks & Wildlife Service).

The progress report of the Enhanced Decommissioning, Rehabilitation and Restoration Scheme for Peatlands covering the period from start of January 2021 to end of December 2021 (that is, from the start of the scheme to the deadline for Target 33 of Q4 2021) outlines the progress on the rehabilitation. In particular, it is mentioned that “from the start of the scheme up to December 2021, rehabilitation measures were completed on 59% of the total area of peatland for rehabilitation for Year 1 of the scheme. However, this represents approximately 69.5% of the overall work content (for on-site rehabilitation measures)” (page 5). Table 2 of the Progress Report further details that a total of 5,196 hectares have been rehabilitated as of December 2021. The report also summaries the monitoring and verification measures undertaken up to the end of December 2021 to ensure that the benefits of the scheme are tracked.

In the letter from National Parks & Wildlife Service, the National Parks & Wildlife Service confirms that “Each of the 19 bogs were visited throughout 2021 to ensure the rehabilitation work was being carried out” and provides a table showing that the 19 bogs were visited at least once throughout 2021 to ensure the rehabilitation work was being carried out. The 19 bogs are the bogs identified for the Enhanced Decommissioning, Rehabilitation and Restoration Scheme Rehabilitation for Year 1 in the ‘Peatlands rehabilitation preliminary study’ (page 109) provided as evidence for Milestone 32. The Letter from the Department of Environment, Climate and Communications further confirms by Department of Environment, Climate and Communications, as sponsor of this measure, “that the National Parks and Wildlife Service (NPWS), as Regulator of the scheme, have certified the commencement of rehabilitation of 19 bogs in 2021”.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 37	Related Measure: 1.7 - River basin management plan – enhanced ambition programme.	
Name of the Milestone: Selection of eligible waste water treatment plants		
Qualitative Indicator: Publication of the list of at least 10 eligible sites		Time: Q1 2022
<p>Context:</p> <p>The objective of this investment is to improve waste water infrastructure by front-loading priority waste water treatment plant projects whose discharges have been identified as putting significant pressure on receiving water bodies. This investment consists of three sub-investments: (i) the upgrade of at least 10 small water treatment plants; (ii) the realisation of feasibility studies on at least 20 waste water treatment plants; and (iii) the monitoring of biological and physico-chemical indicators of at least 20 sites and the development of capability for establishing required treatment standards to support achieving Water Framework Directive objectives.</p> <p>Milestone 37 concerns the selection and publication of the list of the 10 eligible sites for upgrade that have been selected on the basis of an assessment made by an expert group, detailing the type of upgrade necessary.</p> <p>Milestone 37 is the first step of the implementation of the investment and the first step of sub-measure (i), which is related to the upgrade of small water treatment plants. It will be followed by five milestones and targets (38, 39, 40, 41 and 42). Milestone 38 is the next overarching milestone, related to the work orders initiating the upgrade work. It is followed by target 39, related to the completion of the upgrades of the waste water treatment plants. The remaining target and milestones relate to sub-measure 1.7.2 (target 40) and 1.7.3 (milestones 41 and 42). The investment has a final expected date for implementation by 30 September 2025.</p>		
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. ii. A copy of the publication of the list of selected eligible waste water treatment plants for upgrade (press release) dated 31 March 2022 and a link to the website of Irish Water 		

(Uisce Éireann) where it can be accessed. (<https://www.water.ie/news/wastewater-treatment-plan/>).

- iii. **Conclusions of Project Brief by the Expert Group** for the 12 selected sites, with the description of the type of upgrade needed:
- a) Ballymoe Conclusion of Project Brief by the Expert Group, dated 3 December 2021.
 - b) Ballintra Conclusion of Project Brief by the Expert Group, dated 14 December 2021.
 - c) Pettigo Conclusion of Project Brief by the Expert Group, dated 31 December 2022.
 - d) Galbally Conclusion of Project Brief by the Expert Group, dated 9 December 2021.
 - e) Clonea Power Conclusion of Project Brief by the Expert Group, dated 8 July 2021.
 - f) Grangemockler Conclusion of Project Brief by the Expert Group, dated 9 December 2021.
 - g) Kilmaganny Conclusion of Project Brief by the Expert Group, dated 10 December 2021.
 - h) Tinryland Conclusion of Project Brief by the Expert Group, dated 10 December 2021.
 - i) Kildavin Conclusion of Project Brief by the Expert Group, dated 28 June 2021.
 - j) Cloneygowan Conclusion of Project Brief by the Expert Group, dated 9 December 2021.
 - k) Millview (Milltownpass) Conclusion of Project Brief by the Expert Group, dated 9 December 2021.
 - l) Kilmihil Conclusion of Project Brief by the Expert Group, dated 14 December 2021.

The authorities also provided:

- i. A **programme tracker of the Expert Group**, showcasing the methodology of the expert group on the basis of which the selection was made, provided by Irish Water (Uisce Éireann) on 25 September 2023.
- ii. A **letter on the Expert Group assessment** for Milestone 37, sent by Irish Water (Uisce Éireann) on 11 August 2023.

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

A list of at least 10 selected sites for the upgrade shall have been published.

The Publication of the list of selected eligible waste water treatment plants for upgrade was a press release published by Irish Water (Uisce Éireann) on 31 March 2022 on the Irish Water website as evident from the publication of the list of selected eligible waste water treatment plants for upgrade, and available at <https://www.water.ie/news/wastewater-treatment-plan/>. A spot check by Commission services on 26 February 2024 confirmed the active nature of the website. The press release announces the list of 11 selected waste water treatment plants for upgrade:

- Ballymoe in Galway,
- Ballintra in Donegal,
- Pettigo in Donegal
- Galbally in Limerick,
- Clonea Power in Waterford,
- Grangemockler in Tipperary,
- Kilmaganny in Kilkenny,
- Kildavin in Carlow

- Cloneygowan in Offaly,
- Millview (Milltownpass) in Westmeath, and
- Kilmihil in Clare.

It shall have been based on the assessment made by an expert group and it shall have contained the description of the type of upgrade needed.

As stated in the Letter on the Expert Group assessment, the selection was based on a series of assessments by the Expert Group in Uisce Éireann, which was finalised at a meeting held on 24 August 2021. The Conclusions of Project Briefs for each project constitute the assessments made by the Expert Group, as they cover analysis of barriers and regulatory requirements as well as assessments of alternatives and costs, parameters associated with each option for upgrade, and affordability.

As evident from the table on page 2 of the Letter of the Expert Group assessment, the candidate sites were reviewed to identify potential delivery risks and to assess each site to ascertain whether the upgrade could be delivered within the timeframe available. As evident from step 2 of the Letter of the Expert Group Assessment, out of the 26 available candidate sites, seven were removed from the project due to a range of complicating issues that would delay the project or result in higher than budgeted for capital expenditure (Ballynoe, Bunanaddan, Castleroe West, Conary, Coolnagh, Killeen, and Shanagolden), indicated by 'Site not progressing' in column K of the Programme Tracker of the Expert Group. As evident from step 3 of the Letter of the Expert Group Assessment, four sites were removed due to the stringent nature of the discharge standards likely to be required at these sites (Coolderry, Kill, Moyvane, and Nurney), indicated by 'ELV issue' in column T of the Programme Tracker. As evident from step 4 of the Letter of the Expert Group, two sites were removed due to landowner issues and ability to deliver in the timeframe involved (Drangan and Woodford). Lastly, as evident from the Letter on the Expert Group assessment, Tinryland and Oldtown were removed due to the nature of the works proposed, which entailed the decommissioning of the plants and pumping the waste water to a neighbouring agglomeration, as indicated by "pump away" in column L of the Programme Tracker. The 11 selected sites for upgrade by the expert group correspond with the list of eligible projects in the press release.

The Conclusions of Project Brief by Expert Group for the 11 selected sites include detailed descriptions of the type of upgrade needed for each station in the below sections:

- Ballymoe; as evident from Ballymoe Conclusion of Project Brief by the Expert Group, dated 3 December 2021. The upgrades at Ballymoe concern an upgrade of assets on existing site to address the pressure on the receiving water and provide capacity for growth in the settlement, as evident from section 8, page 10.
- Ballintra; as evident from Ballintra Conclusion of Project Brief by the Expert Group, dated 14 December 2021. The upgrades at Ballintra concern an upgrade of assets on existing site to address the pressure on the receiving water and provide capacity for growth in the settlement, as evident from section 8, pages 9-10.
- Pettigo; as evident from Pettigo Conclusion of Project Brief by the Expert Group, dated 31 December 2022. The upgrades at Pettigo concern the purchase of land for the establishment of an integrated constructed wetland to address the pressure on the receiving water and provide capacity for growth in the settlement, as evident from section 8, pages 8-9.
- Galbally; as evident from Galbally Conclusion of Project Brief by the Expert Group, dated 9 December 2021. The upgrades at Galbally concern the purchase of land for the establishment of an integrated constructed wetland to address the pressure on the receiving water and provide capacity for growth in the settlement, as evident from section 8, page 7.

- Clonea Power; as evident from Clonea Power Conclusion of Project Brief by the Expert Group, dated 8 July 2021. The upgrades at Clonea Power concern the purchase of land for the establishment of an integrated constructed wetland to address the pressure on the receiving water and provide capacity for growth in the settlement, as evident from section 8, page 9.
- Grangemockler; as evident from Grangemockler Conclusion of Project Brief by the Expert Group, dated 9 December 2021. The upgrades at Grangemockler concern the purchase of land for the establishment of an integrated constructed wetland to address the pressure on the receiving water and provide capacity for growth in the settlement, as evident from section 8, page 7.
- Kilmaganny; as evident from Kilmaganny Conclusion of Project Brief by the Expert Group, dated 10 December 2021. The upgrades at Kilmaganny concern an upgrade of assets on existing site to address the pressure on the receiving water and provide capacity for growth in the settlement, as evident from sections 7 and 8, pages 7-8.
- Kildavin; as evident from Kildavin Conclusion of Project Brief by the Expert Group, dated 28 June 2021. The upgrades at Kildavin concern an upgrade of assets on the existing site to address the pressure on the receiving water, as evident from section 8, page 10-11.
- Cloneygowan; as evident from Cloneygowan Conclusion of Project Brief by the Expert Group, dated 9 December 2021. The upgrades at Cloneygowan concern an upgrade of assets on existing site to address the pressure on the receiving water and provide capacity for growth in the settlement, as evident from section 8, page 7.
- Millview (Milltownpass); as evident from Millview (Milltownpass) Conclusion of Project Brief by the Expert Group, dated 9 December 2021. The upgrades at Millview concern the purchase of land for the establishment of an integrated constructed wetland to address the pressure on the receiving water and provide capacity for growth in the settlement, as evident from section 8, pages 6-7.
- Kilmihil; as evident from Kilmihil Conclusion of Project Brief by the Expert Group, dated 14 December 2021. The upgrades at Kilmihil concerns an upgrade of assets on existing site to address the pressure on the receiving water and provide capacity for growth in the settlement, as evident from section 8, pages 10-11.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 38	Related Measure: 1.7. - River basin management plan - Enhanced ambition programme	
Name of the Milestone: Start of the upgrade of small wastewater treatment plants		
Qualitative Indicator: Work order issued to works contractor detailing full scope of works and timeline within which this scope is to be completed		Time: Q2 2022
Context: The objective of this investment is to improve wastewater infrastructure by front-loading priority wastewater treatment plant projects whose discharges have been identified as putting significant pressure on receiving water bodies. The investment consists of: (i) the upgrade of at least 10 small water treatment plants; (ii) the realisation of feasibility studies on at least 20 waste water treatment plants; and (iii) the monitoring of biological and physico-chemical indicators of at least 20 sites and the development of capability for establishing required treatment standards to support achieving Water Framework Directive objectives.		

Milestone 38 consists of the start of the upgrade of at least 10 small waste water treatment plants.

Milestone 38 is the second milestone of the investment and the sub-investment (i), and it follows the completion of milestone 37, related to the selection of eligible wastewater treatment plants. It will be followed by target 39, related to the completion of the upgrade of small wastewater treatment plants. The investment has a final expected date for implementation by 30 September 2025.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii. Copy of Work orders issued to the appointed works contractors for five waste water treatment plants (WWTP).
 - a) Work order (“task information”) for Kilmihil WWTP, issued on 19 January 2022 by Uisce Éireann/Irish Water to the appointed works contractor, Conway Engineering Company Ltd.
 - b) Work order (“task information”) for Ballintra WWTP, issued on 2 March 2022 by Uisce Éireann/Irish Water to the appointed works contractor, Conway Engineering Company Ltd.
 - c) Work order (“task information”) for Ballymoe WWTP, issued on 2 March 2022 by Uisce Éireann/Irish Water to the appointed works contractor, Conway Engineering Company Ltd.
 - d) Work order (“task information”) for Kilmaganny WWTP, issued on 2 March 2022 by Uisce Éireann/Irish Water to the appointed works contractor, Electrical and Pump Services (EPS) Ltd.
 - e) Work order (“task information”) for Cloneygowan WWTP, issued on 26 September 2022 by Uisce Éireann/Irish Water to the appointed works contractor, Electrical and Pump Services (EPS) Ltd.
- iii. Technical Services Terms of Reference for five potential Integrated Constructed Wetlands (ICW) sites (Woodford WWTP is also included in this document but it is not part of the Irish RRP):
 - a) Milview Estate WWTP, Westmeath.
 - b) Clonea Power, Waterford.
 - c) Pettigo, Donegal.
 - d) Galbally, Limerick.
 - e) Grangemockler, Tipperary.
- iv. A letter from 11 August 2022 from the Technical Expert Group confirming the alignment of the terms of reference with the Project Briefs.
- v. Extract of minutes of Expenditure Approvals Committee meeting of 9 November 2022.
- vi. Minutes of Contract Approvals Committee (CAC) of 8 November 2018 recording approval of the contract entitled “Technical Assurance Staff for IW Asset Delivery”.
- vii. Copy of email from 1 February 2022 to works contractor Ryan Hanley for the sending of the Technical Services Terms of Reference.
- viii. Copy of email response from 21 March 2022 from the works contractor [Ryan Hanley](#).

The authorities also provided:

- i. Delivery Process and Timeline for Each Site Category and Note on Integrated Constructed Wetlands for Waste Water Treatment, provided by Irish Water (Uisce Éireann) on 17 May 2023.

Analysis:

The justification and substantiating evidence provided by the Irish authorities covers all constitutive elements of the milestone.

The upgrade works at the small wastewater treatment plants shall have commenced through the issuing of a work order to the appointed works contractor.

The work orders issued to the appointed works contractor for five wastewater treatment plants show the date when works commenced for five WWTPs:

- Work order (“task information”) for Kilmihil WWTP, issued on 19 January 2022, by Uisce Éireann/Irish Water to the appointed works contractor, Conway Engineering Company Ltd.
- Work order (“task information”) for Ballintra WWTP, issued on 2 March 2022 by Uisce Éireann/Irish Water to the appointed works contractor, Conway Engineering Company Ltd.
- Work order (“task information”) for Ballymoe WWTP, issued on 2 March 2022 by Uisce Éireann/Irish Water to the appointed works contractor, Conway Engineering Company Ltd.
- Work order (“task information”) for Kilmaganny WWTP, issued on 2 March 2022 by Uisce Éireann/Irish Water to the appointed works contractor, Electrical and Pump Services (EPS) Ltd.
- Work order (“task information”) for Cloneygowan WWTP, issued on 26 September 2022 by Uisce Éireann/Irish Water to the appointed works contractor, Electrical and Pump Services (EPS) Ltd.

The work orders contain the technical specifications.

For a further five WWTPs (Milview (Milltownpass); Clonea Power; Pettigo; Galbally; Grangemockler), the expert group has recommended an Integrated Constructed Wetland (ICW) solution:

- Milestone 38 Verification Mechanism B.6.: full conclusions of the expert group on Project 6: Pettigo WWTP page 1.
- Milestone 38 Verification Mechanism B.7.: full conclusions of the expert group on Project 7: Galbally WWT, page 1.
- Milestone 38 Verification Mechanism B.8.: full conclusions of the expert group on Project 8: Grangemockler WWTP, page 7.
- Milestone 38 Verification Mechanism B.9.: full conclusions of the expert group on Project 9: Clonea Power WWTP, page 2.
- Milestone 38 Verification Mechanism B.10: full conclusions of the expert group on Project 10: Millview (Milltownpass) WWTP, page 1.

Irish Water contracted for a concept design and feasibility study on this basis (Technical Services Terms of Reference for five potential Integrated Constructed Wetlands, which have been accepted by the contractor as evidenced by the copy of email response from 21 March 2022 from the works contractor Ryan Hanley). In line with the Further Specifications in the operational arrangements, the commencement of works is proven by the issuance of terms of reference that the expert group considers aligned with its Project Briefs (letter from 11 August 2022 from the Technical Expert Group).

The Operational Arrangement required for the terms of reference to be approved by the Expenditure Approvals Committee. For five sites, the terms of reference were approved by the Expenditure Approvals Committee (Kilmihil, Ballintra, Ballymoe, Kilmaganny, Cloneygowan) but for the remaining five sites, only the approval of the Technical Expert Group was received (Pettigo, Galbally, Grangemockler, Clonea Power, Millview (Milltownpass)). While this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, this deviation concerns Ireland’s internal procedures applying to the formal approval of the terms of reference. In particular,

provided that the contracts do not reach the threshold that it would require it to be presented to the Expenditure Approvals Committee, Ireland has indicated that the services described in the terms of reference fall under two separate, wider approval processes: an annual budget approval for the multi-annual National Certificate of Authorisation Programme (NCAP) and contract approval for the supplier framework Call Off contracts for the supply of Technical Assurance to the programme. The extract of minutes of Expenditure Approvals Committee meeting of 9 November 2022 shows that the overall Capital Programmes 2023 Wastewater Above Ground Programme Pillar, of which IE indicates that the NCAP is part, was approved. The minutes of the Contract Approvals Committee (CAC) of 8 November 2018 approved the establishment of a framework “Technical Assurance Staff for IW Asset Delivery”, under which the Terms of Reference were issued. Furthermore, as evident from Terms of Reference as issued to the appointed consulting engineers for those sites only received approval from the Technical Expert Group, as evident from the email from 1 February 2022 to works contractor Ryan Hanley for the sending of the Technical Services Terms of Reference, these are aligned with the Projects Briefs, signed off by the Expert Group. As of this, this minimal deviation does not affect the progress towards achieving the investment that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 41	Related Measure: 1.7 - River basin management plan-Enhanced ambition programme	
Name of the Milestone: Publication of sites selected for the monitoring		
Qualitative Indicator: Publication of a list of at least 20 sites selected for the monitoring of biological and physico-chemical indicators		Time: Q2 2022
<p>Context:</p> <p>The objective of the measure is to improve waste water infrastructure by front-loading priority waste water treatment plant projects whose discharges have been identified as putting significant pressure on receiving water bodies.</p> <p>The investment consists of three sub-measures: (i) the upgrade of at least 10 small water treatment plants; (ii) the realisation of feasibility studies on at least 20 waste water treatment plants; and (iii) the monitoring of biological and physico-chemical indicators of at least 20 sites and the development of capability for establishing required treatment standards to support achieving Water Framework Directive objectives.</p> <p>Milestone 41 concerns sub-measure (iii). It consists in providing the list of selected sites for the monitoring of the indicators, along with the conditions for this monitoring. This is the first of two milestones of sub-measure (iii) and will be followed by milestone 42 consisting in providing the final report showing conclusions of the monitoring, due by Q3 2025. Sub-measure (iii), as well as the entire reform, has a final expected date for implementation by Q3 2025.</p>		
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. 		

- ii. Screenshots of the **River Basin Management Plan – Enhanced Ambition Programme webpage** on the Irish Water website and a link where it can be accessed:
<https://www.water.ie/projects/national-projects/river-basin-management/>.

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

The list of at least 20 sites to monitor and the conditions of this monitoring shall have been specified by Irish Water.

The River Basin Management Plan – Enhanced Ambition Programme webpage on the Irish Water website (<https://www.water.ie/projects/national-projects/river-basin-management/>) includes the list of sites for monitoring under “Monitoring”. The list includes 37 sites, indicating the name of the plant and the location of the ambient monitoring location.

The conditions of monitoring are also specified on the River Basin Management Plan – Enhanced Ambition Programme webpage on the Irish Water website (<https://www.water.ie/projects/national-projects/river-basin-management/>) under “Monitoring”. These conditions are as follows:

- Physico-chemical monitoring – specifically the levels of ammonia, ortho-phosphate and Biological Oxygen Demand in the rivers upstream and downstream of the wastewater treatment plant (WWTP) discharges. Comparing the levels upstream and downstream shows whether or not the WWTPs are impacting on river water quality.
- Biological monitoring – specifically macroinvertebrate monitoring in the rivers upstream and downstream of the WWTP discharges. Comparing the results upstream and downstream indicates whether or not the WWTP has an impact on the biological status of the river.

The River Basin Management Plan – Enhanced Ambition Programme webpage specifies that Irish Water will undertake quarterly physico-chemical monitoring and one-off macroinvertebrate monitoring at the specified locations.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 43	Related Measure: 1.8 - Climate Action and Low Carbon Development (Amendment) Bill	
Name of the Milestone: Entry into force of Climate Action and Low Carbon Development (Amendment) Bill 2021		
Qualitative Indicator: Provision in the legislation indicating the entry into force		Time: Q3 2021
Context: The objective of this reform is to set an emissions reduction target for 2030 and the climate neutrality objective by 2050 into primary legislation, and to strengthen the governance framework for the achievement of these objectives.		

The reform consists in the signature and entry into force of the Climate Action and Low Carbon Development (amendment) Bill that requires putting the climate neutrality objective by 2050 on a statutory basis, adopting the 5-yearly carbon budgets at sectoral and economy wide-levels, setting the first two carbon budgets in line with the 51% reduction objective for 2030, and preparing annual updates of the Climate Action Plan and the realisation of annual climate reporting.

Milestone 43 is the first milestone of a series of four milestones. It consists in the entry into force of the Climate Action and Low Carbon Development (Amendment) Bill. It will be followed by milestone 44, related to the adoption of the first three 5-yearly carbon budgets (due by Q4 2021) and by milestones 45 and 46, related to the updates of the Climate Action Plan (due by Q3 2022 and Q3 2025, respectively). The reform has a final expected date for implementation by Q4 2025.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. A **summary document** duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii. A copy of the **Climate Action and Low Carbon Development (Amendment) Act 2021**, Presented by the Minister for Environment, Climate and Communications on 23 March 2021, and a link to the website where it can be accessed: [The Climate Action and Low Carbon Development \(Amendment\) Act 2021](#).
- iii. A copy of the **Notification of the Climate Action and Low Carbon Development (Amendment) Act 2021** published in the national official journal (*Iris Oifigiúil*) of 21 September 2021.

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

The legislation shall have entered into force.

The Climate Action and Low Carbon Development (Amendment) Act 2021 came into force on 7 September 2021 as shown in the Notification. It amends the Climate Action and Low Carbon Development Act 2015 ('Principal Act', point 2 on page 5).

It shall require putting the climate neutrality objective by 2050 on a statutory basis, the adoption of the first carbon budget programme in line with the 51% reduction objective for 2030, the annual update of the Climate Action Plan and the realisation of annual climate reporting related to the level of implementation of the policies provided for by the Climate Action Plan and the level of achievement of the reduction in greenhouse gas emissions.

Point 5 of the Climate Action and Low Carbon Development (Amendment) Act 2021 replaces Section 3(1) of the Principal Act and puts the achievement of a climate neutral economy by no later than 2050 on a statutory basis: *"The State shall, so as to reduce the extent of further global warming, pursue and achieve, by no later than the end of the year 2050, the transition to a climate resilient, biodiversity rich, environmentally sustainable and climate neutral economy"* (page 8).

Sections 6A(1) to 6A(11) (pages 14-16) of the Climate Action and Low Carbon Development (Amendment) Act 2021 [*"Preparation of carbon budgets"*] and Sections 6B(1) to 6B(13) (pages 16-18) [*"Approval of carbon budget"*], which are new sections, set out the required process of preparing and approving carbon budgets. Section 6A includes a provision that *"the first two carbon budgets proposed by the Advisory Council shall provide for a reduction in greenhouse gas emissions such that the total amount of annual greenhouse gas emissions in the year ending on 31 December*

2030 is 51 per cent less than the annual greenhouse gas emissions reported for the year ending on 31 December 2018”.

Section 4(1)A of the Climate Action and Low Carbon Development (Amendment) Act 2021, which is a new section, requires the preparation of annual updates to the Climate Action Plan: *“The Minister shall, to enable the State to pursue and achieve the national climate objective— prepare an annual update to the Climate Action Plan 2019 to Tackle Climate Breakdown, published by the Minister on 17 June 2019”* (page 9).

Section 14A of the Climate Action and Low Carbon Development (Amendment) Act 2021 which is a new section, sets out the annual climate reporting requirements, which include reporting on the implementation rate of the policies contained in the Climate Action Plan and the level of achievement of the reduction in greenhouse gas emissions. Section 14A(1) of the Climate Action and Low Carbon Development (Amendment) Act 2021 specifies that *“The Minister shall, in each year after the publication of the annual report and the Agency’s reports, at the written request of a joint committee, attend before it to give an account, for the period of the annual report, of the following matters: (a) progress under the most recent approved climate action plan, including the policies, mitigation measures and adaptation measures that have been adopted; (b) whether there has been a reduction or increase in greenhouse gas emissions based on the Agency’s reports; (c) compliance with the carbon budget and any measures envisaged to address any failure to so comply; (d) the implementation of adaptation policy measures under the most recent approved national adaptation framework”* (page 25).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 44	Related Measure: 1.8 - Climate Action and Low Carbon Development (Amendment) Bill 2021	
Name of the Milestone: Adoption of the first three 5-yearly carbon budget		
Qualitative Indicator: Adoption and publication of the first three 5-yearly carbon budget		Time: Q4 2021
<p>Context:</p> <p>The objective of this reform is to set an emissions reduction target for 2030 and the climate neutrality objective by 2050 into primary legislation, and to strengthen the governance framework for the achievement of these objectives.</p> <p>The reform consists in the signature and entry into force of the Climate Action and Low Carbon Development (amendment) Bill that requires putting the climate neutrality objective by 2050 on a statutory basis, adopting the 5-yearly carbon budgets at sectoral and economy wide-levels, setting the first two carbon budgets in line with the 51% reduction objective for 2030, and preparing annual updates of the Climate Action Plan and the realisation of annual climate reporting.</p> <p>Milestone 44 is the second milestone of a series of four milestones for this reform. It consists in the adoption of the first three 5-yearly carbon budgets. Milestone 44 is preceded by milestone 43, related to the entry into force of Climate Action and Low Carbon Development (Amendment) Bill 2021, due by Q3 2021. Milestone 45 will be followed by milestones 45 and 46, related to the updates of the Climate Action Plan, due by Q3 2022 and Q3 2025, respectively. The reform has a final expected date for implementation by Q4 2025.</p>		
Evidence provided:		

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. A **summary document** duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii. A copy of the **Resolution on Carbon Budgets by the Lower House of the Oireachtas** (*‘Dail Eireann’*) of 6 April 2022.
- iii. A copy of the **Resolution on Carbon Budgets by the Upper House of the Oireachtas** (*‘Seanad Eireann’*) of 5 April 2022.
- iv. A copy of the **Carbon Budget Technical Report** prepared by the Climate Change Advisory Council in October 2021 and a link to the website where it can be accessed: [Technical report on carbon budgets 25.10.2021.pdf \(climatecouncil.ie\)](https://climatecouncil.ie/technical-report-on-carbon-budgets-25.10.2021.pdf).
- v. A screenshot of the **Webpage on Carbon Budgets** and a link where it can be accessed: [697ec730-a09f-4216-a54a-6a5cd0b358df.pdf \(www.gov.ie\)](https://www.gov.ie/697ec730-a09f-4216-a54a-6a5cd0b358df.pdf).

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

The first three 5-yearly carbon budgets shall have been adopted. The carbon budgets shall be in line with the 51% reduction objective by 2030.

Ireland’s first carbon budget programme came into effect on 6 April 2022 after both houses of the Oireachtas approved it as shown by the Resolution on Carbon Budgets by the Lower House of the Oireachtas (dated 6 April 2022) and the Resolution on Carbon Budgets by the Upper House of the Oireachtas (dated 5 April 2022). Section 3 of the webpage on Carbon Budgets specifies that *“The first carbon budget programme proposed by the CCAC [Climate Change Advisory Council], approved by Government and adopted by both Houses of the Oireachtas comprises three successive 5-year carbon budgets.”* The webpage on Carbon Budgets also specifies in Sections 3 that these periods are: 2021-2025; 2026-2030; and 2031-2035.

The carbon budgets include sectoral and economy-wide emission reduction targets as explained in Section 6 of the webpage on Carbon Budgets: *“the amount of emissions allowed from each sector of the economy (e.g. agriculture, transport, industry, etc.) was combined for each scenario to give an economy-wide total for each scenario in each budget period.”*

The Carbon Budgets are in line with the 51% emissions reduction objective by 2030 as evidenced by the Carbon Budget Technical Report, which specifies that: *“The figures [of the Carbon Budgets] are consistent with emissions in 2018 of 68.3Mt CO₂eq reducing to 33.5Mt CO₂eq in 2030 thus allowing compliance with the 51% emission reduction target”* (page 30).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 45	Related Measure: 1.8 - Climate Action and Low Carbon Development (Amendment) Bill 2021
Name of the Milestone: First update of the Climate Action Plan	

Qualitative Indicator: Adoption and publication of the annual update of the Climate Action Plan

Time: Q3 2022

Context:

The objective of this reform is to set an emissions reduction target for 2030 and the climate neutrality objective by 2050 into primary legislation, and to strengthen the governance framework for the achievement of these objectives.

The reform consists in the signature and entry into force of the Climate Action and Low Carbon Development (Amendment) Bill that requires putting the climate neutrality objective by 2050 on a statutory basis, adopting the 5-yearly carbon budgets at sectoral and economy wide-levels, setting the first two carbon budgets in line with the 51% reduction objective for 2030, and preparing annual updates of the Climate Action Plan and the realisation of annual climate reporting.

Milestone 45 is the third milestone of a series of four milestones for this reform. It consists in the adoption of a revised Climate Action Plan. Milestone 45 is preceded by milestone 43, related to the entry into force of Climate Action and Low Carbon Development (Amendment) Bill 2021, due by Q3 2021, and milestone 44, related to the adoption of the first three 5-yearly carbon budgets, due by Q4 2021. Milestone 45 is followed by milestone 46, related to an additional revision of the Climate Action Plan, due by Q3 2025. The reform has a final expected date for implementation by Q4 2025.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. A **summary document** duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii. A copy of the **Climate Action and Low Carbon Development (Amendment) Act 2021**, Presented by the Minister for Environment, Climate and Communications on 23 March 2021, and a link to the website where it can be accessed: [The Climate Action and Low Carbon Development \(Amendment\) Act 2021](#).
- iii. A copy of the **Climate Action Plan 2021**, published on 4 November 2021, and a link to the website where it can be accessed: <https://www.gov.ie/en/publication/6223e-climate-action-plan-2021/>.
- iv. A screenshot of the **press release of the Department of the Taoiseach** on the launch of the Climate Action Plan 2021 published on 4 November 2021, and a link to the website where it can be accessed: [https://www.gov.ie/en/press-release/16421-climate-action-plan-2021-securing-our-future/#:~:text=The%20Climate%20Action%20Plan%20follows,of%20the%20Programme%20for%20Government](https://www.gov.ie/en/press-release/16421-climate-action-plan-2021-securing-our-future/#:~:text=The%20Climate%20Action%20Plan%20follows,of%20the%20Programme%20for%20Government.).
- v. A copy of the **Annex of Actions of the Climate Action Plan** and a link to the website where it can be accessed: [be2fecb2-2fb7-450e-9f5f-24204c9c99bf.pdf \(www.gov.ie\)](https://www.gov.ie/en/publication/be2fecb2-2fb7-450e-9f5f-24204c9c99bf.pdf)
- vi. A copy of the **Carbon Budget Technical Report** prepared by the Climate Change Advisory Council in October 2021 and a link to the website where it can be accessed: [Technical report on carbon budgets 25.10.2021.pdf \(climatecouncil.ie\)](#)
- vii. A screenshot of the **Webpage on Carbon Budgets** and a link where it can be accessed: [697ec730-a09f-4216-a54a-6a5cd0b358df.pdf \(www.gov.ie\)](https://www.gov.ie/en/publication/697ec730-a09f-4216-a54a-6a5cd0b358df.pdf).

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

A revised Climate Action Plan shall have been adopted that defines additional policies and measures as necessary to put Ireland on track towards its stated objective of reducing greenhouse gas emissions by 51% in 2030 compared to 2018 levels and of achieving climate neutrality by 2050.

The Climate Action Plan 2021 was adopted by launching it on 4 November 2021 as shown by the press release of the of the Department of the Taoiseach. The Press release of the of the Department of the Taoiseach indicates that *“The government has today (Thursday 4 November) launched the Climate Action Plan 2021, an ambitious plan to put Ireland on a more sustainable path, cutting emissions, creating a cleaner, greener economy and society and protecting us from the devastating consequences of climate change”*.

The Climate Action Plan 2021 defines a roadmap of policies, measures and actions for Ireland to deliver on its national climate ambition (page 16 of the Climate Action Plan 2021). The Annex of Actions of the Climate Action Plan 2021 provides a detailed implementation map for actions, including timelines and responsible organisations. The Annex of Actions of the Climate Action Plan 2021 also includes an action that consists in completing *“the statutory process for the legal adoption of economy-wide carbon budgets and sectoral ceilings”* (Action 6 on page 13 of the Annex of Actions of the Climate Action Plan 2021).

Section 3 of the webpage on Carbon Budgets specifies that *“The first carbon budget programme proposed by the CCAC [Climate Change Advisory Council], approved by Government and adopted by both Houses of the Oireachtas comprises three successive 5-year carbon budgets.”* Section 6 of the webpage on Carbon Budgets explains that *“a ‘bottom up’ approach [was used] to calculate the carbon budgets, using the 51% target for emission reductions by 2030 to calculate the required level of emission reductions compared to 2018 levels.”* The Carbon Budget Technical Report specifies that *“The provisional carbon budget proposed for 2031 to 2035 continues the trajectory towards climate neutrality by 2050”* (page 3). The Climate Action Plan 2021 conforms to these requirements by setting out a detailed roadmap designed to deliver a 51% reduction in greenhouse gas emissions by 2030 (page 23 of the Climate Action Plan 2021). Table 3.1. on page 24 of the Climate Action Plan 2021 shows the proposed emissions reductions by sector to achieve the ambitions. It should be noted that while the plan is consistent with a 51% reduction in GHGs by 2030, it was prepared prior to consideration and adoption by the government and Oireachtas of the proposed programme of carbon budgets. The Climate Action Plan 2022 will fully reflect the legally adopted carbon budgets and sectoral ceilings.

The Climate Action Plan shall be aligned with the framework and objectives of the Climate Action and Low Carbon Development (Amendment) Bill 2021 and be in line with Ireland’s obligations under EU climate and energy legislation.

Point 6 of the Climate Action and Low Carbon Development (Amendment) Act 2021 replaces Section 4(1)A of the Principal Act and sets a framework that requires the preparation of annual updates to the Climate Action Plan 2021. The Climate Action Plan 2021 is the first such annual update, and as such, is aligned with the framework in the Act. The Climate Action Plan 2021 indicates that *“it will be updated annually, including in 2022 to align with the legally binding economy-wide carbon budgets and sectoral ceilings that we will adopt in the coming months”* (page 16).

The objective of the Climate Action and Low Carbon Development (Amendment) Act 2021 is ‘pursuing the transition to a climate resilient, biodiversity rich and climate neutral economy by no later than the end of the year 2050’ (page 5 of the Climate Action and Low Carbon Development (Amendment) Act 2021). Similarly, the Climate Action and Low Carbon Development (Amendment) Act 2021 specifies the explicit goal of reducing GHG emissions by 51% in 2030 (Article 5, page 14 of the Climate Action and Low Carbon Development (Amendment) Act 2021). The Climate Action Plan 2021 is aligned with the objectives of the Climate Action and Low Carbon Development (Amendment) Act 2021 as evident from the commitment the Paris agreement objectives (page 17 of the Climate Action Plan 2021). Furthermore, on page 16 of the Climate Action Plan 2021, the authorities further contend that “*The Climate Act will support Ireland’s transition to net-zero and the achievement of a climate neutral economy no later than 2050. It also establishes a legally binding framework with clear targets and commitments, to ensure the necessary structures and processes are in place to deliver our national, EU and international climate goals and obligations in the near and long term*”.

The Climate Action Plan 2021 defines additional policies and measures as necessary to put Ireland on track towards its stated objective of reducing greenhouse gas emissions by 51% in 2030 compared to 2018 levels and of achieving climate neutrality by 2050 as shown above. These objectives are aligned with the European Union’s objective to reduce greenhouse gas emissions and to achieve climate neutrality in the European Union by 2050, as stated in Articles 2(1) and 4(1) of Regulation (EU) 2021/1119, among other EU climate and energy legislation.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 47	Related Measure: 1.9 - Carbon tax	
Name of the Milestone: Carbon tax rate trajectory legislation		
Qualitative Indicator: Provision of the legislative act indicating the entry into force of the carbon tax rate trajectory legislation		Time: Q4 2020
<p>Context:</p> <p>The objective of this reform is to help decarbonise the economy by disincentivising the use of fossil fuels, encouraging the use of renewable energy by industry and society and fostering energy efficiency gains. The reform consists in the implementation of successive annual increases in the carbon tax rate by EUR 7.50 per year between 2021 and 2025, following the trajectory that would lead to a rate of EUR 100 per tonne of CO2 emissions in 2030.</p> <p>Milestone 47 concerns the entry into force of the legislation introducing the annual rate increases. The legislation also introduces a long-term carbon price signal until 2030, consisting of annual increases of EUR 7.5 per tonne of CO2 between 2021 and 2025.</p> <p>Milestone 47 is the first step of the implementation of this reform and it will be followed by the five milestones related to the annual increase in the carbon tax by EUR 7.5 between 2021 to 2025 (Milestones 48, 49, 50, 51 and 52). The reform has a final expected date for implementation in June 2025.</p>		
Evidence provided:		

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. A **summary document** duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii. A copy of the **Finance Act 2020** (Act number 26 of 2020), enacted by the Oireachtas on 19 December 2020, signed into law by the President on 19 December 2020, published in the official journal (*Iris Oifigiúil*) on 5 January 2021.
- iii. A copy of the **Notification** of the Finance Act 2020 (Act number 26 of 2020) published in the national official journal (*Iris Oifigiúil*) on 5 January 2021.
- iv. **A screenshot of the Revenue website** where links to specific rates for each affected fuel have been published and a link to the website where it can be accessed (<https://www.revenue.ie/en/tax-professionals/ebrief/2023/no-1032023.aspx>).
- v. A copy of the **Tax and Duty Manual on Excise Duty Rates on Energy and Products and Electricity** as last updated in May 2023 and a screenshot and a link to the website where it can be accessed (<https://www.revenue.ie/en/tax-professionals/tdm/excise/excise-duty-rates/energy-excise-duty-rates.pdf>).

The authorities also provided:

- vi. A response to NRRP Commission Query on Carbon Tax Rate Calculations.
- vii. Explanatory Memorandum of the Finance Bill 2020 (<https://data.oireachtas.ie/ie/oireachtas/bill/2020/43/eng/memo/b4320d-memo.pdf>)

Analysis:

The justification and substantiating evidence provided by the Irish authorities covers all constitutive elements of the milestone.

Legislation shall have entered into force and shall have introduced the annual rate increases. It shall have set a long term carbon price signal out to 2030 on a legislative basis for the first time. Specific rates for each affected fuel shall be set in legislation and published on the Revenue website.

The Finance Act 2020 (Act number 26 of 2020), enacted by the Oireachtas on 19 December 2020, signed into law by the President on 19 December 2020, published in the official journal (*Iris Oifigiúil*) on 5 January 2021, entered into force on 19 December 2020 as evidenced on Page 31 of the official journal which states that “*The Bill for the [Finance Act 2020(No. 26 of 2020)] was signed by the President on the 19th day of December 2020 and has accordingly become law*”.

As evident from Article 27 (amendment of Chapter 1 of Part 2 of, and Schedules 2 and 2A to, Finance Act 1999 (mineral oil tax)) to Article 29 (Amendment of Chapter 3 of Part 3 of, and Schedule 1 to, Finance Act 2010 (solid fuel carbon tax)) of The Finance Act 2020 (pages 58-64), the long-term carbon price signal out to 2030 is set on a legislative basis. The carbon tax trajectory is set on a legislative basis until 2030 for all affected fuels, thus providing for a long-term carbon price signal, in the sense of an extrapolated price trend shaped by carbon tax hikes.

The Finance Act 2020 (pages 58-64) sets out specific annual rate increases for each affected fuel between 2021 and May 2030

- Mineral oil: the table in Schedule 2A Finance Act 1999, amended by the Finance Act 2020 (page 58, Article 27), provides the annual rate increase for the carbon tax for each type of mineral oil (light oil, heavy oil, liquified petroleum gas, and vehicle gas)*.

- Natural gas: the Table in subsection (1) of Section 67 of the Finance Act 2010, amended by the Finance Act 2020 (page 62, Article 28), provides the annual rate increase for the natural gas carbon tax from 1 May 2021 to 1 May 2030.
- Solid fuel: the Table in Schedule 1 of the Finance Act 2010, amended by the Finance Act 2020 (page 62-63, Article 28), specifies the annual rate increase for the natural gas carbon tax for each type of solid fuel (coal, peat briquettes, milled peat and other peat) from 1 May 2021 to 1 May 2030.

*Implementation dates of the carbon charge for mineral oils is differentiated between the different types of mineral oils. The carbon charge for petrol, aviation gasoline, and heavy oil used as propellant, for air navigation and for private pleasure navigation are 14 October 2020, 13 October 2021, 12 October 2022, 11 October 2023, and 10 October 2024 and 1 May annually for all other fuels, such as kerosene, fuel oil, liquified petroleum gas, and vehicle gas (pages 62, 63 and 64 of Finance Act 2020).

A link to the Tax and Duty Manual on Excise Duty Rates on Energy and Products and Electricity can be found on the following Revenue website: <https://www.revenue.ie/en/tax-professionals/tdm/excise/excise-duty-rates/energy-excise-duty-rates.pdf>. This Manual is updated periodically to reflect changes to Mineral Oil Tax (MOT), the Rate of Natural Gas Carbon Tax (NGCT), and the Rates of Solid Fuel Carbon Tax (SFCT). A spot check by Commission services on 2 June 2023 confirmed the active status of the website.

Current rates of Mineral Oil Tax (MOT) are detailed under Section 1 of the Tax and Duty Manual on Excise Duty Rates on Energy and Products and Electricity with a link to the Accounting for Mineral Oil Tax and Duty Manual on page 3 for historic rates.

Current rates of Solid Fuel Carbon Tax (SFCT) and Natural Gas Carbon Tax (NGCT) are detailed under Section 2 of the Tax and Duty Manual on Excise Duty Rates on Energy and Products and Electricity with links to SFCT and NGCT Compliance Procedures Manuals for historic rates.

Furthermore, in line with the description of the measure, **the reform consists in the implementation of successive annual increases in the carbon tax rate, by EUR 7,50 per year between 2021 and 2025, following the trajectory that would lead to a rate of EUR 100 per tonne of CO₂ emissions in 2030.**

As explained in Part 2, Chapter 1 (page 7) of the Explanatory Memorandum of the Finance Bill 2020 (<https://data.oireachtas.ie/ie/oireachtas/bill/2020/43/eng/memo/b4320d-memo.pdf>), *“the rate increases are based on charging an additional €7.50 per tonne of carbon dioxide emissions each year for nine years and an additional €6.50 per tonne in the tenth year”* when it should reach EUR 100. A spot check by Commission services on 28 February confirmed the active nature of the website.

The rates of carbon tax for liquid fuels, vehicle gas, natural gas and solid fuels are calculated according to formulae that translates the amount charged per tonne of CO₂ for relevant period into tax rate per litre, megawatt hour at gross calorific value and tonne respectively. The methodology underlying this calculation is explained in the note ‘Response to NRRP Commission Query on Carbon Tax Rate Calculations’, and its correct application has been verified by Commission services.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 48	Related Measure: 1.9 - Carbon tax	
Name of the Milestone: Carbon tax rate increase for 2021		
Qualitative Indicator: Administrative measures implemented as required to introduce rate increases as set out in Finance Act 2020		Time: Q2 2021

Context:

The objective of this reform is to help decarbonise the economy by disincentivising the use of fossil fuels, encouraging the use of renewable energy by industry and society and fostering energy efficiency gains. The reform consists in the implementation of successive annual increases in the carbon tax rate by EUR 7.50 per year between 2021 and 2025, following the trajectory that would lead to a rate of EUR 100 per tonne of CO₂ emissions in 2030.

Milestone 48 concerns the entry into force of the Budget and Finance Bill which would provide the carbon tax rate annual increase of EUR 7,50 per tonne of CO₂ for 2022. This increase applies to all affected fuels from the dates specified in Finance Act 2020.

Milestone 48 is the second milestone of the reform and it follows the completion of milestone 47, which concerns the entry into force of the carbon tax through the Finance Act 2020 and precedes four milestones (milestones 49, 50, 51 and 52) related to the increase in the carbon tax, by EUR 7.5, from 2022 to 2025. The reform has a final expected date for implementation in June 2025.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. A **summary document** duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii. A copy of the **Finance Act 2020** (act 26 of 2020), published in the official journal (*Iris Oifigiúil*) on 5 January 2021.
- iii. A copy of **the Finance Act 2019** (act 45 of 2019), published in the official journal (*Iris Oifigiúil*) on 3 January 2020..
- iv. A financial Statement of the Minister for Finance on Budget Day on 13 October 2020.
- v. A copy of the **Notification** of the Finance Act 2020 the national official journal (*Iris Oifigiúil*) of 5 January 2021.
- vi. Press Release of the Government and Statement of the Minister for Finance Mr. Paschal Donohoe (link: <https://www.gov.ie/en/collection/4e0ff-budget-2021/>)

Analysis:

The justification and substantiating evidence provided by the Irish authorities covers all constitutive elements of the milestone.

The Budget and Finance Bill shall have entered into force and provide for the 2021 annual increase of EUR 7,50 per tonne of CO₂ emission.

In its Financial Statement on Budget Day on 13 October 2020, the Minister for Finance mentioned that “In line with the programme for Government commitment, carbon tax will be increased by EUR 7.50 from EUR 26 to EUR 33.50 per tonne/CO₂”, as evident from the Press Release of the Government and Statement of the Minister for Finance Mr. Paschal Donohoe (link: <https://www.gov.ie/en/collection/4e0ff-budget-2021/>). A spot check by Commission services on 28 February confirmed the active status of the website. The Finance Act 2020 provides evidence of the implementation of the carbon tax rate increase (see below).

The Finance Act 2020 was entered into force on 19 December 2020 as evidenced on Page 31 of the notification of the national official journal (*Iris Oifigiúil*) which states that “The Bill for the [Finance Act 2020(No. 26 of 2020)] was signed by the President on the 19th day of December 2020 and has accordingly become law.” The Finance Act 2020 amends, among others, Finance Act 1999 and Finance Act 2010.

The Finance Act 2020 (pages 58-64) was passed into law in December 2020 and sets out the carbon tax rate increases for 2021. The rate for 2020 was EUR 26 and was increased to EUR 33.50 in 2021.

The 2021 increase in the carbon charge is legally translated as follows:

- Mineral oil: the table in Schedule 2A of Section 96 of Finance Act 1999, amended by the Finance Act 2020 (page 62), lists the 2021 carbon charge increase for each type of mineral oil (light oil, heavy oil, liquefied petroleum gas and vehicle gas). This rate is to be compared to the value for 2020 in the Finance Act 2019, Section 40 Mineral Oil Tax Carbon Charge. Point (1A)(b) of Section 96 of Finance Act 1999, amended by the Finance Act 2020 (page 58), specifies that “The rate of tax per 1,000 litres specified for each description of mineral oil, other than vehicle gas in Schedule 2A, is in proportion to the emissions of CO₂ from the combustion of the description of mineral oil concerned” ” and for vehicle gas, point (c) adds that “The rate of tax per megawatt hour at gross calorific value specified for vehicle gas in Schedule 2A is in proportion to the emissions of CO₂ from the combustion of natural gas.”, hence translating the annual additional EUR 7.50 per tonne of CO₂. The methodology underlying this computation is further explained in the note ‘Response to NRRP Commission Query on Carbon Tax Rate Calculations’ submitted as evidence for M47, and its correct application has been verified by Commission services.
- Natural gas: the Table in subsection (1) of Section 67 of the Finance Act 2010, amended by the Finance Act 2020 (page 63), provides the rate increase for 1 May 2021. This rate is to be compared with the Finance Act 2019 Section 45 Natural Gas Carbon Tax. Subsection (3) of Section 67 of the Finance Act 2020 specifies that “The rate of tax per megawatt hour at gross calorific value for natural gas specified in the Table to subsection (1) is in proportion to the emissions of CO₂ from the combustion of natural gas”, hence translating the annual additional EUR 7.50 per tonne of CO₂. The methodology underlying this computation is further explained in the note ‘Response to NRRP Commission Query on Carbon Tax Rate Calculations’ submitted as evidence for M47, and its correct application has been verified by Commission services.
- Solid Fuel: the table in Schedule 1 of the Finance Act 2010, amended by the Finance Act 2020 (page 64), specifies rate increase for 1 May 2021 for each type of solid fuel (coal, peat briquettes, milled peat and other peat) from 1 May 2021 to 1 May 2025. This rate is to be compared with the Finance Act 2019 Section 46 Solid Fuel Carbon Tax. Point (2) of Section 78 of the Finance Act 2020 specifies that “The rate of tax per tonne for each description of solid fuel specified in Schedule 1 is in proportion to the emissions of CO₂ from the combustion of the solid fuel concerned”, hence translating the annual additional EUR 7.50 per tonne of CO₂. The methodology underlying this computation is further explained in the note ‘Response to NRRP Commission Query on Carbon Tax Rate Calculations’ submitted as evidence for M47, and its correct application has been verified by Commission services.

This increase applies to all affected fuels from the dates specified in Finance Act 2020.

Specific charges apply to each affected fuel listed in the Finance Act 2020 at the following dates:

- 14th October 2021 for certain mineral oil products and 1 May 2021 for the others, as set out in Schedule 2A of page 62 of the Finance Act 2020 for Mineral Oils;
- 1 May 2021 for natural gas, as set out in the Table ‘Rates of Natural Gas’ on page 63 of the Finance Act 2020; and
- 1 May 2021 for solid fuels, as set out in Schedule 1 of page 64 of the Finance Act 2020.

The Council Implementing Decision required for the Budget and Finance Bill to have entered into force and provide for the 2021 annual increase of EUR 7,50 per tonne of CO₂ emissions. Instead, the Finance Act 2020 has been adopted, and entered into force on 19 December 2020, as evident from the publication in the Official Journal (*Iris Oifigiúil*). The Finance Act 2020 establishes the increase of

the carbon charge by EUR 7,50 per tonne CO₂ emitted as evident from section 26, 27 and 28. Unlike the Budget announcement, which is essentially a policy statement of the planned tax and spending changes, the Finance Act is an act of parliament. The legal basis for the Finance Act is laid down in Article 17 of the Irish Constitution, which assigns the Dáil Éireann (lower house of parliament) the power to approve taxation and expenditure. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, the relevant legislation has entered into force and provides for the 2021 annual increase of the carbon charge. The Finance Act is the primary legislative vehicle through which the budget measures are implemented into law and provides the legal basis for changes in taxation and other financial matters approved in the budget. As of this, this minimal deviation does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 49	Related Measure: 1.9 - Carbon tax	
Name of the Milestone: Carbon tax rate increase for 2022		
Qualitative Indicator: Administrative measures implemented as required to introduce rate increases as set out in Finance Act 2020		Time: Q2 2022
<p>Context:</p> <p>The objective of the reform is to help decarbonise the economy by disincentivising the use of fossil fuels, encouraging the use of renewable energy by industry and society and fostering energy efficiency gains. The reform consists in the implementation of successive annual increases in the carbon tax rate by EUR 7.50 per year between 2021 and 2025, following the trajectory that would lead to a rate of EUR 100 per tonne of CO₂ emissions in 2030.</p> <p>Milestone 49 concerns the entry into force of the Budget and Finance Bill which would provide the carbon tax rate annual increase of EUR 7,50 per tonne of CO₂ for 2022. This increase applies to all affected fuels from the dates specified in Finance Act 2020.</p> <p>Milestone 49 is the third milestone of the reform, and it follows the entering into force of the legislation on the carbon tax (milestone 47) and its implementation in 2021 (milestone 48) and precedes three milestones (50, 51 and 52), related to the increase in the carbon tax, by 7.5 EUR, from 2023 to 2025. The reform has a final expected date for implementation in June 2025.</p>		
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. A summary document duly justifying how the target (including all its relevant elements, as listed in the description of the target and of the corresponding measure in the CID Annex) has been satisfactorily fulfilled. ii. A copy of the Finance Act 2020. iii. A copy of the Finance Act 2019. iv. The financial Statement of the Minister For Finance on Budget Day on 12 October 2021. v. A copy of the Notification of the Finance Act 2020 published in the national official journal (<i>Iris Oifigiúil</i>) of 5 January 2021. 		

vi. Press Release of the Government and Statement of the Minister for Finance Mr. Paschal Donohoe (link: <https://www.gov.ie/en/collection/11178-budget-2022/>).

Analysis:

The justification and substantiating evidence provided by the Irish authorities covers all constitutive elements of the milestone.

The Budget and Finance Bill shall have entered into force and shall provide for the 2022 annual increase of EUR 7,50 per tonne of CO2 emission.

In its Financial Statement on Budget Day on 12 October 2021, the Minister For Finance mentioned that “The Finance Act 2020 provided for annual increments in the carbon tax of EUR 7.50 out to 2030”, as evident from the Press Release of the Government and Statement of the Minister for Finance Mr. Paschal Donohoe (link: <https://www.gov.ie/en/collection/11178-budget-2022/>). A spot check by Commission services on 28 February confirmed the active status of the website. The Finance Act 2020 provides evidence of the implementation of the carbon tax rate increase (see below).

The Finance Act 2020 was passed into Law in December 2020 as evidenced on Page 31 the national official journal (*Iris Oifigiúil*) which states that “The Bill for the [Finance Act 2020 (No. 26 of 2020)] was signed by the President on the 19th day of December 2020 and has accordingly become law.”

The Finance Act 2020 (pages 58-64) was passed into law in December 2020 and sets out the carbon tax rate increases for 2021. The rate for 2021 was EUR 33.50 and was increased to EUR 41 in 2022. T

The 2022 increase in the carbon charge is legally translated as follows:

- Mineral oil: the table in Schedule 2A of Section 96 of Finance Act 1999, amended by the Finance Act 2020 page 62, lists the 2022 carbon charge increase for each type of mineral oil (light oil, heavy oil, liquefied petroleum gas and vehicle gas). This rate is to be compared to the value for 2021 in the same table. Point (1A)(b) of Section 96 of Finance Act 1999, amended by the Finance Act 2020 page 58, specifies that “The rate of tax per 1,000 litres specified for each description of mineral oil, other than vehicle gas in Schedule 2A, is in proportion to the emissions of CO2 from the combustion of the description of mineral oil concerned” and for vehicle gas, point (c) adds that “The rate of tax per megawatt hour at gross calorific value specified for vehicle gas in Schedule 2A is in proportion to the emissions of CO2 from the combustion of natural gas.”, hence translating the annual additional EUR 7.50 per tonne of CO2. The methodology underlying this computation is further explained in the note ‘Response to NRRP Commission Query on Carbon Tax Rate Calculations’ submitted as evidence for M47, and its correct application has been verified by Commission services.
- Natural gas: the Table in subsection (1) of Section 67 of the Finance Act 2010, amended by the Finance Act 2020 page 63, provides the rate increase for 1 May 2022. This rate is to be compared with the value for 2021 in the same table. Subsection (3) of Section 67 of the Finance Act 2010 specifies that “The rate of tax per megawatt hour at gross calorific value for natural gas specified in the Table to subsection (1) is in proportion to the emissions of CO2 from the combustion of natural gas”, hence translating the annual additional EUR 7.50 per tonne of CO2. The methodology underlying this computation is further explained in the note ‘Response to NRRP Commission Query on Carbon Tax Rate Calculations’ submitted for M47, and its correct application has been verified by Commission services.

- Solid Fuel: the table in Schedule 1 of the Finance Act 2010, amended by the Finance Act 2020 page 64, specifies rate increase for 1 May 2022 for each type of solid fuel (coal, peat briquettes, milled peat and other peat) from 1 May 2021 to 1 May 2025. This rate is to be compared with the value for 2021 in the same table. Point (2) of Section 78 of the Finance Act 2010 specifies that “The rate of tax per tonne for each description of solid fuel specified in Schedule 1 is in proportion to the emissions of CO2 from the combustion of the solid fuel concerned”, hence translating the annual additional EUR 7.50 per tonne of CO2. The methodology underlying this computation is further explained in the note ‘Response to NRRP Commission Query on Carbon Tax Rate Calculations’ submitted as evidence for M47, and its correct application has been verified by Commission services.

This increase shall apply to all affected fuels from the dates specified in Finance Act 2020.

Specific charges apply to each affected fuel listed in the Finance Act 2020 at the following dates:

- 12 October 2022 for certain mineral oil products and 1 May 2022 for the others, as set out in Schedule 2A of page 62 of the Finance Act 2020 for Mineral Oils;
- 1 May 2022 for natural gas, as set out in the Table ‘Rates of Natural Gas’ on page 63 of the Finance Act 2020; and
- 1 May 2022 for solid fuels, as set out in Schedule 1 of page 64 of the Finance Act 2020.

The Council Implementing Decision required for the Budget and Finance Bill to have entered into force and provide for the 2021 annual increase of EUR 7,50 per tonne of CO2 emissions. Instead, the Finance Act 2020 has been adopted, and entered into force on 19 December 2020, as evident from the publication in the Official Journal (*Iris Oifigiúil*). The Finance Act 2020 establishes the increase of the carbon charge by EUR 7,50 per tonne CO2 emitted as evident from section 26, 27 and 28. Unlike the Budget announcement, which is essentially a policy statement of the planned tax and spending changes, the Finance Act is an act of parliament. The legal basis for the Finance Act is laid down in Article 17 of the Irish Constitution, which assigns the Dáil Éireann (lower house of parliament) the power to approve taxation and expenditure. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, the relevant legislation has entered into force and provides for the 2022 annual increase of the carbon charge. The Finance Act is the primary legislative vehicle through which the budget measures are implemented into law and provides the legal basis for changes in taxation and other financial matters approved in the budget. As of this, this minimal deviation does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 53	Related Measure: 2.1 - Development of a shared Government data centre	
Name of the Milestone: Signature of the contract for the building of the data centre facility		
Qualitative Indicator: Signature of the contract		Time: Q1 2022
Context:		
The objective of this investment is to replace the Government’s outdated current public server rooms and data centre facilities with a centralised, more secure and energy efficient solution.		

Milestone 53 concerns the signing of a contract awarding the building of the data centre, including all mechanical and electrical components.

Milestone 53 is the first step of the implementation of the investment and will be followed by milestone 54, related to completion of the construction, and milestone 55, related to at least 4 government organisations migrating their servers and services to the data centre. The investment has a final expected date for implementation by Q4 2025.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. A **summary document** duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii. The signed **contract** between the Office of Public Works and Designer Group Engineering Contractors limited dated 23 December 2022.
- iii. The main **cooling system technical specification document** issued for tender by Cundall (Ireland) limited on 8 October 2021.

The authorities also provided:

- iv. The **business case** for the building of a government data centre at Backweston campus submitted by Crowe Ireland in July 2022.
- v. The **data centre works proposal** submitted by Designer Group as part of the tender process.
- vi. **Construction drawings** for the future combined heat and power system submitted by Cundall.
- vii. **Government Statement on the Role of Data Centres in Ireland's Enterprise Strategy** published by the Department of Enterprise, Trade and Employment in July 2022.

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

The contract awarding the building construction, mechanical and electrical fit out of the data centre shall have been signed.

Following a procurement exercise by the Office of Public Works a letter of acceptance (page 147 of the contract) was sent by the Office of Public Works to the contractors, Designer Group, on 23 December 2022. The contract between the Office of Public Works and Designer Group was signed on the same day. The signatures can be found on page 108 of the contract. Page 107 of the contract indicates that the contract consists in the works requirements, the pricing document and the data centre works proposal. Section 2a of the data centre works proposal (pages 8-21) outlines the construction of the building while section 3c of the data centre works proposal (pages 46-56) outlines the mechanical and electrical services.

Furthermore, in line with the description of the measure, **the shared Government data centre developed at the Backweston Campus shall function in a more environmentally friendly manner, including by using the data centre's waste heat for other buildings.**

Page 12 of the cooling system technical specification document specifies that the cooling technology of the data centre should be based on indirect adiabatic cooling. This works by using ambient air to cool down water, which is then used to cool the data centre equipment through a heat exchanger. The cool air never comes into direct contact with the IT equipment, which makes it a safe and efficient

way to cool a data centre. This method is particularly useful in Ireland, where the climate is cool and damp. Page 6 of the cooling system technical specification document explains this method will be applied in the new public sector data centre. This contrasts with the currently over 100 government server rooms and small data centres, most of which are outdated and inefficient in terms of location, costs, security, and energy efficiency.

Pages 1-6 of the construction drawings demonstrate the project's commitment to a future combined heat and power system (CHP). CHP is a system that simultaneously generates electricity, in this case used in part for the heat exchanger, and useful thermal energy from a single fuel source. The waste heat produced by the generator is captured and used to provide heating for nearby buildings. The construction drawings show that infrastructure and space are provided to allow future utilisation of CHP. Page 1 of the construction drawings shows that a double height plant room has been left vacant for a future potential CHP plant. Pages 3-6 of the construction drawings show that electrical switchgears are included to facilitate a future CHP circuit breaker, which ensures heat can be distributed safely and efficiently.

Page 17 of the business case by Crowe, an independent business advisory firm, confirms that, due to the Backweston site selection and the existence of buildings on the site, the Office of Public Works will be able to take advantage of the CHP solution to heat other buildings on the campus. Further justifying that CHP might soon be activated, page 14 of the business case by Crowe suggests that a new forensics science laboratory is currently under construction and some of the basic infrastructure required for the use of the waste heat from the data centre is being installed as part of that project.

Furthermore, in line with the description of the measure, **the data processing shall result in demonstrated substantial life-cycle greenhouse gas emissions savings.**

As mentioned in the description of milestone 55, the demonstrated life-cycle greenhouse gas emission savings are measured through reductions in Power Usage Effectiveness (PUE). PUE is a metric used to assess the energy efficiency of a data centre and is calculated by dividing the total amount of power consumed by the data centre by the amount of power consumed by the IT equipment alone. The closer the PUE value is to 1, the more efficient is the data centre, as a greater share of the power consumed is being used by the IT equipment and not by other functions, such as cooling needs, lighting and surveillance equipment.

Page 14 of the business case submitted by Crowe shows that the target PUE for the government data centre at Backweston campus will be 1.2, in line with the Climate Neutral Data Centre Pact target of 1.3 for new data centres in cool climates, as stated on page 19 of the Government Statement on the Role of Data Centres in Ireland's Enterprise Strategy. The Climate Neutral Data Centre Pact is an industry self-regulatory initiative working in cooperation with the European Commission. Page 30 of the business case submitted by Crowe further contains a sensitivity analysis which shows that the advantages of building a shared data centre over maintaining the *status quo* will remain even if the project manages to achieve a PUE of only 1.5. Page 30 of the business case submitted by Crowe further shows that power usage per rack (that is, steel and electronic framework designed to house servers and other electronics) would be lower in the new Data Centre compared to a comparable Revenue Commissioners' data centre at St John's Road. The Revenue Commissioners' is one of the four organisations expected to transition its servers and services following the completion of the Backweston data centre as part of milestone 55.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 56

Related Measure: 2.2 - Digital Transformation of Irish Enterprise

Name of the Milestone: Launch of calls for proposals**Qualitative Indicator:** Publication of calls for proposals**Time:** Q2 2022**Context:**

The objective of this investment is to boost the uptake of digital technology in enterprises, particularly small and medium-sized enterprises, by supporting selected digitalisation projects through grant funding.

Milestone 56 concerns the publishing of initial calls for proposals for grant funding under digitalisation schemes. The terms of reference of the calls shall include eligibility criteria that comply with the 'Do no significant harm' Technical Guidance through the use of an exclusion list.

Milestone 56 is the first step of the implementation of the investment and will be followed by target 58, related to 720 companies receiving grant funding for the implementation of digitalisation schemes. Milestone 57, related to the establishment of European Digital Innovation Hubs, shall also support companies in undertaking the digital transformation. The investment has a final expected date for implementation by Q2 2026.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. This includes a justification that the terms of reference of the calls are fully aligned with the requirements set out in the description of the milestone and of the corresponding measure in the CID Annex.
- ii. A **website printout of the Enterprise Agencies** containing a copy of the publication of the calls for proposal which include the exclusion principle that ensures compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) and with the requirement of compliance with the relevant EU and national environmental legislation, as specified in the CID Annex. Links to where the websites are available:
 - a. **Enterprise Ireland** (<https://www.enterprise-ireland.com/en/funding-supports/Digital-Transition-Fund/Digital-Transition-Fund.html>).
 - b. **Industrial Development Agency** (<https://www.idaireland.com/getmedia/1fafe806-50d7-413e-91be-1cb440ba7d70/Business-Development-Programme.pdf>).
 - c. **Údarás na Gaeltachta**. (<https://udaras.ie/an-ciste-trasdula-digiteach/>).
- iii. A copy of the '**Digital Transition Fund**' reference document by Enterprise Ireland from 9 May 2022 used by government and enterprise agencies administering the fund.

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

The initial calls for proposals by Enterprise Agencies for all elements of the programme (such as the voucher schemes) shall have been published.

The website printout of the Enterprise Agencies indicates that the initial calls for proposals for nine digitalisation schemes have been issued by Enterprise Ireland, the Industrial Development Agency, and *Údarás na Gaeltachta*. The status of the above websites was confirmed as being currently online by Commission services on 1 August 2023.

The grant funding under the Digital Transition Fund is split in nine digitalisation schemes, each supporting different activities linked to digitalisation. Track 2 (pages 8-9) and track 3 (pages 9-10) of the 'Digital Transition Fund' reference document provide a breakdown of the nine funding schemes available. Each funding scheme covers a percentage of the total costs up to a maximum. Pages 5-6 of the website printout of the Enterprise Agencies show that eight of the nine funding schemes are covered and publicly available in the call by Enterprise Ireland. Pages 9-11 of the website printout of the Enterprise Agencies show the last funding scheme (the "business development programme") is covered and publicly available in the call by the Industrial Development Agency.

The funding schemes include voucher schemes such as the Digital Discovery scheme (previously named "digitalisation voucher"), where grant funding is provided for 80% up to a maximum of EUR 6 300 (EUR 5 000 grant) to pay an external consultancy to develop a digital strategy.

Funding requests are collected and processed by the enterprise agencies (Enterprise Ireland, the Industrial Development Agency, and *Údarás na Gaeltachta*), with the Department of Enterprise, Trade and Employment only referring to the relevant agencies on its website. The different agencies delivering the Digital Transition Fund each support a different cohort of enterprises under each of the different digitalisation schemes. This is done in order to maximise the uptake and effectiveness of each scheme. Enterprise Ireland typically supports Irish businesses that either are engaged in exporting products/services or have the potential to do so in the future. The Industrial Development Agency supports the activities of international companies with a presence in Ireland. *Údarás na Gaeltachta* is a regional body focused on development of local Gaeltacht enterprises, the districts of Ireland where Irish is recognised as the primary language. For this reason, the call is published both in English and Irish.

...with terms of reference including eligibility criteria that ensure that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.

More specifically, in line with the description of the measure, **the eligibility criteria contained in terms of reference for upcoming calls for projects shall exclude the following list of activities: (i) activities related to fossil fuels, including downstream use²; (ii) activities under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks³; (iii) activities related to waste landfills, incinerators⁴, and mechanical biological treatment plants⁵; and (iv) activities where the long-term disposal of waste may cause harm to the environment.**

2 Except projects under this measure in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the 'Do no significant harm' Technical Guidance (2021/C58/01).

3 Where the activity supported achieves projected greenhouse gas emissions that are not substantially lower than the relevant benchmarks an explanation of the reasons why this is not possible should be provided. Benchmarks established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447.

4 This exclusion does not apply to actions under this measure in plants exclusively dedicated to treating non-recyclable hazardous waste, and to existing plants, where the actions under this measure are for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided such actions under this measure do not result in an increase of the plants' waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

5 This exclusion does not apply to actions under this measure in existing mechanical biological treatment plants, where the actions under this measure are for the purpose of increasing energy efficiency or retrofitting to recycling operations of separated waste to compost bio-waste and anaerobic digestion of bio-waste, provided

The website printout of the Enterprise Agencies shows that, for each enterprise agency, the calls include terms of reference that contain exclusion principles that ensure compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) and the requirement of compliance with the relevant EU and national environmental legislation. On the website printout of the Enterprise Agencies, the terms of reference can be found on page 7 for Enterprise Ireland, pages 10-11 for the Industrial Development Agency and pages 13 and 16 for Údarás na Gaeltachta. The exclusion list on the website printout of the Enterprise Agencies, included in the terms of reference, is identical to those included in the description of the measure. The website printout of the Enterprise Agencies includes the requirement that selected projects comply with relevant EU and national environmental legislation.

Furthermore, in line with the description of the measure, **the investment consists in supporting programmes aimed at the digitalisation of companies in Ireland, such as developing an online presence, digitalisation of products and business processes, and using digital technologies to develop new markets and business models.**

Pages 8-10 of the ‘Digital Transition Fund’ reference document show that the schemes opened in the call are aimed at digitalisation of companies of companies in Ireland as envisaged. In particular, the Digital Marketing Capability scheme helps companies develop an online presence and uses digital technologies to develop new markets and business models. In addition, the Digital Discovery and Digital Process Innovation schemes support the digitalisation of products and business processes.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 59	Related Measure: 2.3 - Programme to provide digital infrastructure and funding to schools		
Name of the Target: Connection of schools to broadband network			
Qualitative Indicator: Number	Baseline: 0	Target: 750	Time: Q2 2022
Context:			
<p>The objective of this investment is to equip learners of primary and post-primary schools with appropriate digital skills. The first sub-measure (2.3.1) aims to provide high-speed broadband connectivity for 990 primary schools, while the second sub-measure (2.3.2) aims to fund information and communications technology infrastructure for 3 415 primary and post-primary schools.</p> <p>Target 59 relates to the first sub-measure and concerns the installation of routers and connection to Ireland’s National Education and Research broadband network in 750 primary schools.</p> <p>Target 59 is the first target of the investment sub-measure 2.3.1 and will be followed by target 60. Target 60 also relates to the installation of routers and connection to Ireland’s National Education and Research broadband network to reach a total 990 primary schools. The investment sub-measure has a final expected date for implementation by Q3 2022.</p>			
Evidence provided:			
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:			

such actions under this measure do not result in an increase of the plants’ waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

- i. A **summary document** duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled.
- ii. The **list of schools connected** provided by HEAnet as of July 2023 including name of the school; number of pupils; technical specifications of the connection; and location.

In the context of the sampling analysis, additional evidence was provided for a sample of 60 units including:

- iii. **Sign-off sheets** provided by the retail service providers to HEAnet upon installation of a router and signed by the school principal or delegate.
- iv. **Confirmation of connection certificates** issued by the HEAnet and signed by the retail service provider.

The authorities also provided:

- v. The **invitation to tender** sent by HEAnet to shortlisted service providers on 11 December 2020.
- vi. A copy of the **Digital Strategy for Schools** to 2027 and a link to the website where it can be accessed (<https://www.gov.ie/pdf/?file=https://assets.gov.ie/221285/6fc98405-d345-41a3-a770-c97e1a4479d3.pdf#page=null>).
- vii. A copy of the **digital learning framework national longitudinal evaluation report** by the educational research centre in June 2021 and a link to the website where it can be accessed (<https://www.erc.ie/wp-content/uploads/2021/06/DLF-W1-full-report.pdf>).

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

The Retail Service Providers shall have installed routers in at least 750 primary schools. These schools shall have been connected to HEAnet schools broadband network.

The procurement process for the installation of the routers began through the publication of a call for tender on 15 December 2021 by HEAnet, Ireland's National Education and Research Network. Page 9 of the invitation to tender for shortlisted service providers states that the objective is to establish a multi-provider framework for the installation, maintenance, repair and line rental of high-speed access connections to schools. Subsequently, the service providers selected under the framework were able to participate in a series of mini-competitions to install routers and connect them to the HEAnet broadband network as specified in appendix A (pages 32-39) of the invitation to tender. Installation works took place throughout 2022 and continued in 2023.

The list of schools connected provided by HEAnet includes 917 primary schools where routers were installed in 2022 and the first half of 2023. For each primary school the list of schools connected to HEAnet schools broadband network includes a unique identifier, the school's name, address, enrolment number, the maximum bandwidth speed, the provider of the installation and the type of technology used (fibre or wireless). Pages 44-45 of the Digital Strategy for Schools confirm that this investment involves primary schools.

The information in the list of schools was verified by the Commission through a sampling exercise. The evidence provided for a sample of 60 units randomly selected by the Commission confirms the installation of the routers and the connection of the schools to the HEAnet schools broadband network. For each primary school, the evidence included a sign-off sheet and a confirmation of connection certificate.

The sign-off sheets sent by the service providers to HEAnet include the name of the service provider and router model, the name and unique roll number of the primary school, as well as the signature of the school principal or representative certifying the installation of the router. The confirmation of

connection certificates include the name and unique roll number of the primary school, the name of service provider and router model matching the sign-off sheets. In addition, the confirmation of connection certificates provide additional information such as the bandwidth speed and connection details. The certificates are electronically signed by the HEAnet and the service provider certifying the connection to the HEAnet schools broadband network. All samples are supported by the necessary evidence, except for two of them. For samples 20 and 22, the respective sign-off sheet was missing.

On this basis, a statistical analysis has been carried out comparing the reported 917 records and the target of 750, with the 60 samples, out of which 58 have been considered as successful. The conclusion is that the CID target of 750 has been over-achieved.

Furthermore, in line with the description of the measure, **the measure contributes to addressing regional and digital divide and disparities in Ireland.**

Page 41 of the digital learning framework national longitudinal evaluation report shows that at primary level, smaller schools and rural schools in the delivering equality of opportunity in schools programme had the lowest ratings of connectivity. Page 4 of the Digital Strategy for Schools includes the government commitment to invest to ensure that all schools, regardless of location, are provided with appropriate broadband connectivity. Page 45 of the Digital Strategy for Schools further explains that the project funded by the EU Recovery and Resilience Facility is separate from the planned commercial provision and implementation of the National Broadband Plan. Schools included in this project were identified as being outside of the National Broadband Plan Intervention Area implementation or commercial possibilities. This is often due to the school size or location. Allowing those schools to remain on a lesser-quality broadband service would have led to disparities between schools and the potential to create a regional and digital divide.

Furthermore, in line with the description of the measure, the sub-measure **shall provide high-speed broadband connectivity for primary schools.**

Pages 44-45 of the Digital Strategy for Schools define 100 megabits per second as a minimum level of high-speed broadband connectivity for primary schools. Page 37 of the invitation to tender includes bandwidth requirements which specify that for primary schools both upstream and downstream bandwidth capacity will be a minimum of 100 megabits per second.

The list of schools connected includes a column on broadband speed which confirms that almost all schools were connected with bandwidth capacity of 100 megabits per second, with two schools having a capacity of 200 megabits per second. For a sample of 60 units randomly selected by the Commission, the technical specification sheets sent by the service providers to HEAnet confirmed the information in the list of schools connected.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 61	Related Measure: 2.3 - Digital Infrastructure and Funding to Schools – ICT infrastructure	
Name of the Milestone: Publication of the circular to schools to communicate the funding criteria		
Qualitative Indicator: Publication of the circular to schools		Time: Q3 2021
Context:		
The objective of this investment is to improve digital infrastructure of schools to ensure that learners are equipped with the appropriate digital skills. This is done by two distinct sub-measures. The first sub-measure consists of installing high-speed routers in primary schools, the second sub-measure		

consists of providing funding for Information and Communications Technology (ICT) infrastructure for primary and post-primary schools.

Milestone 61 relates to the second sub-measure (2.3.2 Digital Infrastructure and Funding to Schools – ICT Infrastructure) and requires the publication of a circular to schools to communicate the criteria and mechanism of the funding for ICT infrastructure.

Milestone 61 is the first step of the implementation of the sub-measure related to providing funding for ICT infrastructure and it will be followed by target 62, related to the issuing of funding for at least 3 415 primary and post-primary schools. The sub-measure has a final expected date for implementation by Q4 2021.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. A **summary document** duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii. **Circular 0060/2021** - Grant scheme for EU NRRP Funding to schools to address the Digital Divide and Learners at risk of educational disadvantage, published the Department of Education website on 20 November 2021 and a link to the website where it can be accessed (<https://www.gov.ie/en/circular/b4fea-grant-scheme-for-eu-nrrp-funding-to-schools-to-address-the-digital-divide-and-learners-at-risk-of-educational-disadvantage/>).

The authorities also provided:

- iii. A **screenshot of the publication** of Circular 0060/2021 on the Department of Education’s website on 30 November 2021.
- iv. A copy of the **digital learning framework national longitudinal evaluation report** by the educational research centre in June 2021 and a link to the website where it can be accessed (<https://www.erc.ie/wp-content/uploads/2021/06/DLF-W1-full-report.pdf>).

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

The funding criteria and mechanisms of the programme shall have been finalised and communicated to schools through the publication of a circular for schools.

Pages 3 to 5 of circular 0060/2021 provide detailed criteria applying to the funding. These include eligibility criteria, information on the permitted use of funding, and guidance for expenditure on infrastructure and reporting requirements on the use of funds. Pages 7 and 8 of circular 0060/2021 further provide guidance on tender procedures and record keeping requirements.

Pages 6 to 7 of circular 0060/2021 provide details on the mechanism of calculation and issuance of the funding. These include guidance on how the funding will be paid to, or recovered from, schools, as well as showing tables with grant rate information for primary and post-primary schools.

The screenshot of the publication shows Circular 0060/2021 to schools communicating the funding criteria was published on 30 November 2021. It is publicly available at the aforementioned web address. A spot check by Commission services on 2 June 2023 confirmed the active nature of the website. The header of circular 0060/2021 (page 1) notes that it is addressed to all managerial authorities, principals and teachers of recognised primary, secondary, community and comprehensive schools, as well as the chief executives of education and training boards.

Furthermore, in line with the description of the measure, **the investment contributes to addressing regional and digital divide and disparities in Ireland.**

The weighting applied to the funding, included in pages 6 and 7 of Circular 0060/2021 shows that funding is proportionally doubled for schools in the DEIS programme. As schools included in the DEIS programme tend to have a greater percentage of students from disadvantaged areas, measured at a small area level, the structure of the funding acts in a way that can counter-balance relative regional disparities by targeting digital learning support particularly at relatively more deprived areas and pupils.

In addition, pages 6 and 7 of Circular 0060/2021 ensure that smaller schools received a proportionally higher rates of funding per student compared to larger schools. This is important as page 41 of the digital learning framework national longitudinal evaluation report shows that at primary level, smaller schools and rural schools in the DEIS programme had the lowest ratings of digital infrastructure and connectivity. Similarly, page 93 of digital learning framework national longitudinal evaluation report indicates that at post-primary level, schools with a small enrolment have significantly lower levels of digital infrastructure and connectivity. By allocating proportionally more funding per student to smaller schools — which tend to score worse in terms of the digital divide — the measure contributes to addressing the digital divide between schools.

Furthermore, in line with the description of the measure, the sub-measure **shall fund the access to ICT infrastructure, notably by supporting schools to provide digital devices and software.**

Page 2 of circular 0060/2021 specifies that funding must be used for the purchase of ICT infrastructure to target learners at risk of educational disadvantage due to lack of access to relevant digital technologies that facilitate and support participation, attendance and retention and to ensure equity of access to the curriculum. Pages 3-5 of circular 0060/2021 explains in greater detail to schools how to use this funding . This includes computing devices or other ICT equipment, which can be loaned to students or placed in a computer room, cloud-based tools and applications, or local software and applications. A requirement to report the usage of the funding is included on page 5 of circular 0060/2021.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 62	Related Measure: 2.3 - Programme to provide digital infrastructure and funding to schools		
Name of the Target: Funding issued to primary and post-primary schools			
Qualitative Indicator: Number	Baseline: 0	Target: 3 415	Time: Q4 2021
Context:			
<p>The objective of this investment is to equip learners of primary and post-primary schools with appropriate digital skills. This is done by two distinct sub-measures. The first sub-measure aims to provide high-speed broadband connectivity for 990 primary schools, while the second sub-measure aims to fund ICT infrastructure for 3 415 primary and post-primary schools.</p> <p>Target 62 concerns the receipt of funding for ICT infrastructure to at least 3 415 primary and post-primary schools.</p> <p>Target 62 is the second and last milestone or target of the investment sub-measure related to providing funding for ICT infrastructure, and it follows the completion of milestone 61, related to the</p>			

publication of a circular to schools communicating the funding criteria and mechanisms. This circular in milestone 61 shall have communicated the criteria and mechanism of the funding under target 62.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. A **summary document** duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled.
- ii. A **list of schools receiving funding** from the Department of Education.

In the context of the sampling analysis, additional evidence was provided for a sample of 60 units including:

- iii. Copies of **bank statements** showing evidence of reception of funding by the schools.
- iv. Copies of **detailed income and expenditure accounts included in the financial statements** showing evidence of reception of funding by the schools.
- v. Copies of **remittance advices showing transfer to the schools**.
- vi. Copies of **internal communication showing the allocation of funding** to the schools.
- vii. **Declarations by the Education and Training Boards representatives** confirming receipt of funding on behalf of the schools.
- viii. Copies of **Descriptions of the type of projects financed** by the measure.

The authorities also provided:

- ix. A copy of **Circular 0060/2021** - Grant scheme for EU NRRP Funding to schools to address the Digital Divide and Learners at risk of educational disadvantage, published on the Department of Education website on 30 November 2021 and a link to the website where it can be accessed (<https://www.gov.ie/en/circular/b4fea-grant-scheme-for-eu-nrrp-funding-to-schools-to-address-the-digital-divide-and-learners-at-risk-of-educational-disadvantage/>).
- x. A **screenshot of the publication** of Circular 0060/2021 on the Department of Education's website on 30 November 2021.
- xi. A copy of a **press release** from the Department of Education on 6 December 2021 announcing the issue of the funding and a link to the website where it can be accessed (<https://www.gov.ie/en/press-release/d9805-minister-foley-announces-issue-of-50-million-funding-to-primary-and-post-primary-schools-to-address-the-digital-divide-under-irelands-national-recovery-and-resilience-plan/>).
- xii. A copy of the **official lists of primary and post-primary schools under** Delivering Equality of Opportunity in Schools (DEIS) programme for the year 2021-2022 and a link to the website where it can be accessed (<https://assets.gov.ie/39195/d56ceff4f65d4782b1cc87323a5f72c5.xls>).
- xiii. Copy of the **DEIS identification process report** by the Department of Education and Skills and a link to the website where it can be accessed (<https://www.gov.ie/pdf/?file=https://assets.gov.ie/197884/58b91208-376c-46da-8911-3513e13c3fb5.pdf#page=null>).
- xiv. A copy of the **digital learning framework national longitudinal evaluation report** by the educational research centre in June 2021 and a link to the website where it can be accessed (<https://www.erc.ie/wp-content/uploads/2021/06/DLF-W1-full-report.pdf>).

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

At least 3 415 primary and post-primary schools shall have received the funding for access to ICT infrastructure.

Following the publication of Circular 0060/2021 on 30 November 2021, as shown by the screenshot of the publication, transfers were made to 3 923 schools. The press release from the Department of Education on 6 December 2021 announced the issue of EUR 50 million in grant funding to schools to address the digital divide. The list of schools receiving funding includes two tabs, one with 3 241 primary schools and the other with 682 post-primary schools. The list of schools receiving funding includes, for each school, a unique identifier, name, address, enrolment number, grant amount received and whether the school is included in the Delivering Equality of Opportunity in Schools (DEIS) programme.

The information in the list of schools receiving funding was verified by the Commission through a sampling exercise. The evidence provided for a sample of 60 schools randomly selected by the Commission confirms the schools have received the funding for access to ICT infrastructure in December 2021.

For each school, Ireland provided evidence either in the form of a bank statement of the school, or a detailed income and expenditure account included in the financial statement of the school or a remittance advice showing transfer to the school. For four sampled schools that operate directly under Ireland's Education and Training Boards without a separate bank account, the evidence included internal communication showing the allocation of funding, as well as declarations by the Education and Training Boards representatives confirming receipt of funding on behalf of the school. In all cases, the amount of funding was equal or greater than the amount shown in the list of schools receiving funding, which follow the grant rates as defined on pages 6 and 7 of Circular 0060/2021.

For the same sample of 60 schools Ireland also provided a description of the type of projects financed by the measure. The description was provided by individual schools. The description also contained an indication of the learners that benefitted from the project. The descriptions of the type of projects financed confirm that the projects financed were related to access to ICT infrastructure as defined on pages 4 and 5 of Circular 0060/2021.

Schools shall receive funding based on the profile of the school, including socio-economic factors, to target learners at risk of educational disadvantage.

The DEIS programme is a national scheme which aims to give tailored support to schools that have a high concentration of disadvantaged students. Pages 3-4 of the DEIS identification process report shows that the DEIS methodology primarily uses primary and post-primary pupil data and the Small Area Haase-Pratschke (HP) Deprivation Index data from the census, a measure of relative affluence or disadvantage of a small area. Small areas are the lowest level of geographical unit for the compilation of statistics in line with data protection, on average comprising just under 100 dwellings. By anonymising pupil address data, comparing it with small area HP deprivation index data, and aggregating it, a profile of concentrated disadvantage levels of schools based on the socio-economic demographics of their pupil cohorts is obtained. This is a key metric for inclusion of schools in DEIS.

In line with pages 6 and 7 of circular 0060/2021, the list of schools receiving funding shows that the grant amounts received are doubled for schools included in the DEIS programme. For the same sample of 60 randomly selected schools, the Commission verified that those schools marked as DEIS in the sample were included in the official lists of primary and post-primary schools under DEIS for the year 2021-2022.

Furthermore, in line with the description of the measure, **the measure contributes to addressing the regional and digital divide and disparities in Ireland.**

The weighting applied to the funding, included in pages 6 and 7 of Circular 0060/2021 shows that funding is proportionally doubled for schools in the DEIS programme. As schools included in the DEIS programme tend to have a greater percentage of students from disadvantaged areas, measured at a small area level, the structure of the funding acts in a way that can counter-balance relative regional disparities by targeting digital learning support particularly at relatively more deprived areas and pupils.

In addition, pages 6 and 7 of Circular 0060/2021 ensure that smaller schools received a proportionally higher rates of funding per student compared to larger schools. This is important as page 41 of the digital learning framework national longitudinal evaluation report shows that at primary level, smaller schools and rural schools in the DEIS programme had the lowest ratings of digital infrastructure and connectivity. Similarly, page 93 of digital learning framework national longitudinal evaluation report indicates that at post-primary level, schools with a small enrolment have significantly lower levels of digital infrastructure and connectivity. By allocating proportionally more funding per student to smaller schools — which tend to score worse in terms of the digital divide — the measure contributes to addressing the digital divide between schools.

Furthermore, in line with the description of the measure, the sub-measure **shall fund the access to ICT infrastructure, notably by supporting schools to provide digital devices and software.**

Page 2 of circular 0060/2021 specifies that funding must be used for the purchase of ICT infrastructure to target learners at risk of educational disadvantage due to lack of access to relevant digital technologies that facilitate and support participation, attendance and retention and to ensure equity of access to the curriculum. Pages 3-5 of circular 0060/2021 explains in greater detail to schools how to use this funding . This includes computing devices or other ICT equipment, which can be loaned to students or placed in a computer room, cloud-based tools and applications, or local software and applications. A requirement to report the usage of the funding is included on page 5 of circular 0060/2021.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 69	Related Measure: 2.6 - Suite of e-Health projects	
Name of the Milestone: Award of the contracts for ePharmacy systems		
Qualitative Indicator: Award of the contracts for the procurement of a digital pharmacy system for hospitals (ePharmacy)		Time: Q3 2021
Context:		
<p>The objective of this investment is to support the digitalisation of the Irish healthcare system. This is done by two distinct sub-measures. The first sub-measure (2.6.1) will deploy a digital pharmacy system across hospitals in Ireland, while the second sub-measure (2.6.2) will support the deployment of an integrated financial management system.</p> <p>Milestone 69 relates to the first sub-measure and concerns the award of a contract for the procurement of a digital pharmacy system.</p> <p>Milestone 69 is the first step of the implementation of the investment sub-measure related to digital pharmacy and will be followed by milestones 70 and 71. Milestone 70 relates to the completion of the building and configuration of the core technical IT functionality of the digital pharmacy system, while milestone 71 relates to the deployment of the digital pharmacy system to at least 36 hospitals. The investment sub-measure has a final expected date for implementation by Q4 2025.</p>		

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. A **summary document** duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii. The **signed contract** between the Irish Health Service Executive and Careflow Medicines (previously WellSky International) dated 25 March 2022.
- iii. The **tender response document** to the technical specifications of the project submitted by WellSky International to the Health Service Executive on 18 March 2021.
- iv. The **contract award notice** with the results of the procurement procedure published on 20 May 2022 and a link to the website where it can be accessed (<https://irl.eu-supply.com/ctm/Supplier/PublicTenders/ViewNotice/236855>).

The authorities also provided:

- v. The **expression of interest** for service providers published by the Irish Health Service Executive on 18 October 2020 and a link to the website where it can be accessed (<https://irl.eu-supply.com/ctm/Supplier/PublicPurchase/175638/0/0?returnUrl=>).
- vi. The **invitation to tender** sent by the Irish Health Service Executive to shortlisted service providers on 11 December 2020 and respective annexes including specification requirements.
- vii. The **cover message** sent by the Irish Health Service Executive to shortlisted service providers on 11 December 2020 accompanying the invitation to tender.
- viii. The **tender award letter** sent by the Irish Health Service Executive to WellSky International on 5 November 2021 informing on the successful selection of the tender.

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

The procurement process for ePharmacy shall have been completed with supplier contracts signed.

The Council Implementing Decision required the procurement process for ePharmacy to be completed with supplier contracts signed. However, the ePharmacy project was renamed to the 'Hospital Medicines Management System' (HMMS), which appears throughout the tender documents. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, the only difference is attributed to the name of the project. As of this, this minimal deviation does not affect the progress towards achieving the investment that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The procurement process for the single Hospital Medicines Management System (HMMS) officially began with the publication of the expression of interest for the procurement of the HMMS by the Health Service Executive (HSE) on 18 October 2020. The procurement process covered both the supply, installation and maintenance by a single service provider. The procurement process utilised a restricted procedure whereby shortlisted service providers were to be sent an invitation to tender.

The invitation to tender was sent to the shortlisted service providers on 11 December 2020, as seen by cover message sent by the HSE. This included, in the specification of requirements section (page 2 of the invitation to tender), the requirement to submit a tender response document in the format provided to be used as the basis for the evaluation. Following submission of the tender response document and pricing by the shortlisted service providers, a service provider was selected. A tender

award letter was sent by the HSE to WellSky International on 5 November 2021. The award notification was published on 20 May 2022 and is publicly available, officially completing the procurement process.

The contract document setting out the terms of the contract between the HSE and Careflow Medicines (previously WellSky International) was signed on 25 March 2022. Signatures can be found on page 70 of the contract.

Furthermore, in line with the description of the measure, **this first sub-measure (2.6.1 Suite of e-health projects – ePharmacy) shall support the deployment of ePharmacy systems across hospitals in Ireland.**

Selecting a service provider tasked with supplying the HMMS is a necessary step in deploying an ePharmacy system in Ireland. The HMMS is planned to be deployed to all HSE funded hospitals and agencies in Ireland. The specification of requirements section of the invitation to tender document (page 4) indicates that the HMMS will be operational in an estimated 74 hospitals/sites in Ireland and have an estimated 1 500 end-users. The signed contract confirms this by including on pages 127-132 a list of the 74 hospitals in Ireland where the HMMS is expected to be implemented and, on page 96, a timetable for implementation.

Furthermore, in line with the description of the measure, **this investment shall enable authorities to better monitor the use and costs of medications, as well as enable the creation of an integrated care delivery system where prescription data are linked to electronic patient records.**

The ability to better monitor the use and costs of medications is achieved through a centralised solution (see the previous point) with a high level of interoperability that provides sufficient detail on the medications in its database.

With regards interoperability, appendix A of the invitation to tender (page 10) introduces the requirements that the HMMS interoperates with the digital systems of other national eHealth solutions, such as e-prescribing systems and automated dispensing cabinets. A key step to assure interoperability is to ensure that the project proposed by the service provider supports the Health Level 7 Integration Specification Standard Message Library used throughout the HSE. Health Level 7 refers to a set of international standards for transfer of clinical and administrative data between software applications used by various healthcare providers. In the Interfacing & Integration section of the tender response document (pages 209-235) the service provider confirms in multiple sections that it meets the basic requirements of Health Level 7 and other interoperability standards.

With regards to the database of the HMMS, appendix A of the invitation to tender (pages 10-14) includes specifications so that over 15 000 items in the drug file of the HMMS are sufficiently populated and standardised. Table 1 (pages 12-13) shows a list of 30 attributes (that is, name, contract price and warnings) that each of the items in the HMMS drug file should include and table 2 (page 14) shows a list of use cases for which these attributes are required (that is, order a product, facilitate financial reporting and analysis). Page 112 of the tender response document confirms that the service provider (at the time WellSky International) provides a number of functions, which, when defined together, cover the requirements of drug file as set out in appendix A of the invitation to tender (pages 10-14).

The specification of requirements section of the invitation to tender (page 3) adds the requirement that the HMMS shall also become the platform to support electronic prescribing and electronic medicines administration when Irish hospitals are ready to adopt these solutions, allowing the creation of an integrated care delivery system. The platform shall provide for a closed loop medicines management system, from drug procurement to patient dose administration, that shall provide additional safety benefits. Page 77 of the signed contract commits the service provider to make

available an electronic prescribing module. This is to be deployed in all 74 hospitals to which the HMMS is planned to be deployed.

Prescription data would be linked to the electronic patient record as confirmed by page 223 of the tender response document, whereby the service provider confirms it will build a web service interface to the individual health identifier register.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 72	Related Measure: 2.6 - Suite of e-Health projects	
Name of the Milestone: Completion of building and configuration of the integrated financial management system		
Qualitative Indicator: Completion of building and configuration of the integrated financial management system		Time: Q4 2021
<p>Context:</p> <p>The objective of this investment is to support the digitalisation of the Irish healthcare system. This is done through two distinct sub-measures. The first sub-measure (2.6.1) aims to deploy a digital pharmacy system across hospitals in Ireland, while the second sub-measure (2.6.2) will support the deployment of an integrated financial management system to provide financial and procurement efficiencies within the health system.</p> <p>Milestone 72 relates to the second sub-measure (2.6.2) and consists of the completion of the design, building and configuration of the integrated financial management system.</p> <p>Milestone 72 is the first step of the implementation of the investment sub-measure related to the integrated financial management system and will be followed by target 73, which concerns the first deployment of the integrated financial management system within at least 24 hospital and community locations. The investment sub-measure has a final expected date for implementation by Q4 2025.</p>		
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. ii. Confirmation letter signed by the contractor (IBM) certifying that the design, building and configuration of the integrated financial management system have been completed and the system is ready for testing (dated 31 March 2023). iii. Confirmation letter signed by the competent authority (Health Service Executive (HSE)) certifying that the design, building and configuration of the integrated financial management system have been completed and the system is ready for testing (dated 31 March 2023). <p>The authorities also provided:</p> <ol style="list-style-type: none"> iv. IFMS Design Review and Validation Stage Gate Report on the close out of the Design Validation stage (approved by the Steering Committee on 12 October 2022). 		

- v. **IFMS Build and Test Report** providing programme governance with an update on the project's progress within the Build and Test Stage (Sprint Group 1) (approved by the Steering Committee on 15 December 2022).
- vi. **IFMS Fit/Gap Stage for Implementation Group 1 Report** demonstrating progress in the build and test stage (approved by the Steering Committee on 18 January 2023).
- vii. **IFMS Build & Test Report** providing programme governance with an update on the project's progress within the Build & Test Stage (Sprint Group 2) (approved by the Steering Committee on 15 February 2023).
- viii. **HSE Corporate Plan 2021-24** inclusive of the IFMS objectives.
- ix. **Finance Reform Programme IFMS Stage Gate Report** submitted subsequent to the completion of configuration (Sprint Group 3) (approved by the Steering Committee on 20 April 2023).
- x. A copy of the **newsletter "IFMS Project News"** (December 2022) and a link to the website where it can be accessed (<https://www.hse.ie/eng/about/who/finance/financereformprogramme/technologyfinance/issue-1-ifms-newsletter-dec-20221.pdf>).

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

The design, building and configuration of the integrated financial management system shall have been completed in preparation for system testing.

The design, building and configuration of the integrated financial management system (IFMS) have been completed and the system is ready for testing. This is evidenced by the confirmation letters signed by the contractor (IBM) and the competent authority (the Health Service Executive (HSE)) on 31 March 2023. Those letters certify that the design, build and configuration deliverables of the IFMS programme have been satisfactorily fulfilled and the IFMS project successfully moved into System Integration Testing at the beginning of March 2023.

The completion of the design, building and configuration of the IFMS are further evidenced by the stage reports provided by the Irish authorities. Those stage reports have been approved by the Steering Committee and mark the completion of the specific stages of the IFMS project, following which payments are released to the contractor. The IFMS Design Review and Validation Stage Gate Report approved by the Steering Committee on 12 October 2022 certifies the completion of the Design Validation stage and approval to proceed into Build and Test phase – on page 1 it is stated: *"Approve the closure of the Design Review and Validation Stage. Approve the project to proceed to the Build and Test Stage"*. Furthermore, the Stage Gate Reports approved by the Steering Committee on 15 December 2022, 18 January 2023, 15 February 2023 and 20 April 2023 confirm the completion of consecutive stages of building and configuration. Notably, the Finance Reform Programme IFMS Stage Gate Report approved by the Steering Committee on 20 April 2023 states that *"All teams have completed standard configuration build and unit test, in line with the associated sprint plans"* (page 5).

Furthermore, in line with the description of the measure, the IFMS is to provide **a single view of all purchases and prices across hospitals in Ireland, which is expected to allow health authorities to optimise their public procurement practices.**

HSE Corporate Plan 2021-24 confirms the commitment to create a single financial and procurement system: *"The purpose of the [Finance Reform] Programme is to implement a single modern integrated financial management and procurement system across the Irish health service"* (page 21). The IFMS will replace multiple legacy finance and procurement systems and will introduce a single, national, SAP-based system for managing financial and procurement information for the

entire health sector (newsletter “IFMS Project News”, page 1), thus allowing the health authorities to optimise their public procurement practices. The project will include capturing purchase orders, invoice and payments information, and hence will provide a single view of all purchases and prices across hospitals in Ireland. The benefits of the IFMS for the health sector include better and more timely financial reporting and forecasting, improved financial management, better overall financial control environment, provision of quality standardised financial and procurement information across both statutory and voluntary services, facilitation of valid comparison of costs across the entire sector, a more equitable and evidence-based resource allocation model and leveraging of the full procurement capacity of the health sector by having quality data at a catalogue item level (newsletter “IFMS Project News”, page 2). The IFMS will be rolled out to healthcare sites as the programme progresses through each phase of deployment (in line with target 73).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 74	Related Measure: 2.7 - Addressing the digital divide and enhancing digital skills	
Name of the Milestone: Publication of Digital Strategy for schools		
Qualitative Indicator: Publication of the new Digital Strategy for schools		Time: Q4 2021
<p>Context:</p> <p>The objective of this reform is to support the digital transformation of Irish education and training at all levels (schools, tertiary, lifelong learning), mainstreaming essential digital skills across all settings, and address the risk of a digital divide.</p> <p>Milestone 74 consists of the publication of the new Digital Strategy for schools, outlining the policy of the Department of Education to embed the use of digital technologies in teaching, learning and assessment in the Irish school system.</p> <p>Milestone 74 is one of the steps of the implementation of reform 2.7, and will be complemented by target 75 (related to the increase by 5 000 of graduates with high level of ICT skills), milestone 76 (related to the publication of a 10-year adult literacy, numeracy and digital literacy strategy to help individuals build their digital literacy) and target 77 (related to the provision of 20 000 laptops to disadvantaged students at further and higher education institutions). The reform has a final expected date for implementation by Q4 2022.</p>		
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. ii. A copy of the Digital Strategy for Schools to 2027, including an online link (https://www.gov.ie/pdf/?file=https://assets.gov.ie/221285/6fc98405-d345-41a3-a770-c97e1a4479d3.pdf#page=null). iii. A copy of the press release on the publication of the Digital Strategy for Schools to 2027, published by the Department of Education on 13 April 2022. 		
Analysis:		

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

The Digital Strategy for schools shall have been published.

The Digital Strategy for Schools to 2027 was published by the Department of Education on 13 April 2022 (press release on the publication of the Digital Strategy for Schools to 2027). Ireland provided a copy of the published Digital Strategy for Schools to 2027 and a link to the website where the Digital Strategy for Schools to 2027 can be accessed (<https://www.gov.ie/pdf/?file=https://assets.gov.ie/221285/6fc98405-d345-41a3-a770-c97e1a4479d3.pdf#page=null>).

It shall outline the policy of the Department of Education to embed the use of digital technologies in teaching, learning and assessment in the Irish school system, including policy objectives and priorities, and actions that shall be undertaken to achieve the required outcomes in accordance with the objectives. Furthermore, in accordance with the description of the measure, it **shall aim to realise the potential of digital technologies in teaching, learning and assessment.**

The Digital Strategy for Schools to 2027 sets out its overriding objectives on page 18. These are to support the school system which develops digital competences for all learners, is flexible and agile availing of opportunities and meeting the challenges of a digital world, and empowers every learner regardless of socio-economic background, learning needs or geographical location, to engage with digital technology. Moreover, the foreword by the Minister of Education explains that “the effective use of digital technology, integrated as a seamless part of the teaching, learning and assessment practice [...], is a key goal” of the Digital Strategy for Schools to 2027 (page 5).

The Digital Strategy for Schools to 2027 is developed around three pillars. Pillar 1 deals with supporting the embedding of digital technologies in teaching, learning and assessment (pages 20-40 of the Digital Strategy for Schools to 2027), in line with the milestone description. Pillar 1 objectives include embedding digital technologies in all new educational policies and curricula, enhancing inclusion and equity through the use of digital technologies, and providing appropriate teacher professional learning on the use of digital technologies (page 21 of the Digital Strategy for Schools to 2027). The key priority is to enhance digital skills and competencies as a key enabling factor for improving the quality, inclusivity and effectiveness of education and training (page 22 of the Digital Strategy for Schools to 2027).

The Digital Strategy for Schools to 2027 also sets out a number of actions to achieve the required outcomes. Notably, the Digital Strategy for Schools to 2027 commits to support teachers and school leaders to ensure they have the necessary digital skills and confidence to equip students with the knowledge and skills required in the modern world (pages 25-27 and 30-33 of the Digital Strategy for Schools to 2027). Also, the strategy refers to the curriculum development and actions to ensure relevant supports and guidance for the use of digital technology to support inclusive practice (page 29 of the Digital Strategy for Schools to 2027). Moreover, the Digital Strategy for Schools to 2027 promotes effective action planning at a whole school level with the aim of embedding digital technologies into individual practice across the school, carried out with the participation of all relevant school stakeholders including teachers, learners, parents/guardians and Boards of Management (page 35 of the Digital Strategy for Schools to 2027). The implementation of the Digital Strategy for Schools to 2027 also includes developing a clear framework and definitions for digital skills and competences across the school system (page 37 of the Digital Strategy for Schools to 2027). Finally, the Digital Strategy for Schools to 2027 continues supporting the integration of the digital

technologies in the curriculum and ensuring they form an integral part of teaching, learning and assessment in schools (page 40 of the Digital Strategy for Schools to 2027).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 76	Related Measure: 2.7 - Addressing the digital divide and enhancing digital skills
Name of the Milestone: Publication of 10 Year Strategy on adult skills	
Qualitative Indicator: Publication of the 10 Year Adult Literacy, Numeracy and Digital Literacy Strategy	Time: Q3 2021
<p>Context:</p> <p>The objective of this reform is to support the digital transformation of Irish education and training at all levels (schools, tertiary, lifelong learning), mainstreaming essential digital skills across all settings, and address the risk of a digital divide.</p> <p>Milestone 76 consists of the publication of a 10 Year Adult Literacy, Numeracy and Digital Literacy Strategy to help individuals build their digital literacy.</p> <p>Milestone 76 is one of the steps of the implementation of reform 2.7 and will be complemented by milestone 74 (related to the publication of the new Digital Strategy for schools), target 75 (related to the increase by 5 000 of graduates with high level of ICT skills) and target 77 (related to the provision of 20 000 laptops to disadvantaged students at further and higher education institutions). The reform has a final expected date for implementation by Q4 2022.</p>	
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. ii. A copy of The 10 Year Adult Literacy, Numeracy and Digital Literacy Strategy and a link to the website where the relevant published resources can be accessed (https://www.gov.ie/en/publication/655a4-adult-literacy-for-life-a-10-year-literacy-strategy/) and a link to a dedicated website (www.adultliteracyforlife.ie). iii. The government decision dated 6 July 2021 showing that the 10 Year Adult Literacy, Numeracy and Digital Literacy Strategy was approved for publication. iv. An explanatory report demonstrating how the actions in the national strategy contribute to achieving the objectives of the adult literacy for life. 	
<p>Analysis:</p> <p>The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.</p> <p>A 10 Year Adult Literacy, Numeracy and Digital Literacy Strategy shall have been adopted and published.</p> <p>The 10 Year Adult Literacy, Numeracy and Digital Literacy Strategy (“Strategy”) was approved for publication by a government decision dated 6 July 2021. The Strategy was published on 8 September 2021 and is accessible under the following link: https://www.gov.ie/en/publication/655a4-adult-</p>	

[literacy-for-life-a-10-year-literacy-strategy/](https://www.adultliteracyforlife.ie/). A dedicated website, where the Strategy is available, was also launched (www.adultliteracyforlife.ie).

It shall set targets for basic digital literacy acquisition.

The Strategy aims to ensure that every adult has the necessary literacy, numeracy and digital literacy to engage in society and realise their potential. The Strategy sets specific targets for basic digital literacy acquisition (Figure 22 on page 66). Notably, the Strategy sets the targets, over the 10-year period, of reducing:

- the share of adults with unmet literacy needs (measured by the Programme for the International Assessment of Adult Competencies (PIAAC) as Level 1 or below) from 18% to 7%;
- the share of adults with unmet numeracy needs (measured by the PIACC as Level 1 or below) from 25% to 12%; and
- the share of adults without basic digital skills from 47% to 20% (as measured by the Digital Economy and Society Index).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 77	Related Measure: 2.7 - Addressing the digital divide and enhancing digital skills		
Name of the Target: Disadvantaged students equipped with ICT devices			
Qualitative Indicator: Number	Baseline: 0	Target: 20 000	Time: Q4 2021
Context:			
<p>The objective of this reform is to support the digital transformation of Irish education and training at all levels (schools, tertiary, lifelong learning), mainstreaming essential digital skills across all settings, and address the risk of a digital divide.</p> <p>Target 77 consists of the provision of at least 20 000 laptops to disadvantaged students at further and higher education institutions.</p> <p>Target 77 is one of the steps of the implementation of reform 2.7, and will be complemented by milestone 74 (related to the publication of the new digital strategy for schools), target 75 (related to the increase by 5 000 of graduates with high level of ICT skills) and milestone 76 (related to the publication of a 10-year adult literacy, numeracy and digital literacy strategy to help individuals build their digital literacy). The reform has a final expected date for implementation by Q4 2022.</p>			
Evidence provided:			
<p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. ii. A copy of Dell & HEANet certificate of completion, a letter of 11 May 2022 signed by the contractor (Dell) and the competent authority (HEANet) confirming that the laptops ordered by HEANet were delivered. 			

- iii. The **list with the number of laptops procured** of July 2023, which sets out the numbers of laptops received by individual higher education institutions and Education and Training Boards.
- iv. The **distribution list** of August 2023, which sets out the number of disadvantaged students in each higher and further education institution to whom a laptop/tablet was distributed.
- v. **Details of target groups** from higher and further education institutions of July 2023, which show the number of students in each disadvantaged group who have been provided with a laptop/tablet.

In the context of the sampling analysis, additional evidence was provided including:

- vi. A **list of unique identifiers of the distributed laptops** (or tablets) provided for a sample of two higher education institutions and two Education and Training Boards that were selected by the Commission.
- vii. Copies of **loan agreement forms** for a sample of 228 units selected by the Commission for each unique identifier demonstrating that the laptop was provided.

The authorities also provided:

- viii. The **technical specifications**, a document providing detailed information about the requirements, specifications, and functionalities of the devices to be provided.
- ix. **Subject matter experts - Laptop technical specifications** table, which lists the positions held by the subject matter experts involved in drawing up the laptop technical specifications.
- x. The **Dell bid document** of 10 October 2019, which contains the bid by the winning contractor.
- xi. A **copy of DELL-IHW025F-03-002 technical specifications**, which provides the technical specifications offered by the winning contractor.
- xii. **Terms and conditions issued** by the Department of Further and Higher Education, Research, Innovation and Science **to the department's agencies** (the HEA and SOLAS) in August 2020.

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

At least 20 000 laptops shall have been provided to disadvantaged students at further and higher education.

A total of 21 436 of laptops (including 60 tablets) were procured under this measure by the Irish authorities, as specified in the number of laptops procured list. The Dell & HEAnet certificate of completion confirms that the 16 668 laptops ordered under the HEAnet bulk order were delivered by 29 October 2020. Moreover, a further 4 708 laptops and 60 tablets were procured directly by higher education institutions and Education and Training Boards, as shown in the list with the number of laptops procured.

All 21 436 laptops acquired were allocated to disadvantaged students. This was done in accordance with section 4 of the Terms and Conditions issued by the Department of Further and Higher Education, Research, Innovation and Science to the department's agencies, which requires that higher education institutions and Education and Training Boards *"use the funding for purchase of devices for distribution to disadvantaged students by means of appropriate lending/rental schemes"*.

The distribution list confirms the number of disadvantaged students (that is, 24 750) that have benefitted from the distribution (including redistribution) of 21 436 laptops in academic years 2020/2021 and 2021/2022 (for the Royal College of Surgeons, data for the academic year 2022/23 is also included). Once a laptop is returned to an institution, the laptop in question is redistributed to

another disadvantaged student. In that context, some of the 21 436 laptops served multiple disadvantaged students, and therefore the total number of disadvantaged students benefitting (24 750, as indicated in the distribution list) is higher than the number of laptops/tablets procured (21 436, as indicated in the list with the number of laptops procured).

The document Details of target groups sets out the number of disadvantaged students in receipt of a device by the disadvantaged group (that is, “Students with a disability”, “Mature students”, “Further education award holders”, “Lone parents”, “Traveller/ Roma”, “Other ethnic minority” and “Students in financial need who are not part of another target group”).

The evidence provided by Ireland for a sample of 228 units, randomly selected by the Commission from two higher education institution and two Education and Training Boards which provide further education, also randomly selected from the list with the number of laptops procured, confirmed that the requirements of the target have been met. For each unit in the selected sample, Ireland provided a loan agreement form that included the relevant unique identifier of the laptop (or tablet) and the name of the higher education institution and Education and Training Board demonstrating the laptop had been provided.

The laptop specifications shall have been drawn up in conjunction with subject matter experts from higher or further education institutions, and the devices shall be suitable in the context of higher and further education provision.

For the HEAnet bulk order (16 668 laptops), the laptop specifications were drawn up in conjunction with subject matter experts from higher or further education institutions. This is confirmed by the document Subject matter experts – Laptop technical specifications, which sets out the higher education institutions to which the subject matter experts belonged and their job titles. This document also contains emails confirming the subject matter experts’ involvement in drawing up the laptop specifications for the 16 668 laptops procured under the HEAnet bulk order.

The technical specifications set out the laptop specifications which were sought by HEAnet in the bulk order (including 64-bit processor with CPU Mark >= 7675 Quad Core, 8GB RAM, 256 SDD, 14” 1366x768 resolution screen). The Dell bid document and the copy of DELL-IHW025F-03-002 technical specifications confirm that the specifications sought were provided by the winning contractor.

The direct laptop procurement by the higher education institutions and Education and Training Boards which provide further education (4 708 laptops) was carried out by the experts from those institutions themselves, which ensured the suitability of those devices in the context of higher and further education provision.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 80	Related Measure: 3.2 Solas Recovery Skills Response Programme	
Name of the Milestone: Development of skill provision opportunities under the ‘Skills to Compete’ programme		
Qualitative Indicator: Skills provision opportunities available for learners to book their place		Time: Q3 2021
Context:		

The objective of the Solas⁶ Recovery Skills Response Programme (measure 3.2) is to support reskilling and upskilling activities in order to equip participants with the skills needed for the twin transition as well as in target sectors with employment opportunities.

Milestone 80 concerns the development of the skills provision opportunities included in a programme called 'Skills to Compete', to enable potential participants to register for training. 'Skills to Compete' is one of the two programmes within the overall Solas Recovery Skills Response Programme. 'Skills to Compete' focuses on skills related to the digital transition, transversal skills and skills specific to sectors with employment opportunities.

Milestone 80 is the first step of the implementation of investment 3.2 and it takes place in parallel to the development of training opportunities in the field of green skills under Milestone 81 under the second programme called 'Green Skills Action'. These milestones will be followed by targets 82 and 83, related to the overall number of participants in the Solas Recovery Skills Response Programme and the share of women as participants of the 'Skills to Compete' programme. The investment has a final expected date for implementation in December 2024.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. A **summary document** duly justifying how the milestone (including all the constituent elements) was satisfactorily fulfilled.
- ii. A **list of skill provision opportunities** (courses) within the Skills to Compete Initiative. The list includes for each course the name of the Education and Training Board offering the course, the category and name of the course, the national reference number of the course and the number of places available. For each course, the list clearly indicates whether it covers digital skills, transversal skills or skills for priority sectors.
- iii. A **screenshot** from 11 December 2023 from www.fetchcourses.ie demonstrating that Skills to Compete courses are available for registration.

Analysis:

The justification and substantiating evidence provided by the Irish authorities covers all constitutive elements of the milestone.

'Skills to Compete' skill provision opportunities shall have been made available for booking. The 'Skills to Compete' skill provision opportunities were published and made available for registration via www.fetchcourses.ie. This website was checked by Commission services on 12 December 2023 and there were 'Skills to Compete' courses published and available for registration. Ireland provided a screenshot from www.fetchcourses.ie from 11 December 2023 demonstrating that Skills to Compete courses are available for registration.

They shall include opportunities in the areas of (i) digital skills, (ii) employability (transversal) skills and (iii) specific sector skills.

The website (www.fetchcourses.ie) was checked by Commission services on 28 February 2024 and this exercise confirmed that there were courses available in the areas of (i) digital skills, (ii) employability (transversal) skills, and (iii) sector specific skills. In addition, Ireland has provided the list of skill provision opportunities that were created by the Education and Training Boards. This list was generated by the Program Learner Support System (PLSS) which is the course management

⁶ Solas is the State agency that oversees the Further Education & Training (FET) sector in Ireland.

system. This database-type system is fully integrated with the website www.fetchcourses.ie and will automatically generate a webpage advertising the course while it is available for registration. The list of skill provision opportunities provided by Ireland includes courses in the areas of:

- digital skills, such as a computer literacy at various levels (in particular in Tab 1, Column G Rows 782-1246 for 2021, Tab 2, Column G Rows 483-800 for 2022, and Tab 3, Column G Rows 480-752 for 2023 of the list of skill provision opportunities).
- employability (transversal) skills, such as business administration (in particular in Tab 1, Column F, Rows 3-781 for 2021. For 2022, courses offering employability (transversal) skills are indicated in Tab 2, Column F, Rows 3-482 and in Tab 3, Column F, Rows 3-479 of the list of skill provision opportunities).
- specific sector skills, such as healthcare support (in particular in Tab 1, Column H, Rows 1247-1864 for 2021, in Tab 2, Column H, Rows 801-1544, and in Tab 3, Column H, Rows 753-1497 of the list of skill provision opportunities).

Furthermore, in line with the description of the measure, **Training programmes and modules shall be managed by the Education and Training Boards.**

The website <https://www.solas.ie/programmes/skills-to-compete/> that was accessed by Commission services on 28 February 2024 and provides an overview of the Skills to Compete initiative. This website explains how each Education and Training board will “...*shape its own Skills to Compete provision to reflect the labour market characteristics of its region and the responses that will be most effective for their local community*”. This demonstrates that the training programmes and modules shall be managed by the Education and Training Boards.

[The ‘Skills to Compete’ Initiative includes courses delivered by all 16 of the Education and Training Boards. In the list of skill provision opportunities these are identified in Column A (called ETB) of each tab (2021, 2022, and 2023). Each of the 16 Education and Training Boards has delivered at a minimum one course. For example these can be found in Tab 3 (2023) of the list at Row 3 for Limerick and Clare ETB, row 4 for Donegal ETB, row 7 for Cork ETB, row 10 for Cavan and Monaghan ETB, row 12 for Kilkenny and Carlow ETB, row 20 for City of Dublin ETB, row 21 for Longford and Westmeath ETB, row 25 for Mayo Sligo and Leitrim ETB, row 31 for Waterford and Wexford ETB, row 47 for Louth and Meath ETB, row 51 for Kildare and Wicklow ETB, row 60 for Longford and Westmeath, row 67 for Dublin and Dun Laoghaire ETB, row 70 for Kerry ETB, and row 77 for Galway and Roscommon ETB. Courses delivered by Tipperary ETB can be found in Tab 1 (2021) row 572.

They shall notably focus on skills which are relevant for the twin transition and target sectors with employment opportunities, such as information and communications technology (ICT) programming, green construction and climate change mitigation’. As described in above, skill opportunities notably include digital skills training which are relevant for the twin transition as well as the ICT sector. The website (www.fetchcourses.ie) was checked by Commission services on 28 February 2024 and this showed that there were courses available in the areas of ICT programming. Courses in ICT programming (coding) are also listed in the list of skill provision opportunities in the 2022 tab under column C (course title) rows 1504 – 1506. In the 2023 tab these courses are also listed under Column C, rows 565 and 566.

Courses relevant for the green transition, in particular green construction and climate change mitigation are provided under the other programme covered by measure 3.2 (‘Green Skills Action Programme’) and relate to milestone 81.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 81	Related Measure: 3.2 Solas Recovery Skills Response Programme	
Name of the Milestone: Development of Green skills provision and modules opportunities		
Qualitative Indicator: Green skills modules and provision opportunities are available for enrolment		Time: Q4 2021
<p>Context:</p> <p>The objective of the SOLAS⁷ Recovery Skills Response Programme (measure 3.2), is to support reskilling and upskilling activities in order to equip participants with the skills needed for the twin transition as well as in target sectors with employment opportunities.</p> <p>Milestone 81 concerns the development of green skills modules and provision opportunities.</p> <p>Milestone 81 is the second step of the implementation of investment 3.2 and it takes place in parallel to the development of training opportunities within the Skills to Compete programme under Milestone 80. These milestones will be followed by targets 82 and 83, related to the overall number of participants in the SOLAS Recovery Skills Response Programme and the share of women as participants of the Skills to Compete programme. The investment has a final expected date for implementation in December 2024.</p>		
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. A summary document duly justifying how the milestone (including all the constituent elements) has been satisfactorily fulfilled ii. A list of green skills modules and provision opportunities (courses), including for each of them the name of the Education and Training Board (ETB) offering the course, the category and type (Nearly Zero Emission Building (NZEB)/Green) of the course, the name of the course, the skill area and also whether it includes specific skills training which may also enable the application of standards higher than NZEB. The list is signed by the Director of System funding and Performance, SOLAS and dated 15 December 2023. <ol style="list-style-type: none"> a) A cover email dated 15 December 2023 from the Director of System Funding and Performance, SOLAS, accompanying the list of green skills modules and provision opportunities and explaining that the figures in the list of courses were sourced from the national course database element of the Programme and Learner Support System (PLSS) and linked to the Fetch courses website (www.fetchcourses.ie). b) A screenshot dated 11 December 2023 from www.fetchcourses.ie demonstrating that courses in NZEB are available for registration. c) A screenshot dated 11 December 2023 from www.fetchcourses.ie demonstrating that courses in Retrofit are available for registration. d) A screenshot dated 11 December 2023 from www.fetchcourses.ie demonstrating that courses in Green Skills are available for registration. e) A screenshot dated 11 December 2023 from www.fetchcourses.ie demonstrating that courses in External Wall Insulation are available for registration. 		

⁷ SOLAS is the State agency that oversees the Further Education & Training (FET) sector in Ireland

- iii. **Signed declarations from all the 16 Education and Training Boards** certifying that the do-no-significant-harm (DNSH) requirements enshrined in the milestone are complied with in the courses they deliver. List of signed declarations:
- a) Signed declaration dated 16 December 2022, City of Dublin Education and Training Board
 - b) Signed declaration dated 4 December 2022, Cork Education and Training Board
 - c) Signed declaration dated 12 December 2022, Cavan and Monaghan Education and Training Board
 - d) Signed declaration dated 16 December 2022, Dublin and Dún Laoghaire Education & Training Board
 - e) Signed declaration dated 6 December 2022, Donegal Education and Training Board
 - f) Signed declaration dated 16 December 2022, Galway and Roscommon Education and Training Board
 - g) Signed declaration dated 16 December 2022, Kilkenny and Carlow Education and Training Board
 - h) Signed declaration dated 16 December 2022, Kerry Education and Training Board
 - i) Signed declaration dated 16 December 2022, Kildare and Wicklow Education and Training Board
 - j) Signed declaration dated 4 December 2022, Limerick and Clare Education and Training Board
 - k) Signed declaration dated 12 December 2022, Louth and Meath Education and Training Board
 - l) Signed declaration dated 15 December 2022, Laois and Offaly Education and Training Board
 - m) Signed declaration dated 7 December 2022, Longford and Westmeath Education and Training Board.
 - n) Signed declaration dated 7 December 2022, Mayo, Sligo and Leitrim Education and Training Board.
 - o) Signed declaration dated 15 December 2022, Tipperary Education and Training Board
 - p) Signed declaration dated 5 December 2022, Wexford and Waterford Education and Training Board.

The authorities also provided:

- iv. **A letter from SOLAS** sent to the Education and Training Boards on 7 April 2022 to inform them of the DNSH requirements for delivery of the NRRP programme, providing links to relevant information, and requesting that they carry out DNSH Assessments.

Analysis:

The justification and substantiating evidence provided by the Irish authorities covers all constitutive elements of the milestone.

Green skills modules and provision opportunities shall have been made available for booking.

The NZEB/Retrofit and the green skills modules and provision opportunities were made available for registration via www.fetchcourses.ie and ecollege - eCollege. A spot check by Commission services on 5 December 2023 confirmed the active nature of the websites and there were NZEB/Retrofit and green skills modules and provision opportunities available for registration. Ireland provided three

screenshots from www.fetchcourses.ie demonstrating that courses in NZEB, Retrofit, and Green Skills courses are available for registration.

They shall cover at least specific skills areas in NZEB and retrofit and a suite of green skills for upskilling and re-skilling.

The website (www.fetchcourses.ie) was checked by Commission services on 5 December 2023 and this exercise confirmed that there were NZEB/Retrofit and green skills modules and provision opportunities available for registration. Ireland also provided three screenshots from www.fetchcourses.ie demonstrating that courses in NZEB, Retrofit, and Green Skills courses are available for registration.

In addition, Ireland also provided the list of green skills modules and provision opportunities that were created by the Education and Training Boards. This list was generated by the Program Learner Support System (PLSS) which is the course management system. This database-type system is fully integrated with the website www.fetchcourses.ie and will automatically generate a webpage advertising the course while it is available for registration.

The list of green skills modules and skill provision opportunities provided by Ireland as evidence is broken down in two categories, namely:

- NZEB, including for instance specific courses regarding retrofit and the application of NZEB for carpenters and bricklaying. NZEB courses can be found in the list in the Tab 1, from rows 3 to 78, in the 2022 tab from rows 183 to 250, and in Tab 3, rows 3 to 473.
- Newly developed green skills modules, including for instance specific courses dedicated to the installation of domestic heat pumps and solar energy. Green skills courses can be found in Tab 1, rows 79 to 119, Tab 2, rows 183 to 250, and Tab 3, rows 474 to 700.

In particular, opportunities listed under (i) Retrofit & Near Zero Emission Building (NZEB) shall include specific skills training which may also enable the application of standards higher than NZEB.

Ireland provided a screenshot from www.fetchcourses.ie demonstrating that courses in External Wall Insulation are available for registration. A spot check by Commission services on 5 December 2023 confirmed this. In addition, the list of green skills modules and skill provision opportunities shows specific skills training which may also enable the application of standards higher than NZEB is delivered through the courses identified in the 2023 courses in Tab 3, Column G of the list of all green skills modules and provision opportunities. These courses provide training in Certified Passive House Tradesperson rows 6 – 11, External Wall Insulation rows 331 - 349; and Airtightness and Vapour Control rows 410 - 425.

Compliance with the DNSH Technical Guidance (2021/C58/01) shall be ensured by the exclusion of the following activities from the modules and provision opportunities: Activities linked to disposal of waste in landfill or incinerators that may cause harm to the environment; Activities related to fossil fuel (however, it is noted that skills provision activities may target the re-skilling of peat-based plant workers with a view to allow them to take part in different types of activities not covered by this exclusion list); and activities where the long-term disposal of waste may cause long-term harm to the environment.

Commission services carried out a keyword search on 28 February 2024 of the websites www.fetchcourses.ie for references to the activities in the exclusion list above and found none related to this program. Commission services also carried out a keyword search of the list of green skills modules and skill provision opportunities provided by the authorities and also found no reference to the activities in the exclusion list. In addition, there was a letter from SOLAS sent to the Education and Training Boards on 7 April 2022 to inform the Education and Training Boards of the DNSH requirements for delivery of the NRRP programme, providing links to relevant information, and

requesting that they carry out DNSH Assessments. The signed declarations from the 16 Education and Training Boards also demonstrate (under point 2 of each of the declarations) that the activities that they deliver under this measure comply with the DNSH requirements. These declarations refer in particular to the non-exhaustive exclusion list of activities, as provided for in the Council Implementing Decision.

Furthermore, in line with the description of the measure: **Training programmes and modules shall be managed by the Education and Training Boards.**

The requirement to ensure that training programmes are managed by the Education and Training Boards is achieved through the 'Skills to Compete' programme and assessed in relation to milestone 80.

They shall notably focus on skills which are relevant for the twin transition and target sectors with employment opportunities, such as information and communications technology (ICT) programming, green construction and climate change mitigation'. The website <https://www.solas.ie/programmes/green-skills/> accessed on 28 February 2024 by Commission services, explains that the SOLAS Green Skills programme focuses on green skills, including in relation to sectors with considerable employment opportunities such as green construction and climate change mitigation, and thereby contributes to the twin transition. General examples of courses in green construction and climate change mitigation are given on this webpage. A spot check by Commission services on 5 December 2023 confirmed there were NZEB/Retrofit and green skills modules and provision opportunities available for registration which equates to green construction and climate change mitigation.

In addition, the list of green skills modules and skill provision opportunities provided by the authorities shows courses in construction and climate change mitigation can be found for the year 2021 in Tab 1, rows 3 to 78 of the list of all green skills modules and provision opportunities, and include for example courses in retrofit and insulation. For the year 2022, courses in green construction and climate change mitigation can be found in Tab 2 rows 3 to 182 of the list of all green skills modules and provision opportunities and include for example courses in Nearly Zero Emission Building (NZEB) ventilation, retrofit, plumbing, and NZEB for plumbers, plasterers, electricians, and carpenters. Examples of courses in green construction and climate change mitigation for the year 2023 can be found in Tab 3, rows 3 to 473 in the list of all green skills modules and provision opportunities, and include courses in the area of Nearly Zero Emission Building covering areas such as fundamental awareness of NZEB, retrofit, external wall insulation and thermal insulation.

Other target sectors, including ICT programming, are covered under the 'Skills to Compete' programme covered under milestone 80.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 84	Related Measure: 3.3 Technological Universities Transformation Fund	
Name of the Milestone: Project grants awarded under the Education and Training Reforms programme		
Qualitative Indicator: Project grant agreements are signed by successful applicants		Time: Q1 2022
Context:		
The objective of the Technological Universities Transformation Fund (TUTF) is to build capacity in education and training in technological universities by financing a number of projects under a		

dedicated 'TUTF Education & Training Reforms programme'. These projects are selected following a call for proposals targeting the five new and emerging technological universities.

The Milestone concerns the signing of all grant agreements by successful applicants (Technological University (TU) or TU development consortium) under the Education and Training Reforms programme. It is the initial step in the implementation of the measure. The next steps are the fulfilment of Milestone 85 (Approval of project reports) due in Q4 2024 and Target 86 (Staff members of all five Technological Universities having participated in upskilling and development activities) and Target 87 (Students of all five technological universities enrolled in a new or reformed curriculum or having benefitted from new or reformed training or learning activities) due in Q2 2024. The investment has a final expected date for implementation of 31 December 2024.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. A **summary document** duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii. The **terms of reference of the calls for projects** launched in February 2022.
- iii. Copies of **all selected projects** selected in April 2022.
- iv. Copies of **all signed grant agreements** from April 2022 showing how compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) and the relevant EU and national environmental legislation has been achieved, in accordance with the CID Annex and including the category under which the project falls, the financial amount allocated, details of the project and timeline, specifying that the HEA shall make stage payments subject to the achievement of deliverables and criteria for approved projects.

The authorities also provided the following additional documents:

- i. A copy of the signed **consolidated grant agreement** with Technological University Dublin, Atlantic Technological University and Technological University of the Shannon dated 29 April 2022.

Analysis

The justification and substantiating evidence provided by the Irish authorities covers all constitutive elements of the milestone.

Project grants awarded under the Education and Training Reforms programme

A consolidated grant agreement between the Higher Education Authority (HEA) and the National Technological University Transformation for Recovery and Resilience (NTUTORR) Consortium was signed on 29 April 2022. This constituted the only grant agreement under the Education and Training Reforms programme, meaning that all grant agreements have been signed.

All grant agreements under the Education and Training Reforms programme shall have been signed by successful applicants

Ireland's technological sector, which combines the new technological universities and institutes of technology, have formed a partnership to develop and deliver the Education and Training Reforms programme. The partnership is referred to as the National Technological University Transformation for Recovery and Resilience (NTUTORR) Consortium. The NTUTORR consortium is the successful applicant as evidenced by the consolidated signed grants agreement, and the consortium consists of: the Atlantic Technological University, Dundalk Institute of Technology, the Institute of Art and

Design and Technology, Dun Laoghaire, Institute of Technology Carlow, Waterford Institute of Technology, Munster Technological University, Technological University Dublin, Technological University of the Shannon: Midlands Mid-West and the Technological Higher Education Association. This Consolidated Grant Agreement, signed by the President/Chief Executive of each partner in the successful NTUTORR consortium, has been provided. The signatures are in Appendix 2, dated 29 April 2022. Therefore, the consolidated grant agreement has been signed by all the successful applicants. Page 2 of the consolidated grant agreement specifies that Technological University of the Shannon, Munster Technological University, and Technological University Dublin will serve as administrative financial leads for the purposes of the Education and Training Reforms programme.

In compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.

By signing the consolidated grant agreement, institutions agreed that the projects must comply with relevant EU and national environmental legislation (including Ireland's climate plan) and through the use of an exclusion list. Section 12.3 of the consolidated grant agreement (page 11) outlines these requirements including the exclusion list. By signing the consolidated grant agreement, the partners confirm the project explicitly excludes the following activities as was described by the description of the measure:

- Activities related to fossil fuels (including downstream use), except for natural gas-based heat/power compliant with the conditions set out in annex III of the DNSH guidance,
- Activities linked to the disposal of waste in landfill, in mechanical biological treatment (MBT) plants, and incinerators for the treatment of waste,

The Council Implementing Decision also states that "in order to ensure that the measure complies with the 'Do no significant harm' Technical Guidance (2021/C58/01), the eligibility criteria contained in the terms of reference for upcoming calls for projects shall exclude the following list of activities: [...] (ii) Activities under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks [...]". Section 12.3 of the consolidated grant agreement (page 11) states that "Activities under the ETS with projected CO₂ equivalent emissions that are not *substantially* lower than the relevant benchmarks[...]" shall be excluded from support. Considering that this is a more stringent requirement than the one in the Council Implementing Decision, it is considered that this constitutive element of the milestone is satisfactorily fulfilled by virtue of the Irish authorities having voluntarily and bindingly tightened the eligibility criteria compared to what is required by the Council Implementing Decision.

The Council Implementing Decision also states that "in order to ensure that the measure complies with the 'Do no significant harm' Technical Guidance (2021/C58/01), the eligibility criteria contained in terms of reference for upcoming calls for projects shall exclude the following list of activities: [...] (iv) activities where the long-term disposal of waste may cause harm to the environment". Section 12.3 of the consolidated grant agreement (page 11) states that "activities where the long-term disposal of waste may cause long-term harm to the environment" shall be excluded from support. This qualification of 'long term' harm introduced in the grant agreements does not materially limit the types of harm that are to be excluded, but rather introduces a logical correspondence between the duration of storage and the relevant time horizon over which harm is assessed; as the notion of short term harm from long-term storage is paradoxical, its effective suppression in the aforementioned eligibility criteria is without consequence. On this basis, and considering the overarching objective of this investment measure, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Each grant agreement shall include the financial amount allocated to the successful applicant (technological university (TU) or TU development consortium) and details of the project and timeline.

The successful applicant is the NTUTORR Consortium and therefore there is only one consolidated grant agreement. The consolidated grant agreement includes the financial amount that is to be allocated to the individual successful applicants who are the partners in the consortium, that is the eight Technological Universities and the Higher Education Authority that comprise the consortium.

The consolidated grant agreement document specifies on page 1 that the financial amount of EUR 37,620,000 over two years (2022-2024) will be made available to the NTUTORR.

Technological University of the Shannon: Midlands Mid-West, Munster Technological University, and Technological University Dublin will act as the administrative financial leads for the purposes of the RRF Technological University Education and Training Reforms programme. This means that these are the institutions to which funding is disbursed.

In Year 1 (2022), the funding allocations will be:

- Technological University Dublin = EUR 4.7 million
- Munster Technological University = EUR 4.7 million
- Technological University of the Shannon: Midlands Mid-West = EUR 9.41 million

The consolidated grant agreement specifies on page 2 that funding allocations in Year 2 (2023) will be informed by progress against agreed milestones and targets set out in the consolidated grant agreement.

Pages 1 -11 of the consolidated grant agreement document sets out organisational details of the project including funding and disbursement of funds, project governance, milestones and targets, verification mechanisms, monitoring and reporting, data requirements, protection of the financial interests of the Union, modifications, eligible costs, communications, and standards. Sections 1 and 2 set out the timeline for the project. Section 2 also outlines that payments will be staged, subject to the achievement of deliverables and criteria for approved projects. Section 10.2 specifies the five categories of projects allowed.

The Council Implementing Decision required the details and timelines of the project to be included in the grant agreements, however Ireland has specified these only in the consolidated proposal submission, not in the consolidated grant agreements. The consolidated grant agreement contains the organisational details of the project, as well as the categories, the consolidated proposal submission contains the specific project details. The details and timelines of the individual projects (called “work packages” in the documentation) are set out in Tables 1 and 2 of Appendix 1 of the consolidated proposal submission document. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, the consolidated grant agreement is based on, and directly linked to the consolidated proposal submission as outlined in section 1.8 of the consolidated grant agreement. Therefore, the two documents when read in conjunction demonstrate compliance with this requirement for details of the project, and this therefore does not change the nature of the measure and does not affect the progress towards the achievement of the reform or investment that the milestone. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Each proposal shall have clearly demonstrated how gender equality and equal opportunities have been considered in constructing the application, the specific actions that shall be taken, the provision of gender and equality disaggregated data on the beneficiaries of measures, and how these actions shall align with institutional gender action plans.

The NTUTORR consolidated proposal submission on pages 11 and 12 details how gender equality and equal opportunities have been considered and the specific actions that shall be taken.

The proposal specifies that each of the project workstreams has been developed to ensure that:

- Equality Diversity and Inclusion impact assessment is a core feature of all work packages.
- All activities are aligned to the Sustainable Development Goals (SDGs).
- Sustainability and the SDGs, including education of the SDGs themselves, form a core part of all work packages

In addition, Table 1 of the Consolidated Proposal submission highlights where the individual Work Packages address these issues.

NTUTORR will work to embed a mechanism for Equality Diversity and Inclusion accountability into the project as a whole, as outlined in the section on how gender equality and equal opportunities considerations are taken into account, pages 11 and 12 of the Consolidated Proposal Submission. This section states that the project is committed to gender balance in the membership of all project teams, in addition to wider aspects of diversity.

Page 7 “Efficiency and Effectiveness” of the Consolidated Proposal Submission explains that explicit systems will be established from the start of the NTUTORR programme to collect appropriately disaggregated data on beneficiaries. This section explains that this disaggregated data will enable monitoring of overall programme engagement and impact, as well as informing the extent to which beneficiaries reflect the intended representative and diverse target populations from the perspective of equality, diversity and inclusion. This section also explains that existing and proven data sources will be used, including unique staff identifiers within each participating institution, and unique student identifiers from the Higher Education Authority Student Record System to collect such beneficiary data. Page 12 explains that an annual Equality, Diversity and Inclusion (EDI) report will be prepared to measure the impact of the projects and identify gaps. The consolidated proposal submission therefore demonstrates that for each project gender-disaggregated and other EDI data will be provided.

The consolidated proposal submission also demonstrates further how the above actions align with institutional gender action plans. In recent years, all partner institutions in the Consortium have adopted gender action plans and they report on these regularly to the Higher Education Authority. These institutional gender action plans have now become Equality, Diversity, and Inclusion (EDI) Action Plans. The consolidated proposal submission (page 11) states that the NTUTORR consortium will focus on integrating this EDI perspective into the digital transformation of teaching and learning. It also states that the consortium partners have adopted recruitment and promotion policies to accelerate gender balance at all levels (page 11).

Each grant agreement shall specify that the Higher Education Authority shall make stage payments subject to the achievement of deliverables and criteria for approved projects. Projects shall fall under one of the following categories: - staff skills and development, - curricular and teaching and learning reform, - skills for regional development and for SME, enterprise and social engagement, - digital and enabling infrastructure, - nationally shared TU digital services.

The consolidated grant agreement in section 1 and 2 (pages 1 and 2) outlines that an award of EUR 37.62 million over two years (April 2022- April 2024) will be made to the consortium and specifies that this payment is to be released on a phased (or staged) basis over the two years of the project.

Technological University of the Shannon: Midlands Mid-West, Munster Technological University, and Technological University Dublin will act as the administrative financial leads for the purposes of the RRF Technological University Education and Training Reforms programme. This means that these are the institutions to which funding is disbursed.

In Year 1 (2022), the funding allocations will be:

- Technological University Dublin = EUR 4.7 million
- Munster Technological University = EUR 4.7 million
- Technological University of the Shannon: Midlands Mid-West = EUR 9.41 million

The consolidated grant agreement specifies on page 2 that funding allocations in Year 2 (2023) will be informed by progress against agreed milestones and targets.

The consolidated grant agreement further specifies on page 2 that the Higher Education Authority will make these staged payments subject to satisfactory reporting and verified progress against milestones and targets and criteria for approved projects.

Under section 10 of the consolidated grant agreement, eligible costs (section 10, page 9) institutions are required to ensure that all project expenditure is eligible and that projects shall fall under one of the following five categories:

- staff skills and development,
- curricular and teaching and learning reform,
- skills for regional development and for SME, enterprise and social engagement,
- digital and enabling infrastructure,
- nationally shared TU digital services.

Furthermore, in line with the description of the measure, **these projects shall be selected following a call for proposals targeting the five new and emerging technological universities.**

The call documentation has been provided as evidence. This document outlines the eligible institutions on page 6, section 4 - eligibility. This section specifies that the three current (as of December 2021) technological universities (Technological University Dublin, Munster Technological University, and Technological University of the Shannon – Midlands Mid-West) and the two emergent technological universities (Connacht Ulster Alliance / Atlantic Technological University and Technological University of South-East Ireland) are considered eligible. In addition, two unaligned Institutes of Technology (as of December 2021) are also eligible in partnership with each other or the previously listed Technological Universities.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 88	Related Measure: 3.4 Reducing Regulatory Barriers To Entrepreneurship	
Name of the Milestone: Publication of a programme for the implementation of the SME Test and communication to all Government departments		
Qualitative Indicator: Publication of a programme of actions and communication on implementation of the SME Test issued to all Government Departments		Time: Q1 2022
Context:		

The objective of measure 3.4 Reducing Regulatory Barriers to Entrepreneurship is to remove unnecessary regulatory obstacles for Small and Medium Enterprises (SMEs) when it comes to establishing and growing their business, by developing a SME Test to be applied by decision-makers.

Milestone 88 requires the publication of a programme of actions for the implementation of the SME Test and a communication to all Government Departments requesting that the SME Test be fully applied on all relevant legislation.

Milestone 88 is the first step in the implementation of the reform, and it is accompanied by milestone 89, related the implementation of the actions identified in the programme for the implementation of the SME Test. It will be followed by target 90, related to the number of Government Departments applying the SME Test. The reform has a final expected date for implementation on 31 March 2023.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. A **summary document**, duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii. The **programme of actions** for the implementation of the SME Test published by the Department of Enterprise, Trade and Employment on 28 March 2022 and accessible at (<https://enterprise.gov.ie/en/publications/publication-files/programme-of-actions-to-implement-the-sme-test-across-government.pdf>);
- iii. Screenshot of Department of Enterprise, Trade and Employment SME Test webpage with a link visible to the published **programme of actions** for the implementation of the SME Test from 18 October 2023;
- iv. **Letters from the Secretary General of the Department of Enterprise Trade and Employment** to the Secretaries General of the 16 other government departments dated 17 January 2022,, establishing the SME network and requesting the nomination of a point of contact. Note: no letter was sent to the Department of the Taoiseach (Prime Minister's Office).
 - a) Letter to Department of Agriculture, Food, and the Marine
 - b) Letter to Department of Public Expenditure & Reform
 - c) Letter to Department of Children, Equality, Disability, Integration and Youth
 - d) Letter to Department of Housing, Local Government, and Heritage
 - e) Letter to Department of Defence
 - f) Letter to Department of Further and Higher Education, Research, Innovation, and Science
 - g) Letter to Department of Foreign Affairs
 - h) Letter to Department of Finance
 - i) Letter to Department of Social Protection
 - j) Letter to Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media
 - k) Letter to Department of Transport
 - l) Letter to Department of Rural and Community Development
 - m) Letter to Department of Environment, Climate, and Communications
 - n) Letter to Department of Justice
 - o) Letter to Department of Health
 - p) Letter to Department of Education.
- v. The **project report** on the development of a single SME Portal to provide assistance and support for SMEs, accessible at (<https://enterprise.gov.ie/en/what-we-do/supports-for-smes/sme-and-entrepreneurship-growth-plan/>).

The authorities also provided:

- vi. A **description of the SME test** published by the by Department of Enterprise, Trade and Employment on 30 April 2021 (accessible at <https://www.gov.ie/en/publication/Ocf13-irelands-sme-test/>).
- vii. Screenshot of **Department of Enterprise, Trade and Employment webpage with a link visible to the published project report** on the development of a single SME Portal from 18 October 2023.

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

A programme of actions for the implementation of the SME Test, with the objective of removing unnecessary regulatory obstacles for SMEs, shall have been published.

The programme of actions for the implementation of the SME Test was published on the Department of Enterprise, Trade and Employment's website setting out actions for quarter 1 and 2 of 2022 as shown by the screenshot of the SME Test webpage with a link visible to the published programme of actions for the implementation of the SME Test and is also accessible at <https://enterprise.gov.ie/en/what-we-do/the-business-environment/better-regulation/sme-test/> and <https://enterprise.gov.ie/en/publications/publication-files/programme-of-actions-to-implement-the-sme-test-across-government.pdf>. A spot check by Commission services on 5 December 2023 confirmed this was published. The description of the SME test specifies that the objective of the SME Test is to assist policymakers across government to think about the potential impact of any new legislation or regulation in terms of the regulatory burden it places on SMEs.

The programme shall specify a clear timeline and objectives for the SME Test.

The programme of actions includes a clear timeline with objectives to be achieved respectively in the first and second quarter of 2022 for the implementation of the SME Test, such as the objective for all Departments to identify during the first quarter any upcoming legislation in 2022 with relevance to SMEs.

A Communication on implementation of the SME Test shall also have been issued to all Government departments, which shall have requested that the SME Test be fully applied on all relevant legislation.

Letters, from the Secretary General of the Department of Enterprise Trade and Employment were sent on 17 January 2022 to the Secretaries General of the 16 other government departments, establishing the SME network and requesting the nomination of a point of contact. This covers all relevant departments because there are 18 departments in total, the Department of Enterprise sent the letter and no letter was sent to the Department of the Taoiseach (Prime Minister's Office). The letters, from the Secretary General of the Department of Enterprise Trade and Employment refer to the importance of ensuring that the SME Test be applied to all relevant legislation, as committed to under the Programme for Government.

Furthermore, in line with the description of the measure, **The SME test shall contain four steps for policymakers to consider: (i) SME stakeholder consultation, (ii) identification of affected businesses, (iii) measurement of the impact on SMEs, and (iv) assessment of alternative mechanisms and mitigating measures.**

Pages 6-8 of the description of the SME Test detail the four steps required to apply the SME Test. These include: (i) Consultation that captures the SMEs angle, (ii) identification of affected businesses,

(iii) measurement of the impact on SMEs, and (iv) assessment of alternative mechanisms and mitigating measures.

In addition, the reform consists in the publication of a project report on the development of a single SME Portal to provide assistance and supports for SMEs.

The project report on the development of a Single SME Portal was published on the Department of Enterprise, Trade and Employment’s website as shown by the screenshot of the Department of Enterprise, Trade and Employment webpage with a link visible to the published project report on the development of a single SME Portal. This is accessible at: <https://enterprise.gov.ie/en/what-we-do/supports-for-smes/sme-and-entrepreneurship-growth-plan/> and at <https://enterprise.gov.ie/en/publications/publication-files/project-report-on-the-development-of-a-single-sme-portal.pdf>. A spot check by Commission services on 2 June 2023 confirmed the active nature of the websites. Page 1 of the project report specifies that the single SME portal will provide a platform for information and access to available supports and related information for SMEs.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 89	Related Measure: 3.4 Reducing Regulatory Barriers To Entrepreneurship	
Name of the Milestone: Implementation of all identified actions to ensure a consistent uptake of the SME Test across Government		
Qualitative Indicator: Implementation of all identified actions to ensure a consistent uptake of the SME Test across Government, including the establishment of a network and reporting framework		Time: Q2 2022
Context:		
<p>The objective of measure 3.4 Reducing Regulatory Barriers to Entrepreneurship is to remove unnecessary regulatory obstacles for Small and Medium Enterprises (SMEs) when it comes to establishing and growing their business, by developing a SME Test to be applied by decision-makers.</p> <p>Milestone 89 requires that all actions identified in the programme of actions set out in Milestone 88 be implemented, including the establishment of a network and reporting framework, with a view to ensuring a consistent uptake of the SME Test across Government.</p> <p>Milestone 89 is accompanied by milestone 88 in this payment request, which relates to the establishment of the programme of actions for the implementation of the SME Test. Milestone 89 will be followed by target 90, related to the number of Government Departments applying the SME Test. The reform has a final expected date for implementation on 31 March 2023.</p>		
Evidence provided:		
<p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. A summary document, duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. <p>The authorities also provided:</p>		

- ii. The **programme of actions** for the implementation of the SME Test published by Department of Enterprise, Trade and Employment (pdf created on 28 March 2022) and accessible at (<https://enterprise.gov.ie/en/publications/publication-files/programme-of-actions-to-implement-the-sme-test-across-government.pdf>).
- iii. The **Guidelines and Template** for Application of the SME Test, developed by the Department of Enterprise, Trade and Employment dated March 2022.
- iv. Annex to the OECD Best Practice Principles on Regulatory Impact Assessment, titled “The SME Test: Taking SMEs and entrepreneurs into account when regulating”.
- v. **Letters from the Minister of State with responsibility for Trade Promotion, Digital and Company Regulation**, Robert Troy TD, to Ministerial colleagues in all 17 Government Departments **requesting the application of the SME Test** on all relevant legislation, dated 17 January 2022. These include:
 - a) Letter from Minister Troy to Taoiseach
 - b) Letter from Minister Troy to Minister for Agriculture
 - c) Letter from Minister Troy to Minister for Health
 - d) Letter from Minister Troy to Minister for Transport
 - e) Letter from Minister Troy to Minister for Public Expenditure and Reform
 - f) Letter from Minister Troy to Minister for Rural and Community Development
 - g) Letter from Minister Troy to Minister for Tourism, Culture, Arts, Gaeltacht, Sport and Media,
 - h) Letter from Minister Troy to Minister for Children, Equality, Disability, Integration and Youth
 - i) Letter from Minister Troy to Minister for the Environment, Climate and Communications
 - j) Letter from Minister Troy to Minister for Defence
 - k) Letter from Minister Troy to Minister for Finance
 - l) Letter from Minister Troy to Minister for Education
 - m) Letter from Minister Troy to Minister for Housing, Local Government and Heritage
 - n) Letter from Minister Troy to Minister for Justice
 - o) Letter from Minister Troy to Minister for Social Protection
 - p) Letter from Minister Troy to Minister for Foreign Affairs
 - q) Letter from Minister Troy to Minister of Further and Higher Education, Research, Innovation and Science.
- vi. Screenshot of the Department of Enterprise, Trade and Employment SME Test webpage with information on the test and links to key documents visible, also accessible at (<https://enterprise.gov.ie/en/what-we-do/the-business-environment/better-regulation/sme-test/>).
- vii. A **description of the SME Test** published by the by Department of Enterprise, Trade and Employment on 30 April 2021 (accessible at <https://enterprise.gov.ie/en/what-we-do/the-business-environment/better-regulation/sme-test/>, and at: <https://www.gov.ie/en/publication/Ocf13-irelands-sme-test/>).
- viii. A **list of departments that applied the SME Test in 2022** with legislative references (accessible at <https://enterprise.gov.ie/en/what-we-do/the-business-environment/better-regulation/sme-test/>).
- ix. Letters accompanying the Ministerial letters, from the Secretary General of the Department of Enterprise Trade and Employment, to the Secretaries General of the 16 other

government departments, establishing the SME network and requesting the nomination of a point of contact dated 17 January 2022. These include:

- i. Letter to Department of Agriculture, Food, and the Marine
 - ii. Letter to Department of Public Expenditure & Reform
 - iii. Letter to Department of Children, Equality, Disability, Integration and Youth
 - iv. Letter to Department of Housing, Local Government, and Heritage
 - v. Letter to Department of Defence
 - vi. Letter to Department of Further and Higher Education, Research, Innovation, and Science
 - vii. Letter to Department of Foreign Affairs
 - viii. Letter to Department of Finance
 - ix. Letter to Department of Social Protection
 - x. Letter to Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media
 - xi. Letter to Department of Transport
 - xii. Letter to Department of Rural and Community Development
 - xiii. Letter to Department of Environment, Climate, and Communications
 - xiv. Letter to Department of Justice
 - xv. Letter to Department of Health
 - xvi. Letter to Department of Education.
- x. Email from Department of Enterprise titled "Implementation of SME Test" to the members of the cross government network dated 3 March 2022.
 - xi. Email from Department of Enterprise titled "FW Implementation of the SME Test 2" to the members of the cross government network dated 8 March 2022.
 - xii. Emails from Department of Enterprise to the cross-Government network seeking updates on the application of the SME Test dated 24 May and 18 October 2022.
 - xiii. Email from Department of Enterprise titled "Virtual Meeting with legislation units re use of SME Test" dated 11 April 2022.
 - xiv. Minutes of the meeting of 3 May 2022 with officials in departments responsible for legislation identified in Action 4c of the Program of Actions.
 - xv. A list of the members of the cross-government network for implementation of SME Test, containing names of officials and official email addresses.

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

All actions identified in the programme of actions set out in Milestone 88 shall have been implemented according to the timeline defined in that programme.

The programme of actions sets out actions divided in 6 broad categories and 10 subcategories with timelines defined.

1. *Develop guidelines and template form to assist in the application of the SME Test:*
 - *1a: Research international best practice on implementation the SME Test, including OECD and EU data and analysis (Q1 2022)*
 - *1b: Draft guidelines to provide practical assistance with the application of the SME Test (Q1 2022)*
 - *1c: Create template to provide for a standardised application of the SME Test across Government (Q1 2022)*

The summary document outlines that the Guidelines and Template document was informed by the European Commission's Better Regulation Toolbox and through other engagement, including OECD event on mainstreaming SME and entrepreneurship perspectives in policymaking. The description of the SME Test published by the Department of Enterprise, Trade and Employment on 30 April 2021 on page 5 provides evidence on how this test was informed by the Commission's Better Regulation Toolbox and provides a link to the toolbox. The 2021 OECD paper titled "The SME Test: Taking SMEs and entrepreneurs into account when regulating" is provided as evidence that the Irish authorities engaged with the OECD, and participated in a 2020 survey on how OECD countries consider SMEs when regulating. This demonstrates that international best practices were researched (1a). The Guidelines and Template for the application of the SME Test developed by the Department of Enterprise, Trade and Employment dated March 2022 show the completed implementation of action points 1b and 1c of the programme of actions for the implementation of the SME Test as they provide practical assistance with the application of the SME Test (pages 2 - 4 of the Guidelines and Template provide the 4 steps to conducting the SME Test number). In addition, pages 5 – 10 of the Guidelines and Template feature the template for the application of the test which will provide for standardised application of the SME Test across Government.

2. *High-level communication:*

- *2a: Letter to issue from Minister of State with responsibility for Trade Promotion, Digital and Company Regulation, Robert Troy TD, to Ministerial colleagues in all Government Departments, advising of the requirement to apply the SME Test to all draft legislation (Q1 2022)*

The letters from the Minister of State with responsibility for Trade Promotion, Digital and Company Regulation, Robert Troy TD, to Ministerial colleagues in all 17 Government Departments dated 17 January 2022 requesting the application of the SME Test to all relevant legislation explain what the SME Test is, the rationale for its introduction, and provide some details on how it will be implemented. Page 2 of the letters from the Minister of State with responsibility for Trade Promotion, Digital and Company Regulation advises on the requirement to fully apply the SME Test to all relevant draft legislation.

3. *Improvements to website:*

- *3a: Enhanced information on SME Test made available on website of Department of Enterprise, Trade and Employment (Q1 2022)*

Information relating to the SME Test is available on the website of the Department of Enterprise, Trade and Employment (DETE) as proven by the screenshot of the SME test webpage. Relevant documents such as the description of the SME Test, the Program of Actions to Implement the SME Test across government and the list of Departments that applied the SME Test in 2022 are available on the website as proven by the screenshot of the Department of Enterprise, Trade and Employment SME Test webpage with information on the test and links to key documents visible and accessible at <https://enterprise.gov.ie/en/what-we-do/the-business-environment/better-regulation/sme-test/>.

The screenshot shows links to the SME Test, the Program of Actions and the list of departments. A spot check by Commission services on 2 June 2023 confirmed the active nature of the website.

4. *Establish Cross-Government network to support the implementation of the SME Test:*

- *4a: High-level communication to issue from Secretary General of the Department of Enterprise, Trade and Employment to Secretaries General in all Government Departments requesting that all Departments nominate a point of contact to participate in a cross-Government network to support implementation of the SME Test (Q1 2022)*
- *4b: Hold first meeting of network to provide background to SME Test and the need to implement it to all relevant legislation (Q1 2022)*

- *4c: All Departments to identify any upcoming legislation in 2022 with relevance to SMEs (Q1 2022)*

Action 4a, related to a high-level communication from the Secretary General of the Department of Enterprise, Trade and Employment to Secretaries General in all Government Departments requesting that all Departments nominate a point of contact to participate in a cross-Government network to support implementation of the SME Test, was completed as evidenced by the letters accompanying the Ministerial letters, from the Secretary General of the Department of Enterprise Trade and Employment, to the Secretaries General of the 16 of the 17 other government departments, establishing the SME network and requesting the nomination of a point of contact. Note: no letter was sent to the Department of the Taoiseach (Prime Minister's Office) as this would not be relevant for this department.

Compliance with 4b *Hold first meeting of network to provide background to SME Test and the need to implement it to all relevant legislation* is demonstrated by the email from Department of Enterprise titled "Implementation of SME Test" that confirms the meeting of the network took place on 3 March and that attendees were advised to identify any upcoming pieces of legislation with potential impacts on SMEs. A further email from Department of Enterprise titled "FW Implementation of the SME Test 2" provides further information to the network, and explains that background to the test was provided at the meeting on 3 March.

Action 4c *Departments to identify any upcoming legislation in 2022* is evidenced by the emails from Department of Enterprise to the cross-Government network seeking updates on the application of the SME Test dated 24 May 2022 and 18 October 2022. A list of departments that applied the SME Test in 2022 is further evidence to the implementation of action 4c.

5. *Application of SME Test to relevant legislation across Government:*

- *5a: Hold meeting with officials in Departments responsible for legislation identified in Action 4c to apply the SME Test using the guidelines and template developed by DETE (Q2 2022)(note: the Program of actions refers to action 3(c) but there is no 3(c) so this must refer to 4c.*

The email from Department of Enterprise titled "Virtual Meeting with legislation units re use of SME Test" arranges a virtual meeting on 3 May 2022 with officials in departments responsible for legislation identified in Action 4c. According to the email the purpose of this meeting was for Department of Enterprise go through the SME Test and the template provided, and answer any questions that may arise. Minutes of the meeting of 3 May 2022 are provided as evidence that the meeting took place.

6. *Establish reporting framework:*

- *6a: Establish reporting timetable for network contact points to report on uptake during 2022 (Q2 2022)*

Emails from Department of Enterprise to the cross-Government network dated 24 May and 18 October 2022, informing the network that they will be seeking "periodic updates" on the application of the SME Test" confirm a reporting timetable in 2022. **A network shall have been established and shall include a nominated member from each Government Department, unless an appropriate justification was given by a particular Department for not nominating a member.**

The letters accompanying the Ministerial letters from the Secretary General of the Department of Enterprise Trade and Employment show the establishment of the SME network and requesting the nomination of a point of contact. Each department nominated a member as evidenced by the list of

the members of the cross-government network for implementation of SME Test, which includes names and contact details.

A reporting framework shall have been established and shall allow for the monitoring of application of the SME Test across Government.

The email dated 24 May 2022 from the Department of Enterprise to the cross-Government network outlines that members of the network would be asked for “periodic updates” on their application of the SME Test, and they are required to complete a spreadsheet indicating if the SME Test has been applied to legislation in their departments. A further email dated 18 October 2022 requests further updates on the application of the SME Test across Government Departments, and notes that the aim of these updates is to keep record of ongoing progress which is a requirement of the NRRP. This email also requests details on the application of the SME Test so that recommendations and observations could be shared within the network which demonstrates monitoring of the application.

These two emails from Department of Enterprise to the cross-Government network seeking updates on the application of the SME Test, confirm the establishment of an informal, on-demand reporting framework.

The Council Implementing Decision requires the establishment of a reporting framework that shall allow for the monitoring of the application of the SME Test across Government. The Department of Enterprise has established an informal reporting framework as evidenced by the email dated 24 May 2022 outlining that members of the network will be asked for periodic updates on their application of the SME Test. A further email dated 18 October 2022 requires a second round of reporting from the network. Whilst the absence of a more formal reporting framework constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, there is a clear indication that a reporting framework applies, although informal in nature. In addition, a spot check of the Department of Enterprise website carried out on 22 February 2024 shows a list of departments that applied the SME test to specified legislation in 2022, 2023, and 2024. This demonstrates that there is reporting happening, and this reporting will allow for the monitoring of the application of the SME test across Government. As a result of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 91	Related Measure: 3.5 Anti-Money Laundering		
Name of the Target: Inspections of Trust or Company Service Providers (TCSPs) carried out by the Anti-Money Laundering Compliance Unit (AMLCU)			
Quantitative Indicator: Number	Baseline: 0	Target: 120	Time: Q4 2021
Context:			
The objective of this reform is to strengthen Ireland’s anti-money laundering framework.			
Target 91 requires that the Anti-Money Laundering Compliance Unit (AMLCU) staff is reinforced, notably with a view to conducting at least 120 inspections of Trust or Company Service Providers.			
Target 91 is the first step of the implementation of the reform and it will be followed by milestone 92, milestone 93, and milestone 94, which require (i) a review of the regulatory enforcement toolkit under the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 on the feasibility of			

introducing an administrative sanctions regime in the non-financial sector, (ii) the publishing of an anti-money laundering / counter financing of terrorism Sectoral Risk Assessment of Trust or Company Service Providers, and (iii) the entry into force of legislation operationalising any recommendations made under milestone 92 towards expanding the regulatory toolkit to include financial sanctions for the non-financial sector, respectively. The reform has a final expected date for implementation by Q2 2023.

Evidence Provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. A **summary document** duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii. A **document on additional staff recruited**, containing a unique identifier for each of the staff recruited, their date of recruitment, and a summary of their qualifications.
- iii. A **spreadsheet on the Trust or Company Service Providers inspected**, with a unique identifier for each Trust or Company Service Provider, the date of inspection, the type of inspection (onsite or offsite), and the risk rating.

In the context of the sampling analysis, additional evidence was provided for a sample of 60 units including:

- iv. Redacted versions of the **signed off inspection reports** of Trust or Company Service Providers carried out in 2021 by the AMLCU regulatory investigators.

The authorities also provided:

- v. A **template of the Trust or Company Service Provider questionnaire**, outlining the (minimum) set of questions asked during an inspection.
- vi. A **note on risk-based inspection scheduling** for Trust or Company Service Providers.
- vii. The **Anti-Money Laundering Compliance Unit Annual Report 2019**.
- viii. The **Anti-Money Laundering Compliance Unit Annual Report 2020**.
- ix. The **Anti-Money Laundering Compliance Unit Annual Report 2021**.
- x. **Diplomas certifying specialist skills in forensic accounting** of the additional staff member recruited to the AMLCU.

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

At least 120 inspections of TCSPs (either onsite or remotely) shall have been carried out by AMLCU regulatory investigators.

The spreadsheet on the Trust or Company Service Providers inspected contains entries for 120 (onsite or remote) inspections of Trust or Company Service Providers. The information in the spreadsheet on the Trust or Company Service Providers inspected was verified by the Commission through a sampling exercise. The evidence provided for a sample of 60 units confirmed that the requirements of the target have been met. For each TCSP, Ireland provided a signed off inspection report carried in 2021 by AMLCU regulatory investigators. As inspections can only be either be onsite or offsite, there was no need to verify this condition.

AMLCU shall have recruited at least two additional staff in 2021, including at least one with specialist skills in forensic accounting, to assist with the supervision and management of TCSPs. In addition, in accordance with the measure description, the **AMLCU staff in the Department of**

Justice shall be reinforced, notably with a view to conducting a greater number of inspections of TCSPs.

The Council Implementing Decision required that the Anti-Money Laundering Compliance Unit recruit at least two additional staff in 2021, including at least one with specialist skills in forensic accounting. The document on additional staff recruited shows that the Anti-Money Laundering Compliance Unit recruited two additional staff, with one new staff member starting on 1 November 2021 and the second new staff member – who has diplomas certifying specialist skills in forensic accounting - starting on 3 May 2022. The document on additional staff recruited explains that, in 2021, the Anti-Money Laundering Compliance Unit offered the position to three individuals, all of whom declined. The role was then advertised in February 2022 on the civil service mobility transfer programme, which resulted in the recruitment of a candidate. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the deviation is acceptable as the Anti-Money Laundering Compliance Unit recruited the additional staff member with a minimal delay after the three candidates declined the offer in 2021. In addition, the Anti-Money Laundering Compliance Unit has been able to sustain an increasing trend in the number of Trust or Company Service Provider inspections - from 85 in 2019 (as reported on page 6 of the Anti-Money Laundering Compliance Unit Annual Report 2019) and 62 in 2020 (as reported on page 8 of the Anti-Money Laundering Compliance Unit Annual Report 2020), to 138 in 2021 (as reported on page 11 of the Anti-Money Laundering Compliance Unit Annual Report 2021). As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled

Inspections shall have considered legal obligations of TCSPs including: scope of the authorisation; business risk assessment; customer risk assessment; policies and procedures; staff training and instruction; customer due diligence and beneficial ownership of clients; suspicious transaction reporting.

The template of the Trust or Company Service Provider questionnaire used for inspections specifies that the purpose of the inspection is to assess compliance with relevant legal provisions (page 2). It covers: scope of the authorisation (on pages 3-4), business risk assessment (on pages 4-5), customer risk assessment (on pages 5-6), policies and procedures (on pages 6-7), staff training and instruction (on pages 7-8), customer due diligence and beneficial ownership of clients (on pages 8-11), and suspicious transaction reporting (on page 12).

The evidence provided for a sample of 60 units confirmed that these requirements have been met. All redacted versions of signed off inspection reports included the legal obligations considered by the inspection (scope of the authorisation); business risk assessment [in Section 1 on S.54 Matters]; customer risk assessment [in Section 2 on S.33-40 Matters]; policies and procedures [in Section 1 on S.54 Matter]; staff training and instruction [in Section 1 on S.54 Matter]; customer due diligence and beneficial ownership of clients [in Section 2 on S.33-40 Matters]; suspicious transaction reporting [in Section 3 on S.42 Matters]).

Following an inspection, the TCSP shall have been rated as high risk, medium- high risk, medium-low risk or low risk and this shall inform the level of future inspections.

The spreadsheet on the Trust or Company Service Providers inspected contains a column with a residual risk rating for each of the Trust or Company Service Providers, categorised as high risk, medium- high risk, medium- low risk or low risk. The evidence provided for a sample of 60 units further confirms these requirements have been met. The redacted versions of signed off inspection reports include the outcome of the inspection (including the risk rating) is covered under the

‘findings’ and ‘recommendation’ headings – with the relevant risk rating included at the end of the ‘risk assessment form for TCSP’.

The Council Implementing Decision required the risk rating to inform the level of future inspection. Ireland supplied an internal note on risk-based inspection scheduling, which outlines that Trust or Company Service Providers deemed higher risk will be inspected annually, others will be inspected every two years, and complex entities with no compliance issues and robust controls in place will be inspected every three years. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision as there is no legally binding obligation for the AMLCU to follow these scheduling indications, the deviation is acceptable as a risk-based supervision is effectively in place, while leaving to the AMLCU the flexibility to further improve its processes. As of this, this minimal deviation does not affect the progress towards achieving the reform that the target represents. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 92	Related Measure: 3.5 Anti-Money Laundering	
Name of the Milestone: Review of the Regulatory enforcement toolkit under the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010		
Qualitative Indicator: Review of the Regulatory enforcement toolkit under the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010, including recommendations on expanding the toolkit to include an administrative financial sanctions regime		Time: Q4 2021
<p>Context:</p> <p>The objective of this reform is to strengthen Ireland’s anti-money laundering framework.</p> <p>Milestone 92 requires a review of the regulatory enforcement toolkit under the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 on the feasibility of introducing an administrative sanctions regime in the non-financial sector.</p> <p>Milestone 92 is the second milestone or target of the reform, and it follows the completion of target 91, related to at least 120 inspections of TCSPs. It will be followed by milestone 93 and milestone 94, related to (i) the publishing of an anti-money laundering / counter financing of terrorism Sectoral Risk Assessment of TCSPs and (ii) the entry into force of legislation operationalising any recommendations made under milestone 92 towards expanding the regulatory toolkit to include financial sanctions for the non-financial sector, respectively. The reform has a final expected date for implementation by Q2 2023.</p>		
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. ii. A copy of the submitted review report, including recommendations. <p>The authorities also provided:</p> <ol style="list-style-type: none"> iii. A Government Decision of 14 December 2021 noting the Report of the Working Group. 		

Analysis:

The justification and substantiating evidence provided by the Irish authorities covers all constitutive elements of the milestone.

The review report on the feasibility of amending the primary legislation to expand the regulatory toolkit to include an administrative financial sanctions regime, including recommendations towards such an expansion of the regulatory toolkit where considered feasible, shall have been submitted by the working group to Government.

In Annex 2 covering the ‘Purpose of the Working Group’ on page 55, the submitted review report, including recommendations, describes the purpose of the Working Group producing the report as follows: “to report and make recommendations on the introduction of an administrative financial sanctions regime for the Anti-Money Laundering Compliance Unit (AMLCU) in the Department of Justice under the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 as amended.” In the section ‘background’ on pages 9-15, the submitted review report, including recommendations, sets out the legal framework for Ireland’s anti-money laundering/counter financing of terrorism regime and summarizes how non-compliance with this framework is currently prosecuted. In the section ‘research’ on pages 16-35, the submitted review report, including recommendations, summarises research and presentations considered by the working group on the advantages and disadvantages of administrative financial sanctions, as well as the feasibility of introducing such sanctions under the current legal framework. In the section ‘discussion & analysis’ on pages 36-48, the submitted review report, including recommendations, summarises discussions and analysis of the working group of different elements relating to the feasibility of amending the primary legislation to expand the regulatory toolkit to include an administrative financial sanctions regime. In the section ‘recommendations’ on pages 49-51, the submitted review report, including recommendations, includes eight recommendations related to the expansion of the regulatory toolkit where considered feasible.

In the section ‘next steps’ on page 52, the submitted review report, including recommendations, states that “this report is required to be submitted to Government in Q4 2021 in line with Action 92 in the Annex to the Council Implementing Decision (COM 2021 (419) final) on Ireland’s National Recovery and Resilience Plan.” On 13 December 2021, the Minister for Justice brought to government a Memorandum titled “Report of the Working Group to examine matters relating to the expansion of the regulatory toolkit under the Criminal Justice (Money Laundering and Terrorist Financing) Act 2021 as amended.”. The Government Decision of 14 December 2021 noting the Report of the Working Group captures the outcome the relevant Government meeting and shows that at a meeting on 13 December 2021, Government had taken note of the report, including its recommendations.

Furthermore, in line with the description of the measure, **a working group shall be established by the AMLCU, which shall submit a review report to Government.**

In the section ‘introduction’ on page 5, the submitted review report, including recommendations, explains that “in July 2021, the Anti-Money Laundering Compliance Unit (AMLCU) in the Department of Justice set up a Working Group to take forward Action 92 in the Annex to the Council Implementing Decision (COM 2021 (419) final) on Ireland’s National Recovery and Resilience Plan.” This working group produced the submitted review report, including recommendations.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 93

Related Measure: 3.5 Anti-Money Laundering

Name of the Milestone: Publication of an anti-money laundering / counter financing of terrorism Sectoral Risk Assessment of Trust or Company Service Providers (TCSPs)

Qualitative Indicator: Publication of an anti-money laundering / counter financing of terrorism Sectoral Risk Assessment of Trust or Company Service Providers (TCSPs)

Time: Q1 2022

Context:

The objective of this reform is to strengthen Ireland’s anti-money laundering framework.

Milestone 93 requires the publication of an anti-money laundering / counter financing of terrorism Sectoral Risk Assessment of Trust or Company Service Providers by the Anti-Money Laundering Steering Committee.

Milestone 93 is the third milestone or target of the reform, and it follows the completion of target 91 and milestone 92, related to (i) the carrying out of at least 120 inspections of Trust or Company Service Providers and (ii) a review of the regulatory enforcement toolkit under the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 on the feasibility of introducing an administrative sanctions regime in the non-financial sector, respectively. It will be followed by milestone 94, related to the entry into force of legislation operationalising any recommendations made under milestone 92 towards expanding the regulatory toolkit to include financial sanctions for the non-financial sector. The reform has a final expected date for implementation by Q2 2023.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. A **summary document** duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii. A copy of the **Sectoral Risk Assessment of Trust or Company Service Providers** by the Anti-Money Laundering Steering Committee published on the Department of Finance website on 27 March 2023 and a link to the website where it can be accessed (<https://www.gov.ie/en/publication/5a852-trust-or-company-service-providers-risk-assessment/>).

The authorities also provided:

- iii. **Copies of emails evidencing the sending of questionnaires** to nine Trust or Company Service Provider supervisors.
- iv. A copy of a **Memorandum of Understanding** in relation to the authorisation and monitoring of Trust or Company Service providers of November 2019.
- v. A copy of a **press release on the Irish Auditing & Accounting Supervisory Authority’s website** on the revocation of the recognition of the Institute of Incorporated Public Accountants of 3 June 2018 and a link to the website where it can be accessed (<https://iaasa.ie/revocation-of-the-recognition-of-the-institute-of-incorporated-public-accountants/>).
- vi. A copy of the **European Commission’s ‘Methodology for assessing money laundering and terrorist financing risks affecting the internal market and related to cross-border activities’** of 4 November 2015.

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

An anti-money laundering / counter financing of terrorism Sectoral Risk Assessment of Trust or Company Service Providers (TCSPs) by the Anti-Money Laundering Steering Committee (AMLSC) shall have been published.

On 27 March 2023, the authorities published the Sectoral Risk Assessment of Trust or Company Service Providers on the Department of Finance website. In Chapter 1 'Introduction' (page 4), it specifies that the publication concerns a sectoral risk assessment of Trust or Company Service Providers assessing risks related to money laundering and terrorist financing. In Section 1.2 'Methodology' (page 8), it specifies that the risk assessment was prepared by a subcommittee of the Anti-Money Laundering Steering Committee.

The analysis in the risk assessment shall be based on responses received to a detailed questionnaire issued to all relevant TCSP supervisors.

In Section 1.2 'Methodology' (page 8), the Sectoral Risk Assessment of Trust or Company Service Providers specifies that it "was drafted on the basis of both quantitative data and qualitative information received from each of the TCSP supervisors by way of a questionnaire, (...)." The questionnaire responses are reflected in for instance Section 4.2.2. 'The Designated Accountancy Bodies' (pages 34-36), which notes that "The responses provided by the [Designated Accountancy Bodies] to the questionnaire indicated a mixed understanding of [Trust or Company Service Provider] obligations and risks (...)" – before going into detail on the questionnaire responses on the inspection process and oversight and supervision.

In Section 1.1 'Definition and Overview' (pages 5-6), the Sectoral Risk Assessment of Trust or Company Service Providers outlines the Trust or Company Service Provider supervisors: the Central Bank of Ireland, the Anti-Money Laundering Compliance Unit, and the Designated Accountancy Bodies. Regarding the Designated Accountancy Bodies, it references a Memorandum of Understanding in relation to the authorisation and monitoring of Trust or Company Service providers of November 2019 on page 5, which lists nine Designated Accountancy Bodies in its glossary. Out of these nine Designated Accountancy Bodies, only eight are supervising Trust or Company Service Providers (the Chartered Institute of Public Finance and Accountancy is not) and are thus relevant and part of the Memorandum of Understanding. Furthermore, one relevant Designated Accountancy Body referenced in the Memorandum of Understanding — the Institute of Incorporated Public Accountants — was dissolved in 2018 and its members assimilated into CPA Ireland, as evidenced by a press release on the Irish Auditing & Accounting Supervisory Authority's website on the of revocation of the recognition of the Institute of Incorporated Public Accountants of 3 June 2018. As such, there were seven relevant Designated Accountancy Bodies supervising Trust or Company Service Providers at the beginning of the assessment. The emails evidencing the sending of questionnaires that were provided by the authorities show that questionnaires were sent to all relevant supervisors — the Central Bank of Ireland, the Anti-Money Laundering Compliance Unit, as well as seven Designated Accountancy Bodies: (i) the Association of Chartered Certified Accountants, (ii) the Association of International Accountants, (iii) the Institute of Chartered Accountants in Ireland, (iv) the Chartered Institute of Management Accountants, (v) the Institute of Chartered Accountants in England & Wales, (vi) the Institute of Certified Public Accountants in Ireland (now CPA Ireland), and (vii) the Institute of Chartered Accountants of Scotland.

The methodology applied in this assessment shall be the methodology recommended by the European Commission, as applied in the European Commission's supra-national risk assessment.

In Section 1.2 'Methodology' (pages 8-15), the Sectoral Risk Assessment of Trust or Company Service Providers describes the methodology used and specifies that "the methodology applied in this

assessment is the methodology recommended by the European Commission (EC), as applied in the EC's supra-national risk assessment (SNRA)". The section summarises the conceptual framework underpinning the EU SNRA and provides a reference to the European Commission's 'Methodology for assessing money laundering and terrorist financing risks affecting the internal market and related to cross-border activities' of 4 November 2015 on which the summary is based. [The section explains that the report, while following the European Commission's supra-national risk assessment methodology, presents the results in a slightly different manner: "the rating scale set out in this assessment, while based on the Commission's SNRA methodology, uses slightly different language to ensure consistency with Ireland's NRA and other published sectoral risk assessments, undertaken prior to the development of the SNRA methodology. Once a rating is calculated using the SNRA methodology, it is assigned a rating of low, medium-low, medium-high, or high as per Ireland's National Risk Assessment (NRA) rating" (page 15).]

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 95	Related Measure: 3.6 Aggressive Tax Planning	
Name of the Milestone: Amendment of capital allowances on intangible assets		
Qualitative Indicator: Provision in the legislation indicating the entry into force of the legislation		Time: Q3 2020
<p>Context:</p> <p>The objective of this reform is to apply preventative measures to limit opportunities for aggressive tax planning and in particular double non-taxation by means of outbound payments.</p> <p>Milestone 95 requires the entry into force of legislation amending capital allowances on intangible assets, to provide that all assets acquired from October 2020 are fully within the scope of balancing charge rules.</p> <p>Milestone 95 is the first step of the implementation of the reform and it will be followed by milestones 96, 97, and 98, which require (i) the entry into force of legislation changing corporate tax residency rules and enhancing controlled foreign company rules, (ii) the publication of both economic analysis and a public consultation summary relating to outbound payment flows, and (iii) the entry into force of legislation applying to outbound payments to prevent double non-taxation, respectively. The reform has a final expected date for implementation in March 2024.</p>		
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. A summary document, including a reference to the relevant provisions indicating the entry into force and to the provisions which fulfil the relevant elements of the milestone. ii. A copy of the Notification of the Finance Act 2020 published in the national official journal (<i>Iris Oifigiúil</i>) of 5 January 2021, among others amending the legislation on capital allowances on intangible assets. iii. A copy of the Taxes Consolidated Act (1997) of 30 November 1997 that was amended by the Finance Act 2020. <p>The authorities also provided:</p> <ol style="list-style-type: none"> iv. An extract of a briefing document for Assistant Secretary General of the Tax Division from 31 August 2020, comparing the Irish tax treatment to that of other jurisdictions. 		

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

Legislation shall have entered into force.

The Finance Act 2020 has entered into force on 19 December 2020, as confirmed in the national official journal of 5 January 2021.

It shall have amended capital allowances on intangible assets to provide that all assets acquired from October 2020 are fully within the scope of balancing charge rules in line with international best practice.

Section 18 of the Finance Act 2020 amends section 288 of Taxes Consolidated Act (1997) (balancing allowances and balancing charges).

Before the legislative amendment, subsection (3C) of section 288 of the Taxes Consolidated Act (1997) contained an exemption, providing that no balancing charge would be made “in respect of capital expenditure *incurred on the provision* of a specified intangible asset” if that asset was disposed of, or no longer used by a company for its trading activity, after more than five years (from the first accounting period in which the asset was provided). The Finance Act 2020 amended the Taxes Consolidated Act (1997) in subsection (3C), by substituting in the new text “*incurred before 14 October 2020 on the provision*” for the old text “*incurred on the provision*”, which had effect as on and from 14 October 2020 (see 18(1) and 18(2) on page 53). As a result of the legislative amendment, the above-mentioned exemption only applies to intangible assets acquired before 14 October 2020. Thus, all intangible assets acquired on or after 14 October 2020 will be fully within the scope of balancing charge rules.

The amendment is in line with international best practice, as shown by a comparison of the Irish tax treatment before the amendment with the tax treatment in other jurisdictions included in the extract of a briefing document for Assistant Secretary General of the Tax Division from 31 August 2020. An analysis by Commission services confirms that the above exemption was unusual in comparison to the other jurisdictions; therefore the legislative amendment to remove the exception is in line with international best practice.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 96	Related Measure: 3.6 Aggressive Tax Planning	
Name of the Milestone: Corporate Tax residency reform and enhanced controlled foreign companies (CFC) rules applying to the list of non-cooperative jurisdiction		
Qualitative Indicator: Publication of a circular and provision in the legislation indicating the entry into force of the legislation		Time: Q1 2021
Context: Milestone 96 is part of reform 3.6, whose objective is to apply preventative measures to limit opportunities for aggressive tax planning and in particular double non-taxation by means of outbound payments.		

Milestone 96 consists of two elements: i) changing Ireland’s corporate tax residence rules to prevent Irish incorporated companies from being stateless for tax purposes and to shut down structures that were designed to exploit gaps in US anti-avoidance rules, ii) enhance controlled foreign companies (CFC) rules to apply to the EU list of non-cooperative jurisdictions.

Milestone 96 is the second milestone of the reform, and it follows the completion of milestone 95, related to legislation amending capital allowances on intangible assets. It will be followed by milestone 97 and milestone 98, related to (i) the publication of both economic analysis and a public consultation summary relating to outbound payment flows, and (ii) the entry into force of legislation applying to outbound payments to prevent double non-taxation, respectively. The reform has a final expected date for implementation by Q1 2024.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. **A summary document**, including a reference to the relevant provisions indicating the entry into force and to the provisions which fulfil the relevant elements of the milestone.
- ii. A copy of **Revenue eBrief No. 020/21** published by Revenue Commissioners on 05 February 2021, as well as a screenshot and a link to the website where it can be accessed (<https://www.revenue.ie/en/tax-professionals/ebrief/2021/no-0202021.aspx>).
- iii. A copy of **Tax and Duty Manual** part 02-02-03 last reviewed July 2022, published by the Revenue Commissioners on the Government of Ireland website on 5 February 2021.
- iv. Copies of the **Finance Acts** amending the Taxes Consolidation Act (1997):
 - a. **Finance Act 2020** of 19 December 2020, published in the national official journal (*Iris Oifigiúil*) on 5 January 2021.
 - b. **Finance Act 2021** of 21 December 2021, published in the national official journal (*Iris Oifigiúil*) on 4 January 2022.
 - c. **Finance Act 2022** of 15 December 2022, published in the national official journal (*Iris Oifigiúil*) on 20 December 2021..
- v. Copies of the **Notifications** of the Finance Acts 2020, 2021, and 2022 published in the national official journal (*Iris Oifigiúil*) on:
 - a. **5 January 2021.**
 - b. **4 January 2022.**
 - c. **20 December 2022.**
- vi. A copy of the original **Taxes Consolidation Act (1997)** of 30 November 1997 whose amendments are available at the Irish statute book on (www.irishstatutebook.ie)

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

Publication of a circular concerning the amendment of Ireland’s corporate tax residence rules to prevent Irish incorporated companies from being stateless for tax purposes and to shut down structures (such as the so called ‘Double Irish’) that were designed to exploit gaps in US anti-avoidance rules.

The Revenue Commissioners published a circular concerning the amendment of Ireland’s corporate tax residence rules on their website, as Revenue eBrief No. 020/21 on 5 February 2021. The circular states that: Section 23A of the Taxes Consolidation Act 1997 sets out rules for determining company residence in the State; Section 23A was amended by Finance Act 2014, but the application of the

amended section 23A was subject to a transition period for companies incorporated before 1st of January 2015; and the Tax and Duty Manual was also updated for the change (part 02-02-03, page 4).

Section 23A was amended by Finance Act 2014 so that a company incorporated in the State will be regarded as resident for tax purposes in the State, unless it is treated as resident in a treaty partner country by virtue of a double taxation treaty. However, the application of the amended section 23A was subject to a transition period for companies incorporated before 1 January 2015. This transition period ceased on 31 December 2020, and the Tax and Duty Manual Part 02-02-03 has been updated to reflect this.

Before 1999, company residence in Ireland was determined by common law rules. Subsection 82 of Finance Act 1999 added statutory provisions in Section 23A, available at (<https://www.irishstatutebook.ie/eli/1999/act/2/section/82/enacted/en/html#sec82>).

Section 23A created the potential for tax avoidance, as a company could exploit the mismatch of the tax residence rules of Ireland and those of its treaty partners. The 'Double Irish' was an example of international tax-planning arrangements designed to take advantage of mismatches between the tax rules in two or more countries.

The above amendments of the Taxes Consolidation Act (1997) – that made sure a company incorporated in the State will be regarded as resident for tax purposes in the State, unless it is treated as resident in a treaty partner country by virtue of a double taxation treaty – prevented Irish incorporated companies from being stateless for tax purposes and shut down structures (such as the so called 'Double Irish') that were designed to exploit gaps in US anti-avoidance rules.

Legislation shall have enhanced CFC rules to apply to the list of non-cooperative jurisdictions, exceeding the minimum requirements for ATAD in Part 35B of the Taxes Consolidation Act, 1997, concerning controlled foreign companies ('CFCs'). Section 835YA shall disapply section 835T (the Effective tax rate exemption), section 835U (the Low profit margin exemption) and section 835V (the Low accounting profit exemption) so that an Irish resident company with a CFC resident in a jurisdiction that is included on the EU Code of Conduct list of non-cooperative jurisdictions for tax purposes in an accounting period of the CFC may not avail of the aforementioned exemptions.

Legislation applying more strict rules (that meet the minimum requirements of Anti-Tax Avoidance Directive (ATAD) for companies with subsidiaries operating in jurisdictions that remain on the EU list of non-cooperative tax jurisdictions) was introduced in Finance Act 2020 of 19 December 2020, which enhanced Ireland's Controlled Foreign Company rules. Finance Act 2020, section 20 inserted Section 835YA into Part 35B into the Taxes Consolidation Act (1997) providing that the Effective tax rate exemption (section 835T), the Low profit margin exemption (section 835U) and Low accounting profit exemption (section 835V) shall not apply a controlled foreign company that are resident in "a territory included in [...] the revised EU list of non-cooperative jurisdictions for tax purpose". Section 835YA thus strengthens the application of the Irish CFC rules to Irish resident companies with CFCs resident in EU listed non-cooperative jurisdictions for tax purposes so that a CFC charge can be imposed that otherwise would not apply, based on the jurisdictions placement on the EU list.

By inserting a new section 835YA Finance Act 2020 is exceeding the minimum requirements for ATAD in Part 35B of the Taxes Consolidation Act (1997), because Art 7(4) of ATAD foresees that in the context of non-genuine arrangements in place for obtaining a tax advantage, Member States have the option of exempting CFCs whose profit is lower than certain thresholds. Section 835YA disapplied these exemptions, thus exceeding the minimal required scope of transposition of the ATAD's CFC measure.

Section 20 (2) “amendment of Part 35B of Principal Act (controlled foreign companies)” of Finance Act 2020 states that “Subsection (1) shall apply in respect of an accounting period beginning on or after 1 January 2021.”

Section 35 of Finance Act 2021 amended section 835YA to reflect the changes made to the EU list during 2021 and applied them with effect from 1 January 2022, as evidenced in section 35 (b).

Section 43 of Finance Act 2022 amended section 835YA to reflect the changes made to the EU list during 2022 and applied them with effect from 1 January 2023, as evidenced in section 43 (b).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 97	Related Measure: 3.6 Aggressive Tax Planning	
Name of the Milestone: Economic analysis on outbound payment flows and recent reforms and public consultation on measures applying to outbound payments		
Qualitative Indicator: Publication of economic analysis on outbound payment flows and recent reforms and publication of public consultation summary on measures applying to outbound payments		Time: Q4 2021
Context:		
<p>The objective of this reform is to apply preventative measures to limit opportunities for aggressive tax planning and in particular double non-taxation by means of outbound payments.</p> <p>Milestone 97 requires the publication of an economic analysis by an independent external contractor on payment flows, as well as the taking place and publication of a stakeholder public consultation relating to the possibility of introducing measures applying to outbound payments.</p> <p>Milestone 97 is the third milestone of the reform, and it follows the completion of milestone 95 and milestone 96, related to (i) the entry into force of legislation amending capital allowances on intangible assets and (ii) the entry into force of legislation changing Corporate Tax residency rules and enhancing controlled foreign company rules applicable to non-cooperative jurisdictions, respectively. It will be followed by milestone 98, related to the entry into force of legislation applying to outbound payments to prevent double non-taxation. The reform has a final expected date for implementation by Q1 2024.</p>		
Evidence provided:		
<p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. ii. A copy of the first part of the economic analysis (“<i>The changing nature of outbound royalties from Ireland and their impact on the taxation of the profits of US multinationals</i>”) published on the Department of Finance website on 14 June 2021 and a link to the website where it can be accessed (https://www.gov.ie/en/publication/fbe28-the-changing-nature-of-outbound-royalties-from-ireland-and-their-impact-on-the-taxation-of-the-profits-of-us-multinationals-may-2021/). iii. A copy of the second part of the economic analysis (“<i>The nature of outbound flows of direct investment income from Ireland</i>”) published on the Department of Finance website on 26 May 2022 and a link to the website where it can be accessed 		

[\(https://www.gov.ie/en/publication/a9051-the-nature-of-outbound-flows-of-direct-investment-income-from-ireland/\)](https://www.gov.ie/en/publication/a9051-the-nature-of-outbound-flows-of-direct-investment-income-from-ireland/).

- iv. A **summary of the public consultation** published on the Department of Finance website on 11 February 2022 and a link to the website where it can be accessed (<https://www.gov.ie/pdf/?file=https://assets.gov.ie/252917/3bc95d8e-94f2-4fa8-b305-df38ee33e311.pdf>).
- v. A copy of **the public consultation** published on the Department of Finance website on 5 November 2021 and a link to the website where it can be accessed (<https://www.gov.ie/en/consultation/40368-public-consultation-on-new-taxation-measures-to-apply-to-outbound-payments/>).

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

The economic analysis by an independent external contractor shall have been published.

Seamus Coffey, lecturer in Economics at University College Cork, carried out both the first part of the economic analysis and the second part of the economic analysis, as indicated on the title pages. Both the first part of the economic analysis and the second part of the economic analysis include a disclaimer on the cover page noting the independence of the author: “the views presented in this paper are those of the author alone and do not represent the official views of the Department of Finance or the Minister for Finance.” The first part of the economic analysis and the second part of the economic analysis were both published on the website of the Department of Finance on 14 June 2021 and 26 May 2022, respectively.

It shall have examined payment flows (including interest, royalties and dividends to/from EU Member States and non-EU jurisdictions including offshore financial centres) and the practical impact of the implementation of recent reforms to Ireland’s corporate tax code, and key reforms in other jurisdictions notably the United States, on these flows has been examined.

The first part of the economic analysis examines royalty payment flows to/from EU Member States and non-EU jurisdictions including offshore financial centres. Notably, it analyses the destination of royalty payments leaving Ireland (on pages 3-4). The second part of the economic analysis examines interest and dividend payment flows to/from EU Member States and non-EU jurisdictions including offshore financial centres. Notably, it examines relevant breakdowns of income outflows worldwide (pages 9-11). The second part of the economic analysis focusses on flows to/from the US in particular, as it notes that the relevant income flows – interest and dividend payment flows – “are dominated by the subsidiaries of US multinational enterprises” (page 1).

In addition, the first part of the economic analysis examines the practical impact of the implementation of the recent reforms on royalty flows. Notably, it argues that the use of ‘double Irish’ type structures by US multinationals is ending – among others, as a result of recent changes to Ireland’s corporate tax code in Ireland and the US, as well as the OECD’s Base Erosion and Profit Shifting project (page 15 and page 19). The second part of the economic analysis examines the practical impact of the implementation of the recent reforms on interest and dividend flows. Notably, it outlines the expected practical impact of recent reforms to Ireland’s corporate tax code and in OECD/G20 member jurisdictions (on pages 4-5) and carries out a case study related to the impact of recent reforms in US tax law on payment flows (on pages 14-19).

Public consultation shall also have taken place on the possibility of introducing measures applying to outbound payments and shall have been published on Department of Finance website.

The public consultation was published on the Department of Finance website on 5 November 2021. The summary of the public consultation published on the Department of Finance website describes the motivation behind the public consultation (page 2), the consultation process (page 2), the stakeholders from whom submissions were received (page 3), a summary of the stakeholder feedback (page 3-4), and an outline of next steps (page 4). In particular, the public consultation states (on page 6) that the intention of the consultation is to seek “stakeholder views on the introduction of measures to prevent double non-taxation in relation to outbound payments of interest, royalties and dividends.”

The Council Implementing Decision states that the public consultation shall have taken place on the possibility of introducing measures applying to outbound payments. A public consultation took place on the possibility of introducing measures to prevent double non-taxation in relation to outbound payments of interest, royalties and dividends. The description of the measure in the Council Implementing Decision states that “the objective of the measure is to apply preventative measures to limit opportunities for aggressive tax planning and in particular double non-taxation by means of outbound payments.” The economic analysis published as part of milestone 97 examined outbound interest, royalty and dividend payment flows. In addition, the final milestone of the measure, milestone 98, relates to the entry into force of legislation that “shall apply to outbound payments (interests, royalties and dividends) to prevent double non-taxation”. As such, the focus of the public consultation on measures to prevent double non-taxation in relation to outbound payments of interest, royalties and dividends is in line with the objective of the measure, as well as consistent with the focus of the different milestones making up the measure. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The consultation shall have been opened for stakeholder input for a period of at least six weeks.

The summary of the public consultation notes (on page 2) that the consultation period ran from 5 November 2021 to 20 December 2021, which means the consultation was open for stakeholder input for a period of at least six weeks.

Measures considered in the public consultation shall have included the application of withholding taxes and the introduction of non-deductibility of outbound payments.

The public consultation included specific questions on the application of withholding taxes (on pages 7-8: questions 2a, 2c, 3a, 3c, 4, and 5), as well as specific questions on the introduction of non-deductibility of outbound payments (on pages 7-8: questions 2b, 3b, and 5).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 99	Related Measure: 3.7 - Pensions	
Name of the Milestone: Report on supplementary pension landscape		
Qualitative Indicator: Publication of report by the Interdepartmental Pensions Reform and Taxation Group to help simplify and harmonise the supplementary pension landscape		Time: Q4 2020
Context:		
<p>The objective of this reform is to simplify and harmonise the supplementary pension landscape.</p> <p>Milestone 99 requires the publication of a report by the Interdepartmental Pensions Reform and Taxation Group, which presents a number of recommendations on how to advance the goal of simplifying and harmonising the supplementary pension landscape.</p>		

Milestone 99 is the first milestone of the reform. It will be followed by milestone 100, related to legislative measures to simplify and harmonise the supplementary pension's landscape. The reform has a final expected date for implementation by Q4 2022.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- vii. A **summary document** duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- viii. A **copy of the report by the Interdepartmental Pensions Reform and Taxation Group** published on the Department of Finance website on 13 November 2020 and a link to the website where it can be accessed (<https://www.gov.ie/en/publication/98d7f-report-of-the-interdepartmental-pensions-reform-and-taxation-group/>).

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

A report by the Interdepartmental Pensions Reform and Taxation Group shall have been published.

Chapter 1 (page 1) of the report of by the Interdepartmental Pensions Reform and Taxation Group explains how the purpose of the document is to report, in a consolidated fashion, on the work assigned to the Interdepartmental Pensions Reform and Taxation Group under the Roadmap for Pensions Reform 2018-2023.

The report of by the Interdepartmental Pensions Reform and Taxation Group was published on 13 November 2020 and is publicly available at the aforementioned web address; a spot check by Commission services on 15 June 2023 confirmed the active nature of the website.

It shall have presented a number of recommendations on how to advance the goal of simplifying and harmonising the supplementary pension landscape.

Pages 110-114 of the report of by the Interdepartmental Pensions Reform and Taxation Group list the recommendations in a 'Table of Conclusion'. The recommendations include, amongst others, that "the differential treatment of the Personal Retirement Savings Accounts for funding purposes should be abolished, employer contributions to Personal Retirement Savings Accounts should not be subject to Benefit In Kind" (page 111, line 21). This recommendation supports the harmonisation across pension products and occupational pension schemes, by equalising the tax treatment of employer contributions to employees' pensions across Personal Retirement Savings Accounts and Occupational Pension Schemes.

The recommendations of the report of by the Interdepartmental Pensions Reform and Taxation Group include, amongst others, that "In order to facilitate the prospective cessation of Buy Out Bonds, the provision in the Tax Consolidation Act banning transfers to Personal Retirement Savings Accounts for scheme members with more than 15 years qualifying service should be removed" (page 110, line 4). This recommendation expands the transfer options available and contributes to the harmonisation of the pensions landscape.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 101

Related Measure: 3.8 Increasing The Provision Of Social And Affordable Housing

Name of the Milestone: Entry into operation of the LDA as a commercial state agency

Qualitative Indicator: Entry into operation of LDA as commercial state agency

Time: Q4 2021

Context:

The objective of this reform is to increase the supply of social and affordable housing.

Milestone 101 requires the entry into operation of the Land Development Agency as a commercial state agency.

Milestone 101 is the first step of the implementation of the reform and it will be followed by target 102, target 103, and target 104, which require (i) homes to be made available for sale through the new Affordable Purchase scheme for homes on public lands, (ii) homes to be delivered under the cost rental scheme, and (iii) homes to be made available for sale to purchasers who avail of the equity support scheme, respectively. The reform has a final expected date for implementation by Q3 2023.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. A **summary document** duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii. A copy of the Notification of the **Land Development Agency Act 2021** published in the national official journal (*Iris Oifigiuil*) on 23 July 2021.
- iii. A copy of the Notification of the **Land Development Agency Commencement Statutory Instrument No. 143 of 2022** published in the national official journal (*Iris Oifigiuil*) on 1 April 2022.

The authorities also provided:

- iv. A **certificate of incorporation** from the Registrar of Companies of 20 December 2021.
- v. A copy of an internal **letter from the Land Development Agency Chief Executive Officer** of 10 November 2023.
- vi. A copy of the **minutes of the Land Development Agency board meeting** of 23 October 2023.
- vii. A copy of the **Land Development Agency Register of Obligations** approved on 25 January 2024.

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

The Land Development Agency Bill shall have entered into force and the Land Development Agency (LDA) shall have been established as a Designated Activity Company under the Companies Act.

The Land Development Agency Act 2021 entered into force on 21 July 2021, as confirmed in the national official journal of 23 July 2021.

Section 12 of the Land Development Agency Act 2021 provides that the Minister will “cause a [Designated Activity Company] limited by shares conforming to the conditions laid down in this Act to be formed and registered under Part 16 of the Companies Act.” The certificate of incorporation from the Registrar of Companies confirms that on 20 December 2021 the Land Development Agency was incorporated under the Companies Act 2014 and that the company is a Designated Activity Company (limited by shares).

Furthermore, in line with the description of the measure, **the reform consists in the entry into operation of the Land Development Agency as a commercial state agency as provided under the Land Development Agency Act 2021**

Section 1(2) of the Land Development Agency Act 2021 specifies that the Act “shall come into operation on such day or days as the Minister may by order or orders appoint either generally or with reference to any particular purpose or provision and different days may be so appointed for different purposes or different provisions.”

The Land Development Agency Commencement Statutory Instrument No. 143 of 2022 entered into force on 29 March 2022, as confirmed in the national official journal of 1 April 2022. The Land Development Agency Commencement Statutory Instrument No. 143 of 2022 appointed 31 March 2022 as the day in which the Land Development Agency came into operation.

The purposes of the LDA shall include to increase the supply of housing in the State and in particular social and affordable housing.

Section 14 of the Land Development Agency Act 2021 describes the functions of the Land Development Agency. In particular, Section 14(1)(o) provides that the Land Development Agency will “enter into commercial arrangements for the development of relevant public land and land that is privately owned in order to achieve the purposes of this Act and to expedite the provision of social and affordable housing.” Section 2 of the Land Development Agency Act 2021 describes the purposes of the Act. These purposes include “(a) to enable urgent measures to be taken to increase the supply of housing in the State and in particular affordable and social housing, (b) to ensure that public land which is not being utilised or is under-utilised is made available for housing in the State, (...)”

It is expected that this measure does no significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measure and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01). In particular, the LDA shall ensure compliance with relevant EU and national environmental legislation, and shall require the economic operators carrying out the construction works to ensure that at least 70% (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material referred to in category 17 05 04 in the European List of Waste established by Decision 2000/532/EC of 3 May 2000 replacing Decision 94/3/EC establishing a list of wastes pursuant to Article 1(a) of Council Directive 75/442/EEC on waste and Council Decision 94/904/EC establishing a list of hazardous waste pursuant to Article 1(4) of Council Directive 91/689/EEC on hazardous waste (notified under document number C(2000) 1147)) generated on the construction site shall be prepared for re-use, recycling and other material recovery, including backfilling operations using waste to substitute other materials, in accordance with the waste hierarchy and the EU Construction and Demolition Waste Management Protocol.

The establishment of the Land Development Agency was accompanied with statutory documentation to ensure compliance with relevant EU and national legislation. The register of obligations is an internal Land Development Agency document that outlines relevant EU and national legislation, including environmental legislation, and key controls and procedures to ensure compliance. The register of obligations forms part of the Land Development Agency’s overall governance framework.

Page 32 of the Land Development Agency Register of Obligations includes an obligation for the Land Development Agency to comply with the objectives of the Waste Directive particularly requirements of non-hazardous construction and demolition waste re-use, recycling and other material recovery. Page 32 of Land Development Agency Register of Obligations also lists key controls and procedures, which the Land Development Agency Executive Management Team has been charged with further developing, implementing and monitoring. The updated Register of Obligations therefore aligns with

the do no significant harm requirements in the council implementing decision. Page 2 of the minutes of the Land Development Agency board meeting further confirms the updates to the Register of Obligations were discussed and approved.

These documents give the Commission sufficient reassurance that the decision has been already taken to require all current and future contractors to ensure sufficient construction and demolition waste re-use, recycling, and other material recovery in line with the Council Implementing Decision. Beyond this, the Commission has understood the Land Development Agency is, in April 2024, taking further steps to formally enter into force the updated register of obligations.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 105	Related Measure: 3.9 Health
Name of the Milestone: Entry into operation of Sláintecare Consultant Contract	
Qualitative Indicator: Entry into operation of Sláintecare Consultant Contract	Time: Q3 2021
<p>Context:</p> <p>The objective of this reform is to progress on the implementation of the Sláintecare reform programme to contribute to achieving a universal single-tier healthcare system where everyone has equal access to services based on need irrespective of ability to pay.</p> <p>Milestone 105 requires the entry into operation of the Sláintecare Consultant Contract.</p> <p>Milestone 105 is the first step of the implementation of the reform and it will be followed by targets 106 and 107, which require (i) the entry into operation of 96 Community Health Networks and (ii) the registration of at least 430 000 patients to the Chronic Disease Management Programme, respectively. The reform has a final expected date for implementation by Q4 2023.</p>	
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. ii. A copy of the 2023 Sláintecare Consultant Contract issued by the public Health Service Executive. iii. A copy of a letter from the Department of Health to the Health Service Executive from 2 March 2023, on the implementation of the Sláintecare Consultant Contract. <p>The authorities also provided:</p> <ol style="list-style-type: none"> iv. A press release by the Minister for Health published on the Government of Ireland website on 7 December 2022, as well as a screenshot and a link to the website where it can be accessed (https://www.gov.ie/en/press-release/33536-minister-for-health-announces-government-approval-of-new-slaintecare-consultant-contract/). v. A Health Service Executive HR circular 008/2023 from 3 March 2023, on the Public Only Consultant Contract. vi. A copy of EU Directive 2019/1152 of 20 June 2019 on transparent and predictable working conditions in the European Union. vii. A copy of the 2008 Consultant Contract issued by the public Health Service Executive. 	

- viii. A copy of the **health sector consolidated salary scales** by the Department of Health of 1 March 2023.
- ix. A copy of the **consultant contract 2023 salary scales**.

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

The Sláintecare Consultant Contract shall have entered into operation.

The Sláintecare Consultant Contract, a standard contract for the employment of consultants in the public health service and in certain other agencies entered into operation on 8 March 2023. This is confirmed by a letter from the Department of Health to the Health Service Executive from 2 March 2023. Page one of the letter from the Department of Health to the Health Service Executive specifies this is the only contract that can be offered to new consultants as of 8 March 2023. In addition, Health Service Executive HR circular 008/2023 from 3 March 2023 confirms on page 1 that implementation of the Sláintecare Consultant Contract has effect from 8 March 2023 and “(...) is the only contract of employment that may be offered to new consultants, consultants who wish to transition from existing contracts, or consultants changing employers (...)”.

It shall include increased salary over existing new entrant salary levels and new contractual arrangements for consultants.

The consultant contract 2023 salary scales document shows that the Sláintecare Consultant Contract base pay rate for new entrants ranges from a minimum salary point of EUR 209 915 per year to a maximum salary point of EUR 252 150 per year. This is an increase over existing new entrant consultant salary levels (of EUR 156 710 year minimum to EUR 226 200 per year maximum for Type A, EUR 147 934 per year minimum to EUR 195 517 per year maximum for Type B, and EUR 129 608 per year minimum to EUR 162 795 per year maximum for Type C), as documented in Table C1(2) on page 46 of the health sector consolidated salary scales of 1 March 2023.

The Sláintecare Consultant Contract replaces the 2008 Consultant Contract and it includes new contractual arrangements for consultants. It contains extended hours, with hours for Monday to Friday from 08:00 to 22:00 in the Sláintecare Consultant Contract (Section 13.2), compared to hours for Monday to Friday from 08:00 to 20:00 in the 2008 Consultant Contract (Section 7a). It also contains enhanced financial provisions for continuing medical education, with a vouched annual allowance of EUR 12 000 in the Sláintecare Consultant Contract (Section 17.1), compared to a vouched annual allowance of EUR 3 000 in the 2008 Contract (Section 23e). In addition, it contains a shortened probation period, with a probation period of 6 months extendable by a further period of up to 6 months in the Sláintecare Consultant Contract (Section 7.1), compared to a probation period of 12 months extendable by a further period of up to 6 months in the 2008 Consultant Contract (Section 3a).

The contract shall be a ‘public only’ contract of employment, with no provision for any private practice, on or offsite.

The Sláintecare Consultant Contract is referred to as the ‘public only consultant contract 2023’ on the title page of the Sláintecare Consultant Contract itself, as well as throughout the Health Service Executive HR circular 008/2023. Section 24 of the Sláintecare Consultant Contract reiterates the public only nature of the contract.

The Council Implementing Decision required that the Sláintecare Consultant Contract have no provision for any onsite private practice. Section 24.10 contains a prohibition of private practice in public hospitals, unless this is expressly permitted by the employer and the employer is satisfied that

such an exception is compatible with a range of objective grounds. In particular, a situation in which such an exception can be granted is outlined in Section 8 of Appendix 9, which relates to the transition of existing consultants to the Sláintecare Consultant Contract. A transition period is outlined in Sections 10 a-d and 11 a-b of Appendix 9, which specify that those who switch to the Sláintecare Consultant Contract by 31 December 2023 will need to cease private practice onsite by 31 December 2025, while those who switch to the Sláintecare Consultant Contract after 31 December 2023 will have only six months to cease private practice onsite. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the delay between the entry into operation of the Sláintecare Consultant Contract and the actual application of the provisions for all consultants with the Sláintecare Consultant Contract is considered both limited and proportional, notably as it concerns only transitional arrangements that are limited in duration. As existing consultants may remain on their existing contract and may find it difficult to immediately cease all onsite private practice, temporary transitional arrangements are likely to help attract existing consultants to the Sláintecare Consultant Contract. Allowing for a transitional arrangement of limited duration is thus a pragmatic feature of the contract that does not threaten the nature of this 'public only' contract that aims at a phased elimination of private care from public hospitals - a key objective of the Sláintecare Consultant Contract, as stated on page 1 of the Health Service Executive HR circular 008/2023 from 3 March 2023. Moreover, certainty on the entry into operation of the Sláintecare Consultant Contract is provided by this Health Service Executive HR circular 008/2023 from 3 March 2023, which specifies that, from 8 March 2023, the Sláintecare Consultant Contract is the only contract of employment that may be offered to new consultants, consultants who wish to transition from existing contracts, or consultants changing employers. As of this, this minimal substantive deviation does not change the nature of the measure and does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The Council Implementing Decision further required that the Sláintecare Consultant Contract have no provision for any offsite private practice. Section 24 does set out the freedom for consultants to engage in private practice outside the scope of the contract – provided that the employer is satisfied that such an exception is compatible with a range of objective grounds. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the deviation is required in order to comply with EU law. In particular, Directive 2019/1152 of 20 June 2019 on transparent and predictable working conditions in the European Union limits the circumstances in which an employer can restrict an employee from engaging in work. Article 9(1) on parallel employment stipulates that *“Member States shall ensure that an employer neither prohibits a worker from taking up employment with other employers, outside the work schedule established with that employer, nor subjects a worker to adverse treatment for doing so”*. In addition, Article 9(2) on parallel employment stipulates: *“Member States may lay down conditions for the use of incompatibility restrictions by employers, on the basis of objective grounds, such as health and safety, the protection of business confidentiality, the integrity of the public service or the avoidance of conflicts of interests.”* In line with the Sláintecare Consultant Contract being a 'public only' contract of employment, the provisions in Section 24 of the Sláintecare Consultant Contract sets clear limits on the provision of offsite private practice, which can only be allowed if and when the employee requests and the employer grants permission on the basis of objective grounds. Permission is not required in a limited set of circumstances, such as charitable work or unpaid work, as long as such activities are completed outside of the employee's work schedule and do not impede the employee's discharge of duties (section 24.14 of the Sláintecare Consultant Contract). Since the provisions in Section 24 are sufficiently limited and well defined, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the reform that the milestone

represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The new contract shall have been applicable to all contracts issued after 30 September 2021 at the latest.

The letter from the Department of Health to the Health Service Executive from 2 March 2023 requests on page 1 that the Health Service Executive only offer the Sláintecare Consultant Contract to new consultants from 8 March 2023. In addition, Health Service Executive HR circular 008/2023 from 3 March 2023 clarifies on page 1 that from 8 March 2023 the Sláintecare Consultant Contract “(...) is the only contract of employment that may be offered to new consultants, consultants who wish to transition from existing contracts, or consultants changing employers (...).”

The Council Implementing Decision required the Sláintecare Consultant Contract to be applicable to all contracts issued after 30 September 2021 at the latest. With a delay, the Sláintecare Consultant Contract became applicable to all contracts issued on or after 8 March 2023. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision. The delay has resulted consultants not being offered the Sláintecare Consultant Contract between 1 October 2021 and 7 March 2023. The delay was due to the Department of Health and Health Service Executives being engaged in protracted negotiations on the Sláintecare Consultant Contract with consultants’ representative bodies. As existing consultants may remain on their existing contract, the agreement of these representative bodies was pursued to incentivise a high take-up of the Sláintecare Consultant Contract among existing consultants. A press release by the Minister for Health from 7 December 2022 announcing the end of talks on the Sláintecare Consultant Contract, explains that a second round of negotiations was concluded in December 2022, that the Government has approved the Sláintecare Consultant Contract, and that representative bodies will consider the proposals through their respective processes. The Sláintecare Consultant Contract entered into operation shortly after these final steps in the negotiation, as attested to by the above-mentioned supporting evidence. Given this context, the delay is acceptable in that it can be expected to lead to a higher take-up of the Sláintecare Consultant Contract among existing consultants. As of this, this minimal substantive deviation does not change the nature of the measure and does not affect the progress towards achieving the reform that the milestone represents or progress in achieving the other milestone of this reform. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

All existing consultants shall have been offered the opportunity to switch permanently to the Sláintecare Consultant Contract, but shall have been able to retain the option to remain on their existing contract.

The letter from the Department of Health on the implementation of the Sláintecare Consultant Contract from 2 March 2023 requests on page 1 that the Health Service Executive make the Sláintecare Consultant Contract available for all existing consultants from 8 March 2023. In addition, Health Service Executive HR circular 008/2023 from 3 March 2023 clarifies on page 2 that from 8 March 2023 the Sláintecare Consultant Contract “will be offered to all existing consultants holding existing or previous consultant contracts of employment and an invitation to transfer to the new contract will be issued to each consultant.”

The switch offered is permanent, as Health Service Executive HR circular 008/2023 from 3 March 2023 specifies on page 1 that from 8 March 2023 the Sláintecare Consultant Contract “(...) is the only contract of employment that may be offered to new consultants, consultants who wish to transition from existing contracts, or consultants changing employers (...).” This means that any existing consultants that have switched to the Sláintecare Consultant Contract cannot revert back to previous

iterations of the contract, as those contracts are no longer being offered, which makes the switch a permanent switch.

At the same time, existing consultants will, by default, retain the option to remain on their existing contract. It is their contractual right to remain on their existing contract, for as long as their current contract remains in force - a switch to the Sláintecare Consultant Contract cannot be unilaterally decided on.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 108	Related Measure: 4.1 - Monitoring and implementation of the plan
Name of the Milestone: Repository system for audit and controls: information for monitoring implementation of the RRF	
Qualitative Indicator: An audit report confirming repository system functionalities	
Context: <p>The objective of this measure is to facilitate the monitoring and implementation of the plan.</p> <p>Milestone 108 requires having in place a repository system for audit and controls. The repository system should allow recording, storing and making available all relevant data related to the implementation of the recovery and resilience plan - the achievement of milestones and targets, data on final recipients, contractors, subcontractors and beneficial owners - before the first payment request is submitted.</p> <p>Milestone 108 is complemented by milestone 109, related to ensuring the administrative capacity of the Implementing Body, as well as the administrative capacity for the audit body, by the first payment request by means of a workload analysis.</p> <p>The measure has a final expected date for implementation by Q4 2021.</p>	
Evidence provided: <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none">i. A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.ii. Independent Audit Body report on the RRF IT system (5 July 2023).iii. Acceptance Protocol for the RRF IT System, signed by the Head of the Implementing Body (16 March 2023).iv. A summary of functionalities of the RRF IT System (1 June 2023). <p>The authorities also provided:</p> <ol style="list-style-type: none">v. Excel report generated from the RRF IT System (28 April 2023).vi. RRF Beneficiaries Guidance Note (14 March 2024).vii. A copy of the signed Memorandum of Understanding with Department of Health (14 March 2024).	

- viii. A **guidance on beneficial owners** to the project leads issued on 29 January and 26 February 2024.
- ix. An **email with evidence of Project 3.3** contacting foreign companies to get beneficial owner information.
- x. An **email between the Irish authorities and the lead negotiators** confirming the instructions given to the final recipients on the measures to take and the inclusion of the commitment agreed with the Commission in the Summary document for M108 (4 April 2024).

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover the constitutive elements of the milestone.

A repository system for monitoring the implementation of the RRF shall be in place and operational before the first payment request.

The Independent Audit Body report of 5 July 2023 confirms that, in line with the requirements of the Council Implementing Decision, the repository system is in place and operational, meaning that the data are collected and stored by the entity entrusted with this task.

The Independent Audit Body, which is the Irish Audit Authority for the RRF, carried out a system audit on the Irish repository system between January and July 2023. The objective of the audit was to obtain reasonable assurance on the effective functioning of the RRF Information System (RRF Project and Portfolio Management - RRF IT system), which ensures the effective monitoring and implementation of the Recovery and Resilience Plan (RRP), including the envisaged timetable, milestones and targets, and related indicators, as required by Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021.

According to the Independent Audit Body report (page 8), the objective of the audit was to provide reasonable assurance that the requirements of milestone 108 as identified in the Council Implementing Decision and the Annex thereto had been fulfilled. The final audit report outlines six audit findings with low rating, and issues recommendations on how to address these findings. The overall audit opinion of the Independent Audit Body is unqualified (page 15 of the Independent Audit Body report).

The system shall include, as a minimum the following functionalities:

(a) collection of data and monitoring of the achievement of milestones and targets;

In addition to the Independent Audit Body report, the Commission auditors requested a virtual demonstration of the Irish repository system, which was held on 18 July 2023, to obtain reasonable assurance that data had been collected and effectively stored (minutes of the assessment of the Irish repository system 18/07/2023). The following elements of the system were demonstrated and confirmed that the system has the necessary functionalities for the collection of data and the monitoring of the achievement of milestones and targets:

- The system is specifically developed for the Irish RRP following a procurement of an Enterprise Project and Portfolio Management (EPPM) solution by the Office of the Government Chief Information Officer (OGCIO), as the division within the Department of Public Expenditure, NDP Delivery & Reform (DPENDPDR) with responsibility for IT.

- The system is a central system whereby access is granted to all implementing bodies (13). These entities are responsible for uploading the data.
- There is a clear overview of the milestones and targets, their timing, and the associated timeline in terms of the payment request.
- The system displays if a certain milestone/target is completed, not completed or delayed.
- The structure of the system allows to click on a measure of interest, and see the summary, green and digital expenditure, details, project financials, notes, status and references tab.
- In the tab 'details' the supporting evidence for the achievement of the measures is normally available. It is possible to see data on contractors, subcontractors, final recipients and beneficial owners, through the tab 'summary', then clicking on 'Project', following the pop-up link, and the relevant information is available under the tab 'Other details'.

The system shall include, as a minimum the following functionalities:

[...]

(b) collect, store and ensure access to the data required by points (i) to (iii) of point (d) of Article 22(2) of the RRF Regulation.

In addition to the virtual demonstration session held on 18 July 2023, the Commission auditors were granted access to the repository system on 27 July 2023. Following further exchanges with the Irish authorities, the Commission services concluded that:

- Data has been collected for milestones from the first payment request, which contain signed contracts with contractors, as required by the Article 22(2)(d).
- Not all data has been collected on ongoing measures, such as beneficial owners, contractors and sub-contractors of national and foreign entities.
- As confirmed by the Irish authorities, the data undergoes manual verification within the Irish business register, which has restricted access. However, the evidence provided regarding the verification of data collection on beneficial ownership (both national and foreign) and its subsequent upload to the system indicates that the collected data is neither complete nor sufficient according to Article 22(2)(d).

In the email between the Irish authorities and the lead negotiators dated 4 April 2024, the Irish authorities declare that they will instruct the final recipients which are also the contracting authorities (as per national or EU rules) to take the following measures:

- The obligation for the winning tenderer (contractor) to provide the data on beneficial owner and names of the sub-contractors should be part of the tender process;
- Accountable Departments will contact the foreign company requesting the data on beneficial owners on an ongoing basis until the data is provided; and
- In the event that the foreign company does not return the data, an audit trail of the steps taken to collect the data will be kept.

In order to ensure continuous compliance with the milestone and its obligations under the Financing Agreement, as attested through the updated summary document justifying how the milestone was satisfactorily fulfilled, Ireland has committed to continuing to develop its system for data collection and monitoring by completing the following actions within 6 months:

- Ensuring for already concluded contracts the completeness of the data specified in Art. 22.2.d.i to 22.2.d.iii of the RRF Regulation and in line with the Commission’s Note on repository systems of 2022/01/28;
- Clearly identifying RRF funded projects in the repository system and whether the entity is a final recipient, contractor or subcontractor.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 109	Related Measure: 4.1 - Monitoring and implementation of the plan
Name of the Milestone: Administrative capacity of the Implementing Body and the audit body	
Qualitative Indicator: A report confirming the commitment of resources for the Implementing Body and the audit body	Time: Q4 2021
<p>Context:</p> <p>This measure relates to the monitoring and implementation of the plan.</p> <p>Milestone 109 relates to ensuring the administrative capacity of the Implementing Body, as well as the administrative capacity for the audit body, by the first payment request by means of a workload analysis.</p> <p>Milestone 109 is complemented by milestone 108, related to having in place a repository system for audit and controls with information for monitoring the implementation of the RRF.</p> <p>The measure has a final expected date for implementation by Q4 2021.</p>	
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. M109 Summary Document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. ii. Workload analysis (Implementing Body) of 5 July 2023. iii. IB Resources (Implementing Body) of 16 June 2023. iv. Milestone 109 Report by the Department of Public Expenditure, NDP Delivery and Reform of 5 July 2023. v. IAB Workload Analysis of 17 July 2023. vi. Confirmation of the administrative capacity of the Implementing Body and Audit Body, signed by the Senior HR Business Partner at the Department of Public Expenditure, NDP Delivery and Reform (3 August 2023). vii. Updated confirmation of the administrative capacity of the Implementing Body, signed by the Senior HR Business Partner at the Department of Public Expenditure, NDP Delivery and Reform (6 December 2023). viii. Workload analysis of the Audit Body of 27 July 2023. ix. Workload Analysis IAB (Irish Audit Authority) of 6 December 2023. 	

Analysis:

The justification and substantiating evidence provided by the Irish authorities cover all constitutive elements of the milestone.

The administrative capacity of the Implementing Body, as well as the administrative capacity for the Audit Body shall be guaranteed by the first payment request by means of a workload analysis. A report confirming the commitment of resources for the Implementing Body and the audit body.

The milestone in the Council Implementation Decision is further specified in the Operational Arrangements, which requires **for the purposes of this operational arrangement, it shall be understood that the decisions on the allocation of the necessary resources confirm the commitment of resources.**

Following the workload analysis regarding the administrative capacity of the Implementing Body:

The Milestone 109 Report and the Workload analysis (Implementing body) of 5 July 2023 outlined the resources of the Irish Implementing Body (Department of Public Expenditure, NDP Delivery and Reform (DPENDPDR) specifically directed towards the RRF implementation (table 1, page 3 of the Milestone 109 Report and the organisation chart with Implementing Body resources). In addition to the existing staff of eight members, the necessity to fill two vacancies – one administrative officer and one assistant principal officer – was identified. Recognizing this resourcing gap, the Irish authorities committed to prioritizing the provision of additional resources to bolster the administrative capacity of the Implementing Body. This commitment included using shared internal resources and seeking external support, as reported on page 4 of the Milestone 109 Report.

The Administrative Capacity of the NRRP Unit within the Implementing Body confirmed in December 2023 that the two outstanding vacancies had been successfully filled. Consequently, in accordance with the workload analysis conducted by the Implementing Body and the identified requirements, the allocation of resources now satisfies all necessary positions required for the performance of RRF-related work.

With regards to the administrative capacity of the Audit Body:

The workload analysis of the Audit Body ‘Workload Analysis IAB (Irish Audit Authority) of 6 December 2023’ provides the information on the administrative capacity needs of the Audit Authority and confirms that three full-time auditors have been assigned to the work related to the RRF and details the unit organisation chart and resources required for the RRF audit days.

The Council Implementing Decision required for the Audit Body and the Implementing Body both a workload analysis carried out providing information on the administrative capacity needs and the main bottlenecks; and a report or a decision in accordance with the Further Specification of the Operational Arrangements confirming the commitment of resources for the Audit Body. Concerning the Audit Body, the Member State developed only a workload analysis that also contains the report confirming the commitment of resources for the Audit Body - ‘Workload Analysis IAB (Irish Audit Authority) of 6 December 2023’. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the deviation is acceptable due to the capacity of the workload analysis to offer a comprehensive overview of the resources engaged in the audit activities of the RRF projects. It stands as a robust representation, effectively delineating the intricate facets of the audit process and the personnel needed for the first payment request and the future payment requests foreseen in the Irish RRP. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the reform

that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Commission Preliminary Assessment: Satisfactorily fulfilled