

27 May 2025

Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the second payment request submitted by Ireland on 23 December 2024, 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 23 December 2024, Ireland submitted a request for payment for the second 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 17 milestones and targets of the second 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 five 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.

In its payment request, Ireland has confirmed that measures related to previously satisfactorily fulfilled milestones and targets have not been reversed. The Commission did not find evidence of the contrary. This includes the commitment on audit and controls undertaken in the context of the first payment request in relation to audit and control milestone M108 (Repository system for audit and controls: information for monitoring implementation of RRF) to ensure continuous compliance with this milestone and its obligations under the Financing Agreement. Regarding the first part of the commitment, the Irish authorities have issued guidance to the project leads to ensure the collection of beneficial ownership data. This data has been uploaded to the repository system for all the concluded contracts. For several foreign companies for which the data on beneficial ownership was lacking, the Irish authorities have demonstrated that all possible means for collection of the data were exhausted and instead provided the data of the senior management officials. For the second part of the commitment, Ireland has listed the RRF funded projects in the repository system, which can be recognised by their project code, starting with “30”. Additionally, the IE authorities have included under those projects, the entities which have been identified as final recipient, contractor or subcontractor. Based on the assessment of the commitment and the evidence provided, the Commission considers that Ireland has ensured compliance with its obligations under the Financing Agreement with respect to the commitment undertaken.

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 17 milestones and targets.

¹ ST 11046/21 and ST 11046/21 ADD 1 as amended by ST 10262/24 and 10262/24 ADD 1.

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. They notably highlight the continuation of the reform momentum in key policy areas. This includes, among others, the establishment of European Digital innovation Hubs, the application of the SME test to reduce regulatory barriers to entrepreneurship, the entry in operation of 96 Community Health Networks, legislative measures to simplify and harmonise the supplementary pension's landscape, annual increases to the carbon tax rate and the building of homes under different affordable housing schemes. The milestones and targets also confirm progress towards the addition of an online response option for the census of population, targeted investments in Cork Commuter Rail, the improvement of digital infrastructure in schools and the launch of proposals for the Green Transition Fund to drive Ireland's transition to a more sustainable future.

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.

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Preliminary Assessment – M/T specific section:

Number and name of the Milestone: 4 - Launch of call for proposals

Related Measure: 1.2.1 Accelerate the Decarbonisation of the Enterprise Sector – Enterprise Emissions Reduction Investment Fund

Qualitative Indicator: Publication of the call for proposals by the Department of Enterprise, Trade and Employment and the enterprise agencies

Time: Q3 2022

1. Context:

The objective of this investment is to support the decarbonisation of enterprises. It consists of two sub-investments: (i) funding to the Enterprise Emissions Reduction Investment Fund (EERIF) and (ii) support for the Climate Planning Fund for Business. Together, the two make up the Green Transition Fund.

Milestone 4 concerns the launch of call for proposals for the EERIF, that shall target enterprises in the manufacturing sector with a focus on carbon reducing technologies, monitoring and tracking systems, and research, development and innovation.

Milestone 4 is the first step of the implementation of the investment and will be followed by milestone 5, related to the approval of projects under the Enterprise Emissions Reduction Investment Fund, and target 6, related to the abatement of at least 40 000 tons of estimated CO₂ from the installation of low carbon technologies. This investment has a final expected date for implementation by Q3 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|---|
| 1 | Summary document | A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Publication of the open call for applications for the Enterprise Emissions Reduction Investment Fund (EERIF) published the Department of Enterprise, Trade and Employment website on 16 th June 2022 | A website printout of the announcement of the call for proposals of the Green Transition Fund, including the EERIF. https://enterprise.gov.ie/en/news-and-events/department-news/2022/june/20220616.html A spot check by Commission services on 13 December 2024 confirmed the active nature of the website. |
| 3 | Government's online advertisement of the EERIF | A website printout of the Government's information portal advertising the EERIF, among other funding programs. |

| | | |
|---|--|--|
| | | https://www.citizensinformation.ie/en/employment/types-of-employment/self-employment/supports-for-businesses-going-green/ A spot check by Commission services on 13 December 2024 confirmed the active nature of the website. |
| 4 | Reference Document of the EERIF – Capital Investment for Decarbonisation Processes, published by Enterprise Ireland, the Local Enterprise Office and Údarás na Gaeltachta in August 2022 | A document containing the terms of reference for the funding track 1: Capital Investment for Decarbonisation Processes of the EERIF. Available at capital-investment-for-decarbonisation-processes-reference-document-en-95110.pdf A spot check by Commission services on 13 December 2024 confirmed the active nature of the website. |
| 5 | Reference Document of the EERIF – Energy Monitoring and Tracking Systems, published by Enterprise Ireland, the Local Enterprise Office and Údarás na Gaeltachta in August 2022 | A document containing the terms of reference for the funding track 2: Energy Monitoring and Tracking Systems of the EERIF. Available at: energy-monitoring-and-tracking-systems-reference-document-en-95154.pdf A spot check by Commission services on 13 December 2024 confirmed the active nature of the website. |
| 6 | Reference Document of the EERIF – Research, Development and Innovation, published by Enterprise Ireland, the Local Enterprise Office and Údarás na Gaeltachta in April 2024 | A document containing the terms of reference for the funding track 3: Research, Development and Innovation of the EERIF. Available at: https://www.enterpriseireland.com/documents/terms-of-reference-research-development-and-innovation-100125-%255Bpdf%255D-en-149062.pdf A spot check by Commission services on 16 January 2025 confirmed the active nature of the website. |

3. Analysis:

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

The call for proposals shall have been launched.

As evident from the publication of the call for applications of the Enterprise Emissions Reduction Investment Fund (EERIF) published on the Department of Enterprise, Trade and Employment website on 16 June 2022, the announcement of the call for proposals was published and interested companies can apply directly on the Enterprise Ireland website. The publication of the Department of Enterprise, Trade and Employment is an open invitation for eligible companies to apply for funding and submit their proposals for consideration under the EERIF. Accordingly, this call for applications constitutes

the call for proposals. The EERIF was published at the same time of the Climate Planning Fund for Business (related to milestones 7 and 8) and together they constitute the Green Transition Fund.

The Commission services accessed the link provided by the authorities on 13 December 2024 to verify that the call for proposals was open for applications. This check was completed successfully, confirming that the call for proposals was launched.

The Enterprise Emissions Reduction Investment Fund shall target enterprises in the manufacturing sector, with a focus on carbon reducing technologies, monitoring and tracking systems, and research, development and innovation. Furthermore, in accordance with the description of the measure, **the investment shall provide funding to the Enterprise Emissions Reduction Investment Fund, which targets enterprises in the manufacturing sector.** Additionally, in accordance with the description of the measure, the objective of this investment is to support the decarbonisation of enterprises, foreign- and indigenous-owned, **by incentivising the installation of energy metering and monitoring control systems and increasing the uptake of carbon neutral low/medium temperature heating in the manufacturing industry.**

As evident from page 2 of the publication of the call for proposals of the EERIF, the EERIF *“will give manufacturing businesses funding to invest in carbon neutral heating processes, smart metering and energy monitoring, and research and development”*. In page 5 and 6 of the publication of the call for proposals of the EERIF, it is stated that the EERIF comprises three elements of funding, being the first *“Capital investment for decarbonisation technologies”* to *“incentivise companies to decarbonise through investment in CO2 reducing technologies in manufacturing combustion processes”*, the second *“Capital investment in Energy Metering”* to *“incentivise companies to put in place monitoring and targeting systems to begin accounting for the carbon footprint of their activities”*, and the third *“Research, Development and Innovation”*, consisting of *“assistance to carry out explorative work assessing the resource requirements and the strengths, weaknesses opportunities and threats of a potential R&D project in the area of sustainability”*.

As evident from section 2, page 2 of the terms of Reference document of the EERIF – Capital Investment for Decarbonisation Processes, published by Enterprise Ireland, the Local Enterprise Office and Údarás na Gaeltachta in August 2022 and available at [capital-investment-for-decarbonisation-processes-reference-document-en-95110.pdf](#), *“The Enterprise Emissions Reduction Investment Fund will focus on companies using fossil fuels and incentivise them to adopt carbon abatement technologies in the manufacturing combustion process of their business”*. It also states that *“(…) will address the imperative for decarbonisation across all businesses (…) by incentivising the installation of Energy Metering and Monitoring Control Systems, increased uptake of carbon neutral low/medium temperature heating in industry and increased climate related R&D”*. The Commission services accessed the link provided by the authorities on 13 December 2024 to verify that the terms of reference are accessible. This check was completed successfully, confirming that the terms of reference reflect the target and focus of the Enterprise Emissions Reduction Investment Fund as required in the Council Implementing Decision.

As evident from page 2 of the Reference Document for the Enterprise Emissions Reduction Investment Fund under funding track 2 – Energy Monitoring and Tracking Systems, published by Enterprise Ireland, the Local Enterprise Office and Údarás na Gaeltachta in August 2022 and available at [energy-monitoring-and-tracking-systems-reference-document-en-95154.pdf](#), *“The objective of the Energy*

Monitoring and Tracking Systems capital grant is to incentivise companies to put in place monitoring and tracking systems to begin accounting for the carbon footprint of their activities". The Commission services accessed the link provided by the authorities on 13 December 2024 to verify that the terms of reference are accessible. This check was completed successfully, confirming that the terms of reference reflect the target and focus of the Enterprise Emissions Reduction Investment Fund as required in the Council Implementing Decision.

As evident from page 3 of the Reference Document for the Enterprise Emissions Reduction Investment Fund under funding track 3 – Research, Development and Innovation, published by Enterprise Ireland, the Local Enterprise Office and Údarás na Gaeltachta in April 2024 and available at [terms-of-reference-research-development-and-innovation-100125-%5Bpdf%5D-en-149062.pdf](#), *"RD&I is designed to provide support for research, development and technological innovation relevant at all stages of company development, and which will enable companies to progress from undertaking an initial research project to high level RD&I activity"*. The Commission services accessed the link provided by the authorities on 16 January 2025 to verify that the terms of reference are accessible. This check was completed successfully, confirming that the terms of reference reflect the target and focus of the Enterprise Emissions Reduction Investment Fund as required in the Council Implementing Decision.

The terms of reference of the call for proposals shall include eligibility criteria that ensure that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of the list of excluded activities and the requirement that only activities that comply with relevant EU and national environmental legislation may be selected. Furthermore, in line with the measure description, **if bioenergy technology is to be supported as a carbon reducing technology, assurance shall be provided that biomass meets the sustainability and greenhouse gas emission savings criteria set out in Articles 29, 30 and 31 of the Renewable Energy Directive 2018/2001/EU (REDII) and the rules on food and feed based biofuels set out in Article 26 of that Directive, and related implementing and delegated acts. In this context, for pollution prevention and control, in residential environments, compliance with air quality standards set by Directive 2008/50/EU shall be ensured and the supported technologies shall comply with the applicable Best Available Technologies (BAT) conclusions under the Industrial Emissions Directive (Directive 2010/75/EU). Only high efficiency, eco-design compliant boilers shall be eligible for support under this measure.** In addition, **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 use; (ii) activities under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks; (iii) activities related to waste landfills, incinerators and mechanical biological treatment plants; and (iv) activities where the long-term disposal of waste may cause harm to the environment.**

As evident from section 7.2, page 7 of the terms of Reference document of the EERIF – Capital Investment for Decarbonisation Processes, published by Enterprise Ireland, the Local Enterprise Office and Údarás na Gaeltachta in August 2022 and available at [capital-investment-for-decarbonisation-processes-reference-document-en-95110.pdf](#), *"projects must meet the eligibility criteria set out under the National Recovery and Resilience Plan for the Enterprise Emissions Reduction Investment Fund"*. The Commission services accessed the link provided by the authorities on 13 December 2024 to verify that the terms of reference are accessible. This check was completed successfully, confirming that the terms of reference include eligibility criteria to fulfil the requirements of the Council Implementing

Decision, including eligibility criteria to ensure that selected projects comply with the Do no significant harm' Technical Guidance (2021/C58/01) through the use of the list of excluded activities, and that only activities that comply with relevant EU and national environmental legislation may be selected. Furthermore, as evident from Section 7.1.3, Article 40, page 7, if boilers using bioenergy (biomass) technology are to be granted aid, *"(i) for climate change mitigation and biodiversity, assurance shall be provided that biomass meets the sustainability and greenhouse gas emissions savings criteria set out in Articles 29-31 and the rules on food and feed-based biofuels set out in Article 26 of the Renewable Energy Directive 2018/2001/EU (REDII), and related implementing and delegated acts. (ii) For pollution prevention and control, in residential environments, compliance with air quality standards set by Directive 2008/50/EU shall be ensured and the facility shall comply with the applicable BAT (Best Available Technologies) conclusions under the Industrial Emissions Directive (Directive 2010/75/EU). Only high efficiency, eco-design compliant boilers shall be aided"*. As evident from Section 8. "Environmental Compliance and Do No Significant Harm", page 6-7, projects under funding track 1: Capital investment for decarbonisation processes *"must comply with relevant EU and national environmental legislation and in particular with the 'Do no significant harm' Technical Guidance (2021/C58/01)"*. Additionally, in page 6-7 these eligibility criteria contain a list of excluded activities that ensure compliance with the Do No Significant Harm and it is identical to those included in the description of the measure.

As evident from page 3-4 of the Reference Document for the Enterprise Emissions Reduction Investment Fund under funding track 2 – Energy Monitoring and Tracking Systems, published in August 2022 and available at [energy-monitoring-and-tracking-systems-reference-document-en-95154.pdf](#), *"selected projects must comply with relevant EU and national environmental legislation and in particular with the 'Do no significant harm' Technical Guidance (2021/C58/01)"*. The Commission services accessed the link provided by the authorities on 13 December 2024 to verify that the terms of reference are accessible. This check was completed successfully, confirming that the terms of reference include eligibility criteria to fulfil the requirements of the Council Implementing Decision, including eligibility criteria to ensure that selected projects comply with the Do no significant harm' Technical Guidance (2021/C58/01) through the use of the list of excluded activities, and that only activities that comply with relevant EU and national environmental legislation may be selected. Additionally, in page 3-4 these eligibility criteria contain a list of excluded activities that ensure compliance with the Do No Significant Harm and it is identical to those included in the description of the measure.

As evident from page 17 of the Reference Document for the Enterprise Emissions Reduction Investment Fund under funding track 3 - Research, Development and Innovation, published by Enterprise Ireland, the Local Enterprise Office and Údarás na Gaeltachta in April 2024 and available at [terms-of-reference-research-development-and-innovation-100125-%5Bpdf%5D-en-149062.pdf](#), *"Projects supported under the NRRP for the Research, Development & Innovation Fund must comply with the relevant EU and national environmental legislation and in particular with the 'Do no significant harm' Technical Guidance (2021/C58/01)"*. The Commission services accessed the link provided by the authorities on 16 January 2025 to verify that the terms of reference are accessible. This check was completed successfully, confirming that the terms of reference include eligibility criteria to fulfil the requirements of the Council Implementing Decision, including eligibility criteria to ensure that selected projects comply with the Do no significant harm' Technical Guidance (2021/C58/01) through the use of the list of excluded activities, and that only activities that comply

with relevant EU and national environmental legislation may be selected. In page 17, these eligibility criteria contain a list of excluded activities that ensure compliance with the Do No Significant Harm and it is identical to those included in the description of the measure.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 15 - Construction contracts award

Related Measure: 1.4.1 Enable future electrification through targeted investment in Cork commuter rail - Creation of an additional through-running line with an extended platform at Kent Station

Qualitative Indicator: The construction contracts are awarded

Time: Q4 2022

1. Context:

This investment aims to enable the future electrification of railways in the Cork metropolitan area to reduce car use and increase the uptake of public transport, thus contributing to reducing greenhouse gas emissions..

Milestone 15 concerns the award of the construction contracts for the through-running line with an additional platform at Kent Station.

Milestone 15 is the fourth milestone or target of the implementation of the investment, and it follows the completion of milestone 14 related to the award of the design contract for the Kent station through-running platform. It will be followed by milestone 16, related to the completion of the platform. The investment has a final expected date for implementation on Q3 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|--|
| 1 | Summary document | A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Signed construction works agreement between Irish Rail and John Craddock Ltd ("The Contractor") from 24 March 2023 | The signed construction works agreement between Irish Rail and John Craddock Ltd ("The Contractor") for the Kent Station Through Platform project. |
| 3 | Signed letter of acceptance of the tender between Irish Rail and John Craddock Ltd ("The Contractor") from 24 March 2023 | The signed letter of acceptance for which Irish Rail accepts John Craddock Ltd's ("The Contractor") tender to complete the works related to the Kent Station Through Platform project. |

3. Analysis:

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

Construction contracts shall have been awarded.

Irish Rail accepted the tender of John Craddock Ltd to complete the Kent Station Through Platform project works on 24 March 2023, as justified by the signed letter of acceptance page 1. This letter further specifies that *"the contract [is] formed by acceptance of your Tender"*. The contract provided consists of: (i) a signed letter of acceptance of the tender, (ii) the signed construction works

agreement, (iii) the Contractor's different tender documents and the post-tender clarifications listed. This shows the construction contract was awarded.

EUR 4 900 000 shall have been committed on award of these contracts.

As evident from page one of signed acceptance of the tender, the sum committed in the awarded contract is EUR 7 864 404.61. As the signed contract legally binds the parties to fulfil their financial and operational obligations, it constitutes a commitment. The committed amount in the awarded construction contract is above the requirement of EUR 4 900 000 set in the milestone description.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 17 - Submission of environmental impact assessment

Related Measure: 1.4.2 Enable future electrification through targeted investment in Cork commuter rail – Double-tracking of the current single line between Glounthaune and Midleton

Qualitative Indicator: Environmental impact assessment report submitted to planning authorities

Time: Q3 2022

1. Context:

This investment aims to enable the future electrification of railways in the Cork metropolitan area to reduce car use and increase the uptake of public transport, thus contributing to reducing greenhouse gas emissions.

Milestone 17 consists in the submission of an environmental impact assessment report for double-tracking the current single line and signalling work for the twin line section between Glounthaune and Midleton.

Milestone 17 is the sixth milestone or target of the investment, and it follows the completion of milestone 12, 13, 14, 15 and 16, related to the signature of a framework contract for zero-emission rolling stock, a decision as to whether zero-emission tailpipe fleet shall be achieved via electrification of battery-electric trains, the award of a design contract for the Kent station through-running platform, award of a construction contract for the through-running platform, and completion of the platform in compliance with accessibility standards. It will be followed by milestone 18, milestone 19 and milestone 20, related to commencement of the works on the Glounthaune to Midleton line and completion of at least 7,5 kilometres of double tracking. The investment has a final expected date for implementation by Q3 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|---|
| 1 | Summary document | A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Submission letter from Córas Iompair Éireann, to An Bord Plenála on 8 November 2022 | The letter from Córas Iompair Éireann, the holding company of Irish rail, to An Bord Plenála, the planning authority, with the Environmental Impact Assessment Report enclosed. |
| 3 | Cork Area Commuter Rail Glounthaune - Midleton Twin Track Environmental Impact Assessment Report Volume 1 Non Technical Summary of November 2022 | The summary of the Environmental Impact Assessment Report covering the twin tracking of the single track between Glounthaune and Midleton and the associated signalling work for the twin line section. |
| 4 | Cork Area Commuter Rail Glounthaune - Midleton Twin Track Environmental Impact Assessment Report Volume 2 of November 2022 | The full Environmental Impact Assessment Report covering the twin tracking of the single track between Glounthaune and Midleton and the associated signalling work for the twin line section. |

3. Analysis:

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

Irish Rail shall have submitted to the planning authorities an environmental impact assessment report...

The submission letter from Córas Iompair Éireann, the holding company of Irish Rail, to An Bord Pleanála, the planning authority, on 8 November 2022, indicates that “Córas Iompair Éireann (CIÉ) hereby applies to An Bord Pleanála under Section 37 of the Transport (Railway Infrastructure) Act 2001 (as amended and substituted) (“the 2001 Act”) for the Railway (Glounthaune to Midleton Twin Track) Order [2022]” (page 3). The letter adds that “A full description of the proposed development is contained within the documentation and drawings enclosed herewith which include as part of the application for a Railway Order, an Environmental Impact Assessment Report (EIAR)” (page 3). The full Environmental Impact Assessment Report (Environmental Impact Assessment Report Volume 2) is also provided as evidence in the attachment to the submission letter.

The Council Implementing Decision required Irish Rail (Iarnród Éireann) to submit the EIAR. However, the EIAR was submitted by Córas Iompair Éireann (CIÉ), the holding company of Irish Rail, as indicated in the Environmental Impact Assessment Report Volume 2 page 11: “Iarnród Éireann (IÉ) is a wholly owned subsidiary of CIÉ”. This results from Section 37(1) of the Transport (Railway Infrastructure) Act 2001, which provides that CIÉ may apply to An Bord Pleanála for a Railway Order and from Section 37(e) requiring all Railway Orders to be accompanied by an EIAR (see Environmental Impact Assessment Report Volume 2 page 10). Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, Irish Rail is a subsidiary of Córas Iompair Éireann. Therefore, it belongs to the legal entity that is legally entitled to apply for a Railway Order and carry out the EIAR for the double-tracking between Glounthaune and Midleton. In addition, Environmental Impact Assessment Report Volume 2 page 11 Iarnród Éireann (IÉ) (...) has developed the proposed development from concept to application stage. IÉ is responsible for the operation of InterCity and Commuter rail passenger services throughout Ireland and more specifically for the Glounthaune and Midleton commuter rail line”. As of this, this minimal deviation does not change the nature of the measure and 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.

...on the double-tracking of Glounthaune to Midleton,...

The Environmental Impact Assessment Report Volume 1 Non-Technical Summary indicates on page 3 that “Córas Iompair Éireann (CIE) is applying to An Bord Pleanála for a Railway Order (RO) for the Glounthaune to Midleton Twin Track Project (hereafter referred to as the “proposed development”)” and adds that “The proposed development will involve the upgrade and enhancement of the Glounthaune to Midleton railway line to a twin track configuration over a total distance of approximately 10km”. As is further indicated, the proposed development comprises several principal elements, including twin-tracking of the single-track sections between Glounthaune and Midleton, provision of new cable containment routes, as well as associated signalling upgrades and alterations. For instance, as evident from page 193, the Environmental Impact Assessment Report includes an

assessment of the impact on land, soils and hydrogeology of the proposed developments. This includes the characteristics of construction of the new twin track, which will require clearance of vegetation and soils, as well as sheet piling to retain existing earthworks. Excavation will also take place to widen existing cuttings where insufficient space exists for two tracks. Furthermore, as evident from page 239 of the Environmental Impact Assessment Report Volume 2, this also includes an assessment of the surface water and flood risk, such as the flood risk for the twin-track railways, the impact on surface water quality, as well as the impact on water supply and drainage infrastructure.

...in compliance with the requirements of Directive 2011/92/EU as amended by Directive 2014/52/EU.

The Environmental Impact Assessment Report Volume 1 Non-Technical Summary and the Environmental Impact Assessment Report Volume 2 indicate on page 3 and page 10 respectively that “This EIAR has been prepared in accordance with the provisions of the Environmental Impact Assessment Directive 2011/92/EU as amended by Directive 2014/52/EU (together, the “EIA Directive”)”. The Environmental Impact Assessment Report Volume 2 complies with:

- The requirement of Article 5(1)(d) and Annex IV point 2 of the EIA Directive requiring an analysis of reasonable alternatives, including a “do-nothing” scenario. This is evident from Chapter 4 ‘Alternatives Considered’, pages 50-55 of the Environmental Impact Assessment Report Volume 2.
- The requirement of Article 6 of the EIA Directive as concerns public participation by documenting consultations with stakeholders and authorities. This is evident from Chapter 5 ‘Consultation’, pages 56-62 of the Environmental Impact Assessment Report Volume 2.
- The requirements of Annex IV point 1 of the EIA Directive as concerns a description of the project, including physical characteristics, location and impact. This is evident from Chapter 6 ‘Description of the Proposed Development’, pages 63-89, of the Environmental Impact Assessment Report Volume 2.
- The requirements of Annex IV point 5 of the EIA Directive as concerns a description of the forecasting methods used to assess the effects on the environment. This is evident from Chapter 2 ‘Methodology’, pages 15-31, of the Environmental Impact Assessment Report Volume 2.
- The requirements of Article 3(a) of the EIA Directive as concerns the impact on human beings, fauna and flora. This is evident from Chapter 7 ‘Population & Human Health’, pages 90-110, and Chapter 12 ‘Biodiversity’, pages 249-342, of the Environmental Impact Assessment Report Volume 2.
- The requirements of Article 3(b) of the EIA Directive as concerns the impact on soil, water, air, climate and the landscape. This is evident from Chapter 8 ‘Air Quality’, pages 111-152, Chapter 9 ‘Climate’, pages 153-166, Chapter 10 ‘Land, Soils and Hydrogeology’, pages 167-209, Chapter 13 ‘Landscape and Visual’, pages 343-372, of the Environmental Impact Assessment Report Volume 2.
- The requirements of Article 3(c) of the EIA Directive as concerns the impact on material assets and cultural heritage. This is evident from Chapter 14 ‘Archaeology, Architectural and Cultural Heritage’, pages 373-415, of the Environmental Impact Assessment Report Volume 2.
- The requirements of Annex IV point 1 of the EIA Directive as concerns a description of the project, including physical characteristics, location and impact. This is evident from Chapter 6

‘Description of the Proposed Development’, pages 63-89, of the Environmental Impact Assessment Report Volume 2.

In addition, in line with the measure description, **the sub-investment also consists in the signalling work for the twin line section, between Glounthaune and Midleton.**

The Environmental Impact Assessment Report Volume 1 Non-Technical Summary and the Environmental Impact Assessment Report Volume 2 indicate page 3 and page 11 respectively that “The proposed development will comprise the following principal elements: (...) Provision of new cable containment routes from Glounthaune to Midleton to facilitate signalling upgrades and alterations; Associated signalling upgrades and alterations”.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 18 - Construction contract awarded

Related Measure: 1.4.2 Enable future electrification through targeted investment in Cork commuter rail – Double-tracking of the current single line between Glounthaune and Midleton

Qualitative Indicator: The construction contract is awarded

Time: Q4 2022

1. Context:

The investment aims to support the future electrification of Cork's railways, promoting sustainable mobility, reducing car use, and increasing public transport adoption to cut greenhouse gas emissions. It includes creating an extended platform at Kent Station for an additional through-running line, double-tracking and signalling upgrades between Glounthaune and Midleton, and re-signalling 62 km of the Cork Area Commuter network.

Milestone 18 concerns the award of the construction contract for double-tracking the railway line between Glounthaune and Midleton, with EUR 48 600 000 committed upon award. This represents 70% of the project base cost excluding risk contingency.

Milestone 18 is the seventh milestone or target of the investment and it follows the completion of milestones 12, 13, 14, 15, 16 and 17, related to the signature of a framework contract for zero-emission rolling stock, a decision as to whether zero-emission tailpipe fleet shall be achieved via electrification of battery-electric trains, the award of a design contract for the Kent station through-running platform, award of a construction contract for the through-running platform, completion of the platform in compliance with accessibility standards and submission of the Environmental Impact assessment on the double-tracking of the railway line between Glounthaune and Midleton. It will be followed by milestone 19 and target 20, related to commencement of the works on the double-tracking and completion of at least 7.5 km of track. The investment has a final expected date for implementation in Q3 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|---|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Signed acceptance of the tender between Iarnród Éireann (Irish Rail) and BAM Civil Ltd of 26 July 2024. | The signed Letter of Acceptance for which Iarnród Éireann (Irish Rail) accepts BAM Civil Ltd's tender to complete the works related to the Glounthaune to Midleton Twin Track. |
| 3 | Signed Service Level Agreement for the provision of IM Track Works between Iarnród Éireann Capital Investments (CI) Division and Iarnród Éireann Infrastructure Manager (IM) Division of 26 September 2024. | The signed Service Level Agreement between Iarnród Éireann Capital Investments (CI) Division and Iarnród Éireann Infrastructure Manager (IM) Division for the provision of IM Track works |

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| 4 | Signed Service Level Agreement for the provision of Track Protection between Iarnród Éireann Capital Investments (CI) Division and Iarnród Éireann Infrastructure Manager (IM) Division of 27 September 2024 | The signed Service Level Agreement between Iarnród Éireann Capital Investments Division and Iarnród Éireann Infrastructure Manager Division for the provision of Track Protection |
| 5 | Signed acceptance of the tender between Iarnród Éireann (Irish Rail) and Mott MacDonald on 4 January 2022 for the Multi-Disciplinary Consultancy Services contract | The signed Letter of Acceptance for which Iarnród Éireann (Irish Rail) accepts Mott MacDonald's tender to complete the multi-disciplinary consultancy services contract regarding Glounthaune to Midleton Double Tracking. |
| 6 | Tender pricing document sent by Mott MacDonald on 27 September 2021 | The completed Volume C of the "Tender and Schedule", as part of the tender for the multi-disciplinary consultancy services contract. |
| 7 | Summary of project base cost estimates by Irish Rail on 7 July 2021 | Irish Rail's summary of base costs estimates for the Cork Area Commuter Rail project |
| 8 | Railway Order from An Bord Pleanála (Case reference: NA04.315087) issued on 26 October 2023 | The railway order issued by An Bord Pleanála for the Glounthaune to Midleton Double Tracking specifying the authorised works, available at https://www.pleanala.ie/en-ie/case/315087 . |

3. Analysis:

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

The main construction contract shall have been awarded.

Iarnród Éireann (Irish Rail) accepted the tender of BAM Civil Ltd to provide the track bed alongside the existing railway on 26 July 2024, as justified by the signed letter of acceptance page 1. As evident from page 1 of the signed acceptance of the tender between Iarnród Éireann (Irish Rail) and BAM Civil Ltd of 26 July 2024, the letter specifies that "the contract [is] formed by acceptance of your Tender" The contract provided consists of: (i) a signed letter of acceptance of the tender, (ii) the signed agreement, (iii) the works requirements, (iv) the Contractor's pricing documents and (v) the post-tender clarifications listed. This shows the construction contract was awarded. This construction work is complemented by:

- The signed Service Level Agreement for the provision of IM Track Works between Iarnród Éireann Capital Investments (CI) Division and Iarnród Éireann Infrastructure Manager (IM) Division of 26 September 2024 (hereinafter referred to as the 'Service Level Agreement for IM Track works'). As evident from page 3 of the Service Level Agreement for IM Track works, this relates to installation of new track, slewing of existing track and installation of numerous crossovers, slew points, access points, etc.
- The signed Service Level Agreement for the provision of Track Protection between Iarnród Éireann Capital Investments Division and Iarnród Éireann Infrastructure Manager Division of 27 September 2024 (Hereinafter referred to as "the Service Level Agreement for track

protection”). As evident from page 1 of the Service Agreement for track protection, this includes planning and management of track protection resources.

- The signed acceptance of the tender between Iarnród Éireann (Irish Rail) and Mott MacDonald on 4 January 2022 for the Multi-Disciplinary Consultancy Services contract (hereinafter referred to as the “Multi-Disciplinary Consultancy Services contract”). As evident from page 25 of the tender pricing document sent by Mott MacDonald on 27 September 2021, submitted as part of the accepted tender for the Multi-Disciplinary Consultancy Services contract, Phase 6 of the services also entails support services during construction, such as design support, construction supervision, and bridge works.

The Council Implementing Decision states that *“the main construction contract shall have been awarded”*. Conversely, the Recovery and Resilience Plan provides that for the Glounthaune to Midleton twin track works, *“construction contracts to be awarded”*. Iarnród Éireann (Irish Rail) have awarded multiple contracts related to the construction works for the twin track works on the Glounthaune to Midleton line, covering the general construction works, track works, track protection and related consultancy work during the construction phase. Whilst the awarding of several contracts for the components of the twin track construction works represents a minimal formal deviation from the wording of this constitutive element of the milestone, it does not change the nature of this part of the measure. The multiple contracts are functionally equivalent to a single main contract in that they cover all essential aspects of the construction process. Therefore, the intent of the requirement has been fulfilled, as construction is legally obliged to proceed in its entirety, including associated services and materials. The change does not affect the progress towards the achievement of the investment that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

EUR 48 400 000 shall have been committed on award of this contract.

The Council Implementing Decision required that EUR 48 400 000 shall have been committed on award of this contract. As evident from page 2 of the signed acceptance of the tender between Iarnród Éireann (Irish Rail) and BAM Civil Ltd, page 3 of the Service Level Agreement for IM Track works, page 2 of the Service Level Agreement for track protection, and page 25 of the tender pricing document sent by Mott MacDonald on 27 September 2021, the sum committed in the awarded contracts is EUR 46 053 808.3 (EUR 29 564 391.3, EUR 13 501 258, EUR 1 605 159, EUR 1 383 000, respectively). As the signed contracts legally bind the parties to fulfil their financial and operational obligations, it constitutes a commitment. Upon award of the contracts by Iarnród Éireann (Irish Rail), the Irish authorities have committed EUR 46 053 808.3. Whilst this constitutes a minimal numerical deviation of 4.85% from the requirement of the Council Implementing Decision, the overall objective of this milestone is considered met notwithstanding this minor deviation. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Furthermore, as evident from the measure description, the investment **consists in double-tracking the current single line and signalling work for the twin line section, between Glounthaune and Midleton.**

As evident from Article 5, point 3 (page 14) of the Railway Order from An Bord Pleanála (Case reference: NA04.315087) issued on 26 October 2023 and available at <https://pleanala.ie/en-ie/case/315087>, the authorised works includes “*twin tracking of the single-track sections between Glounthaune and Midleton totalling a distance of approximately 10 km [...] provision of new cable containment routes from Glounthaune to Midleton to facilitate signalling upgrades and alterations*”, among others. This is supported by page 1 of the signed acceptance of the tender between Iarnród Éireann (Irish Rail) and BAM Civil Ltd, which specifies that the works relate to the construction of the twin track. Furthermore, as evident from page 5 of the Service Level Agreement for IM Track works, the work includes the slewing of the existing single line railway track as well as the installation of new track in multiple areas. Furthermore, as evident from the Works Requirements of the signed acceptance of the tender between Iarnród Éireann (Irish Rail) and BAM Civil Ltd of 26 July 2024, the scope of works to be undertaken by BAM Civil Ltd includes widening the various culverts passing under the existing track bed, installation of retaining walls to support the widened track bed, the realignment of an open culvert which runs adjacent the existing track bed, provision of drainage within the widened track bed, the installation of cable containment routes along the track bed and the construction of the track bed up to the top of sub-ballast.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 21 - Main design and build contract awarded

Related Measure: 1.4.3 Enable future electrification through targeted investment in Cork commuter rail - Resignalling of the lines.

Qualitative Indicator: The main design and build contract related to the re-signalling of the lines is awarded

Time: Q4 2022

1. Context:

The investment aims to support the future electrification of Cork's railways, promoting sustainable mobility, reducing car use, and increasing public transport adoption to cut greenhouse gas emissions. It includes creating an extended platform at Kent Station for an additional through-running line, double-tracking and signalling upgrades between Glounthaune and Midleton, and re-signalling 62 km of the Cork Area Commuter network.

Milestone 21 concerns the awarding of the main design and build contract, with EUR 34 600 000 committed upon award. This represents 70% of the project base cost excluding the risk contingency.

Milestone 21 is the tenth milestone or target of the investment, and it follows the completion of milestone 19 and milestone 20, related to commencement of the double track work on the Glounthaune to Midleton line and the completion of at least 7.5 km of track. It will be followed by milestone 22 and target 23, related to the acceptance of the final design and building scheme of the re-signalling activities, and the completion of 62 km of the re-signalling work. The investment has a final expected date for implementation in Q3 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|--|
| 1 | Summary document | A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Notification of the award of the Maintenance Support Services Contract | The signed Maintenance Support Services Contract between Iarnród Éireann (Irish Rail), Córas Iompair Éireann and Alstom Transport UK LTD of 26 June 2023. |
| 3 | Notification of the award of the Signalling & Telecommunications Upgrade Contract | The signed Signalling & Telecommunications Upgrade Contract between Iarnród Éireann (Irish Rail), Córas Iompair Éireann and Alstom Transport UK LTD of 26 June 2023. |
| 4 | Contract Data for the Signalling & Telecommunications Upgrade Contract | Contract Data for the Signalling & Telecommunications Upgrade Contract between Iarnród Éireann (Irish Rail) and Alstom Transport UK LTD of 26 June 2023. This includes an extract of the technical specifications. |
| 5 | Final Business Case on the Cork Area Commuter Rail produced by | Details the value of the contract corresponding to the amount to have been committed. |

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| | <i>Iarnród Éireann</i> (Irish Rail) in April 2023 | |
| 6 | Summary of project base cost estimates by Irish Rail on 7 July 2021 | Irish Rail's summary of base costs estimates for the Cork Area Commuter Rail project |

3. Analysis:

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

The main design and build contract shall have been awarded.

As evident from page 3 of the signed Maintenance Support Services Contract between Iarnród Éireann (Irish Rail), Córas Iompair Éireann and Alstom Transport UK LTD of 26 June 2023 *"Iarnród Éireann has engaged the contractor for the design, supply and installation of a signalling system (the "SET system") in respect of its rail network in Cork (together with further ancillary works and services) by way of an agreement dated on or about the date hereof"*. Therefore, the contract includes provisions on both design and installation of the signalling system. Furthermore, as evident from page 6 and 7 of the signed Signalling & Telecommunications Upgrade Contract between Iarnród Éireann (Irish Rail), Córas Iompair Éireann and Alstom Transport UK LTD of 26 June 2023, Alstom Transport UK LTD has agreed to the schedules set out in the contract, including the contract data, activity schedule and scope. The two contracts constitute the main design and build contract as they cover all elements of the signalling upgrade such as design, construction and maintenance.

EUR 34 600 000 shall have been committed on award of this contract.

As evident from page 16, Clause 5.2, of the Contract Data for the Signalling & Telecommunications Upgrade Contract between Iarnród Éireann (Irish Rail) and Alstom Transport UK LTD of 26 June 2023, the sum committed in the awarded contract is EUR 78 499 190. As the signed contract legally binds the parties to fulfil their financial and operational obligations, it constitutes a commitment. The committed amount in the awarded design and construction contract is above the requirement of EUR 34 600 000 set in the milestone description.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 50 - Carbon rate increase for 2023

Related Measure: 1.9 Carbon tax

Qualitative Indicator: Administrative measures implemented as required to introduce rate increases as set out in Finance Act 2020

Time: Q2 2023

1. Context:

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.

Milestone 50 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 2023. This increase applies to all affected fuels from the dates specified in Finance Act 2020.

Milestone 50 is the fourth milestone of the reform, and it follows the completion of milestones 47, related to the entry into force of the legislation on the carbon tax, and milestones 48 and 49 related to its implementation in 2021 and 2022, respectively. It will be followed by milestones 51 and 52, related to the increase in the carbon tax in 2024 and 2025, respectively. The reform has a final expected date for implementation by Q2 2025.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|--|
| 1 | Summary Document | A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Finance Act 2020 (Number 26), which became law on 19 December 2020 | The Finance Act 2020 setting out specific rate increases for all affected fuels. |
| 3 | Notification of the Finance Act 2020 published in the national official journal (Iris Oifigiúil) of 5 January 2021 | The national official journal (Iris Oifigiúil) of 5 January 2021 showing that the Bill for the Finance Act 2020 was signed by the President on 19 December 2020 and has accordingly become law. |
| 4 | Financial Statement of the Minister for Finance on Budget Day on 27 September 2022 | A Statement by Minister Donohoe on Budget 2023 explaining the carbon tax increase for 2023 (also accessible at: https://www.gov.ie/en/speech/0ed8e-statement-by-minister-donohoe-on-budget-2023/); Commission services verified this link on 19 August 2024. |
| 5 | Note on 'Carbon Tax Rate Calculations' by the Department of Finance | A note explaining how the carbon tax based on tons of CO ₂ translates into a tax based on the amount of mineral oil, natural gas and solid fuel. |

3. Analysis:

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

The Budget and Finance Bill shall have entered into force and shall provide for the 2023 annual increase of EUR 7,50 per tonne of CO₂ emission.

In its Financial Statement on Budget Day on 27 September 2022, the Minister for Finance mentioned that “The rate per tonne of carbon dioxide emitted for petrol and diesel will go up from €41 to €48.50 from 12 October as per the trajectory set out in the Finance Act 2020”, as evident from the Statement of the Minister for Finance Mr. Paschal Donohoe (link: <https://www.gov.ie/en/speech/0ed8e-statement-by-minister-donohoe-on-budget-2023/>).

The Commission services accessed the link provided by the authorities on 19 August 2024 to verify the active status of the website. This check was completed successfully, confirming that the 2023 Budget provides for the 2023 annual increase of EUR 7,50 per tonne of CO₂ emission.

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) sets out the carbon tax rate increases for 2023. The rate for 2022 was EUR 41 and was increased to EUR 48.50 in 2023.

The 2023 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, specifies carbon charge increase for 2023 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 2022 in the same table. Point (1A)(b) of Section 96 of Finance Act 1999, amended by the Finance Act 2020 page 60, 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 ‘Carbon Tax Rate Calculations’, 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 pages 62, provides the rate increase for 1 May 2023. This rate is to be compared with the value for 2022 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 'Carbon Tax Rate Calculations', 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 63, specifies rate increase for 1 May 2023 for each type of solid fuel (coal, peat briquettes, milled peat and other peat). This rate is to be compared with the value for 2022 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 'Carbon Tax Rate Calculations', 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:

- 11 October 2023 for certain mineral oil products and 1 May 2023 for the others, as set out in Schedule 2A of page 62 of the Finance Act 2020 for Mineral Oils;
- 1 May 2023 for natural gas, as set out in the Table 'Rates of Natural Gas' on page 62 of the Finance Act 2020; and
- 1 May 2023 for solid fuels, as set out in Schedule 1 of page 63 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 2023 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 its sections, 27, 28 and 29. 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 2023 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.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 57 – European Digital Innovation Hubs established

Related Measure: 2.2 Digital Transformation of Irish Enterprise

Qualitative Indicator: The European Digital Innovation Hubs are considered established

Time: Q3 2022

1. Context:

The objective of this investment is to boost the uptake of digital technology in enterprises, particularly small and medium-sized enterprises.

Milestone 57 relates to the establishment of European Digital Innovation Hubs to support companies in undertaking the digital transformation.

Milestone 57 is the second milestone or target of this investment, and it follows the completion of milestone 56, related to the publishing of initial calls for proposals for grant funding under digitalisation schemes. It will be followed by target 58, related to at least 720 companies receiving grant funding for the implementation of digitalisation schemes. The investment has a final expected date for implementation by Q2 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|--|
| 1 | Summary Document | A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Four certificates of completion of the establishment of the EDIHs signed by a representative in the Department of Trade, Enterprise and Employment and the EDIH Programme Manager in Enterprise Ireland on 7 August 2024 | The certificates of completion showing that the EDIHs have been established. |
| 3 | Four grant agreements signed by the EDIH Programme Manager in Enterprise Ireland and the project co-ordinators of the EDIHs on different dates between February and September 2023 | The four signed agreements showing the EDIHs have entered into a binding funding agreement to carry out the activities and objectives specified by the Digital Europe Programme. |
| 4 | Amended grant agreement signed by EDIH Programme Manager in Enterprise Ireland and the representative of FactoryXChange on 18 November 2024 | The amended grant agreement specifying which work packages are designated to be financed by the Recovery and Resilience Facility and the Digital Europe Programme respectively. |
| 5 | Amended grant agreement signed by EDIH Programme Manager in Enterprise Ireland and the representative of CeADAR on 20 November 2024 | The amended grant agreement specifying which work packages are designated to be financed by the Recovery and Resilience Facility and the Digital Europe Programme respectively. |

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| 6 | Call for applications of interest to complete a national designation process published by Enterprise Ireland on 16 December 2020 | The call for applications of interest to complete a national designation process to identify research performing organisations or Higher Education Institutions or other consortia with the intention of establishing European Digital Innovation Hubs. (https://enterprise.gov.ie/en/news-and-events/department-news/2020/december/09122020a.html) A check by Commission services on 13 December 2024 confirmed the website is active. |
| 7 | Outcome of the national designation process published by Enterprise Ireland in April 2021 | The outcome of the national designation process to the European restricted call for the EU-wide network. (https://enterprise.gov.ie/en/what-we-do/innovation-research-development/european-digital-innovation-hubs/edih-national-designation-process/), A check by Commission services on 13 December 2024 confirmed the website is active. |
| 8 | Four letters of designation sent by the secretary general of the Department of Enterprise, Trade and Employment to the European Commission on 24 January 2022 | The letters of designation of the four EDIHs to the European restricted call for the EU-wide network. |

3. Analysis:

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

At least two European Digital Innovation Hubs (EDIH) under the European Commission’s Digital Europe Programme to drive the digital transformation of SMEs, the public service, and the economy more widely shall have been established.

Page 7 (article 6) of the grant agreements Enterprise Ireland and University College Dublin, National University of Ireland, Dublin shows the EDIH “CeADAR” was established on 1 September 2023. Page 10 (article 6) of the grant agreements Enterprise Ireland and the Consortium with Irish Manufacturing Research Company Limited by Guarantee shows the EDIH “FactoryXChange” was established on 1 January 2023. Page 7 (article 6) of the grant agreements Enterprise Ireland and the Consortium with Tyndall National Institute, University College Cork shows the EDIH “ENTIRE” was established on 30 May 2023. Page 7 (article 6) of the grant agreements Enterprise Ireland and the Consortium with Atlantic Technological University shows the EDIH “Data2Sustain” was established on 1 February 2023. Each agreement is signed by the EDIH Programme Manager in Enterprise Ireland and the project co-ordinators of the EDIHs. This is also confirmed by the four certificates of completion of the establishment of the EDIHs signed by a representative in the Department of Trade, Enterprise and Employment and the EDIH Programme Manager in Enterprise Ireland. By signing the grant agreements, the EDIHs have entered into a binding funding agreement to carry out the activities and objectives specified by the Digital Europe Programme.

Annex 3 of the four grant agreements signed by the EDIH Programme Manager in Enterprise Ireland and the project co-ordinators of the EDIHs includes, for each EDIH, a project description. The project descriptions confirm that the EDIHs will support digital transformation of SMEs, the public service, and the economy, such as in the areas of artificial intelligence, high-performance computing, cybersecurity technological competence, test-before-invest and digital skills.

Four Irish EDIHs shall have been designated to go forward to the Commission restricted call for the EU-wide network.

The call for applications of interest to complete a national designation process (also accessible at: <https://enterprise.gov.ie/en/news-and-events/department-news/2020/december/09122020a.html>) shows that, on 16 December 2020, Enterprise Ireland, opened a call for applications to Ireland's national designation process to identify research performing organisations or Higher Education Institutions or other consortia with the intention of establishing European Digital Innovation Hubs.

As a result of this call for applications, as shown in the outcome of the national designation process (also accessible at: <https://enterprise.gov.ie/en/what-we-do/innovation-research-development/european-digital-innovation-hubs/edih-national-designation-process/>), four EDIHs (FactoryXChange, CeADAR, Data2Sustain and ENTIRE) were selected to be designed to the European restricted call for the EU-wide network. The letters of designation of 24 January 2022 from the secretary general of the Department of Enterprise, Trade and Employment to the European Commission show that these four EDIHs were designed to the European Commission restricted call for the EU-wide network.

Furthermore, in line with the description of the measure, **the hubs shall further help companies undertake the digital transformation and become more competitive.**

Annex 3 of the four grant agreements signed by the EDIH Programme Manager in Enterprise Ireland and the project co-ordinators of the EDIHs includes, for each EDIH, a project description. The project descriptions confirm that the EDIHs will support both SMEs, start-ups and public authorities to become more competitive by using digital technologies, such as in the areas of artificial intelligence, high-performance computing, cybersecurity technological competence, test-before-invest and digital skills.

Furthermore, in line with the description of the measure, **the investment may receive co-funding from the Digital Europe Programme.**

Pages 40 to 77 (Annex 3) of the amended grant agreement signed by EDIH Programme Manager in Enterprise Ireland and the representative of FactoryXChange comprise a work plan and work packages, including descriptions, milestones, deliverables and budget. The work package split amongst budget lines shows that a number of work packages are scheduled to receive co-funding from the Digital Europe Programme.

Pages 50 to 100 (Annex 3) of the amended grant agreement signed by EDIH Programme Manager in Enterprise Ireland and the representative of CeADAR comprise a work plan and work packages, including descriptions, milestones, deliverables and budget. The work package split amongst budget lines shows that a number of work packages are scheduled to receive co-funding from the Digital Europe Programme.

The target is further specified in the Operational Arrangements, which requires that **the establishment of the EDIHs FxC and CeADAR shall be completed excluding work packages funded by the Digital Europe Programme.**

Page 6 of amended signed grant agreement between FactoryXChange and Enterprise Ireland e shows that project costs for work packages 4, 5 and 6 are funded by the Recovery and Resilience Facility. Furthermore, page 7 excludes work packages 4, 5 and 6 from the financing received under the Digital Europe Programme.

Page 5 of the amended signed grant agreement between CeADAR and Enterprise Ireland shows that project costs for work packages 2 and 4 are funded by the Recovery and Resilience Facility. Furthermore, page 5 excludes work packages 2 and 4 from the financing received under the Digital Europe Programme.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 60 - Connection of schools to broadband network

Related Measure: 2.3.1 Digital Infrastructure and Funding to Schools – Connectivity

Quantitative Indicator: Number

Baseline: 750

Target: 990

Time: Q3 2022

1. Context:

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.

Target 60 relates to the first sub-measure and concerns the installation of routers and connection to Ireland's National Education and Research broadband network in 990 primary schools.

Target 60 is the second and last target of the investment sub-measure 2.3.1 and it follows the completion of target 59. Target 59 also related to the installation of routers and connection to Ireland's National Education and Research broadband network in the first 750 primary schools.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|---|
| 1 | Summary Document | A summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | List of schools connected by service providers to the HEAnet as of 31 December 2023 | The list of schools connected provided includes name and level of the school; number of pupils; technical specifications of the connection; and location. |
| 3 | Sign-off sheets provided by the retail service providers to HEAnet | The sign-off sheets confirm installation of a router by the retail service providers for 60 schools. |
| 4 | Confirmation of connection certificates issued by the HEAnet | The certificates confirm connection to HEAnet schools broadband network for 60 schools. |
| 5 | Invitation to tender sent by HEAnet to shortlisted service providers on 11 December 2020 | The invitation to tender the process and technical requirements for the investment. |
| 6 | Digital Strategy for Schools published by the Department of Education in April 2021 | The Digital Strategy for Schools to 2027 outlines the investment to increase the digital connectivity in primary schools (https://www.gov.ie/pdf/?file=https://assets.gov.ie/221285/6fc98405-d345-41a3-a770-c97e1a4479d3.pdf#page=null) |
| 7 | Digital learning framework national longitudinal evaluation report | The digital learning framework national longitudinal evaluation report includes an analysis on delivering |

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| | published by the educational research centre in June 2021 | equality of opportunity in schools programme (https://www.erc.ie/wp-content/uploads/2021/06/DLF-W1-full-report.pdf). |
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3. Analysis:

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

The Retail Service Providers shall have installed routers in at least 990 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 992 primary schools where routers were installed in 2022 and 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 includes 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 provides 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.

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 13 schools having a capacity of 200 megabits per second. For a sample of 60 units randomly selected by the Commission, the confirmation of connection certificates sent by the service providers to HEAnet confirmed the information in the list of primary schools connected.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 63 - The pilot for the online data collection is tested for verification of feasibility

Related Measure: 2.4 Online response option for the census

Time: Q3 2022

1. Context:

The objective of this investment is to improve the efficiency of data collection and analysis of public authorities by digitalising the census exercise. The investment consists in developing an online data collection system for households to complete their census return online.

Milestone 63 relates to testing of the online data collection system pilot.

Milestone 63 is the first step of the implementation of the investment and will be followed by milestone 64, related to dress rehearsal of the online data collection system by a sample of citizens, and milestone 65, related to the launch of the final data collection system. The investment has a final expected date for implementation in June 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|--|
| 1 | Summary Document | A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Certificate of satisfactory delivery of services | The certificate of satisfactory delivery of services for the online data collection system signed by the contractor and the Central Statistics Office census 2027 project board on 9 October 2024. |
| 3 | Certificate of works completion | The Certificate of works completion signed by the contractor and the Central Statistics Office census 2027 project board on 9 October 2024. |
| 4 | Penetration testing report | The penetration testing report sent by the contractor to the Central Statistics Office on 6 September 2022. |
| 5 | Load and security testing report | The load and security testing report sent by the contractor to the Central Statistics Office on 26 August 2022. |
| 6 | Accessibility audit report | The accessibility audit report sent by a testing service provider to the Central Statistics Office in September 2022. |
| 7 | Letters with an invitation to test the platform | The letters were sent to CSO staff in September 2022 with instructions on how to test the online data collection system. |
| 8 | Online data collection system completion report | The completion of testing phase report sent by the project manager of the online data collection system to the census 2027 project board chair on 30 March 2023 and approved on 6 April 2023. |

3. Analysis:

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

A pilot shall have been implemented and executed to test the online data collection concept. Based on the certificate of satisfactory delivery of services contractor Deloitte was responsible for the functionality and delivery of the online data collection system, including part of the testing the online data collection concept. Pages 1 and 2 of the certificate of satisfactory delivery of services, signed by the Central Statistics Office census 2027 project board and Deloitte, show that testing of the online census pilot platform, including the data collection concept, was completed between July 2022 and September 2022.

It shall involve the completion of the development and implementation of a pilot online census system and the execution of tests to verify the feasibility of progressing towards a full online census.

The authorities also provided a certificate of works completion for the testing of the online data collection system dated 30 September 2022 which is signed both by the contractor Deloitte and the competent authority Central Statistics Office, which shows that a proof of concept to deliver a secure and scalable Cloud solution, capable of hosting, authoring and distributing a digital census on a national scale in Ireland was developed.

Furthermore, the load and security testing report and penetration testing reports, provided respectively in August and September 2022 to the Central Statistics Office by the contractor show that the online data system was tested for large scale use with the objective to progress to a full online census. In addition, pages 5 to 11 of the accessibility audit report by an independent testing service provider show the results of tests to verify the feasibility of the online data collection system to ensure accessibility to all people, including people with disabilities. Additional testing was done by CSO staff, to which letters with an invitation to test the platform were sent in September 2022 with access codes to test the pilot online census system (also accessible at poc.census.ie).

Furthermore, in line with the description of the measure, **the investment consists in developing a platform for householders to complete their census return online.**

Page 1 of the certificate of satisfactory delivery of services, signed by the Central Statistics Office census 2027 project board and Deloitte shows that a proof of concept to deliver a secure and scalable Cloud solution, capable of hosting, authoring and distributing a digital census on a national scale in Ireland was developed. This shows that the purpose of the platform being developed is for households to complete their census return online.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 75 Increase of graduates with high level ICT skills

Related Measure: 2.7 Addressing the digital divide and enhancing digital skills

Quantitative Indicator: Number

Baseline: -

Target: 10,900

Time: Q4 2022

1. Context:

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.

Target 75 requires at least 10,900 learners to be recorded as having graduated in 2021 with high-level ICT skills in three government databases.

Target 75 is the fourth and last target of the reform. It follows the completion of milestone 74, related to the publication of the new Digital Strategy for schools, milestone 76, related to the publication of a 10-year adult literacy, numeracy and digital literacy strategy, and target 77, related to the provision of 20,000 laptops to disadvantaged students at further and higher education institutions.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|--|
| 1 | Summary document | A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | List of graduates in 2021 with advanced ICT skills | The anonymised Excel list with 10,986 graduates in 2021 includes separate tabs for each relevant database (SRS, AMS and QBS) and, for each graduate, a unique identification number, study programme and National Framework of Qualifications (NFQ) level. |

3. Analysis:

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

At least 10,900 learners shall be recorded as having graduated in 2021 with high-level ICT skills in SRS, AMS and QBS government databases. These skills shall be defined as NFQ Level 6 or above.

The Irish authorities provided an anonymised Excel list with 10,986 graduates in 2021 with high-level ICT skills of NFQ Level 6 or above recorded in SRS (Student Records System), AMS (Application Management System) and QBS (QQI Business System) government databases. The Excel list includes

separate tabs for each relevant database with the following number of graduates in 2021: SRS: 7,258, AMS (HEA Springboard and HCI Pillar 1 programmes): 1,200, and QBS: 2,528. For each graduate, the Excel list provides, among other things, a unique identification number, study programme and National Framework of Qualifications (NFQ) level. All listed graduates are marked to have achieved ICT skills of NFQ Level 6 or above.

For AMS and SRS databases, on 17 and 18 December 2024 respectively, the Commission services conducted an on-the-spot check in order to verify the alignment of the aggregate graduate data communicated in the Excel list with the data on graduates recorded in AMS and SRS databases. This check was completed successfully, confirming that the numbers and information on the relevant graduates recorded in AMS and SRS databases matched those submitted in the Excel list.

The data from QBS database is publicly available on the following website of state agency Quality and Qualifications Ireland (QQI): <https://infographics.qqi.ie/Home/NamedAwards/8M20703>. On 17 January 2025, the Commission services conducted a spot check of the data on that website, based on the award codes contained for each graduate recorded in QBS database in the Excel list of graduates. This check was completed successfully, confirming that the numbers and information on the relevant graduates recorded in QBS database matched those submitted in the Excel list.

Therefore, the total number of learners recorded as having graduated in 2021 with high-level ICT skills (of NFQ Level 6 or above) in SRS, AMS and QBS government databases is above 10,900.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 90 - Government Departments having applied the SME test

Related Measure: 3.4 Reducing regulatory barriers to entrepreneurship

Qualitative Indicator: Number

Baseline: 0

Target: 5

Time: Q1 2023

1. 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.

Target 90 requires that at least five additional Government Departments shall have applied the SME Test at least once in 2022 as compared to no Government Department having applied the SME Test at least once in 2020.

Target 90 is the third and last milestone or target of the reform, and it follows the completion of milestone 88 and 89 related to the establishment and implementation of the programme of actions for the implementation of the SME Test. The reform has a final expected date for implementation by Q1 2023.

2. Evidence Provided:

| | Name of the evidence | Short description |
|---|--|---|
| 1 | Summary Document | A summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Tracker for Applications of the SME Test by Each Department provided by the Department of Enterprise, Trade and Employment. | The tracker outlines a list of relevant legislations/initiatives and for each includes the status of the SME test, whether a copy of the SME test is available and measures taken, if any. |
| 3 | A list of Departments That Applied the SME Test in 2022 published on the Department of Enterprise, Trade and Employment's website. | List of Departments who applied the SME Test in 2022 with the corresponding legislation. This was published on the Department of Enterprise, Trade and Employment's website and provided in a pdf document. |
| 4 | Webpage Screenshot of the Department of Enterprise, Trade and Employment's website, taken on 12 June 2024, showing the Departments that applied the SME Test | Screenshot of the Department of Enterprise, Trade, and Employment's website publishing a list of government departments that applied the SME Test. Departments that applied the SME Test - DETE (enterprise.gov.ie) |

3. Analysis:

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

At least five Government Departments shall have applied the SME Test at least once in 2022. This shall be evidenced by the data on the application of the SME Test published on a dedicated centralised website.

A full list of government departments that applied the SME Test has been published on the Department of Enterprise, Trade, and Employment's website. This is accessible at: <https://enterprise.gov.ie/en/what-we-do/the-business-environment/better-regulation/sme-test/departments-that-applied-the-sme-test/departments-that-applied-the-sme-test.html>. The Commission services accessed the link provided by the authorities on 27 August 2024 to verify that the list of government departments that applied the SME Test has been published and that the website is active. This check was completed successfully confirming that at least five additional Government Departments shall have applied the SME Test at least once in 2022. Ireland also provided a screenshot (pdf dated 12 June 2024) as evidence of this webpage. The list includes the names of all government departments that implemented the SME test as of 2022 and the corresponding legislation it was applied to. The target of five additional government departments has been met and surpassed, with seven government departments having applied the SME Test at least once in 2022. Ireland also provided a detailed tracker with the measures taken, if any, for each relevant legislation/Initiative following the SME test, compiled by the Department of Enterprise, Trade and Employment. Additionally, information related to the SME Test, including a description of the SME test and the Program of Actions to Implement the SME Test across government are available on the Department of Enterprise, Trade and Employment's website accessible at: <https://enterprise.gov.ie/en/what-we-do/the-business-environment/better-regulation/sme-test/>.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 100 - Legislative measures to simplify and harmonise the supplementary pension's landscape

Related Measure: 3.7 Pensions

Qualitative Indicator: Provision in the legislation indicating the entry into force of the legislation

Time: Q4 2022

1. Context:

The objective of this reform is to simplify and harmonise the supplementary pension landscape.

Milestone 100 requires the entry into force of legislative measures to simplify and harmonise the supplementary pension's landscape.

Milestone 100 is the second and last milestone or target of the reform, and it follows the completion of milestone 99, related to the publication of a report by the Interdepartmental Pensions Reform and Taxation Group. The reform has a final expected date for implementation in Q4 2022.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|--|
| 1 | Summary Document | A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | The Finance Act 2021 (Number 45), which entered into force on 21 December 2021 | The Finance Act 2021 sets out rules for the transfer of a scheme member's entitlements from an occupational pension scheme to a Personal Retirement Savings Account (PRSA); and the removal of the Approved Minimum Requirement Fund. |
| 3 | The Finance Act 2022 (Number 44), which entered into force on 15 December 2022 | The Finance Act 2022 sets out an exemption for an employer contribution to an employee's PRSA from an income tax charge to Benefit-in-kind. |
| 4 | The Notification of the Finance Act 2021 published in the national official journal (Iris Oifigiúil) on 4 January 2022 | The national official journal (Iris Oifigiúil) of 4 January 2022 shows that the Bill for the Finance Act 2021 was signed by the President on the 21 December 2021 and has accordingly become law. |
| 5 | The Notification of the Finance Act 2022 published in the national official journal (Iris Oifigiúil) on 20 December 2022 | The national official journal (Iris Oifigiúil) of 20 December 2022 shows that the Bill for the Finance Act 2020 was signed by the President on the 15 December 2022 and has accordingly become law. |
| 6 | Report of the Interdepartmental Pensions Reform & Taxation Group 2020 | The report by the Interdepartmental Pensions Reform and Taxation Group, published on the Department of Finance website on 13 November 2020 (accessible at: https://www.gov.ie/en/publication/98d7f-report-of-the-interdepartmental-pensions-reform-and-taxation-group/), including specific |

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| | | recommendations on how to advance the goal of simplifying and harmonising the supplementary pension landscape. |
|--|--|--|

3. Analysis:

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

Legislation shall have entered into force,

The Finance Act 2021 which was signed into law by the President and therefore has entered into force on 21 December 2021, as confirmed in the national official journal of 4 January 2022 (page 6).

The Finance Act 2022 which was signed into law by the President and therefore has entered into force on 15 December 2022, as confirmed in the national official journal of 20 December 2022 (page 1506).

taking into account the following specific recommendations of the report mentioned in milestone 99: it shall remove a rule which prohibits transfer from second pillar occupational schemes to third pillar personal retirement savings accounts (PRSAs), where the individual has more than 15 years qualifying service;

The Report of the Interdepartmental Pensions Reform & Taxation Group 2020 recommended 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). The simplification and harmonisation across pension products and occupational pension schemes are provided by the removal of the 15-year rule for transfers from an occupational pension scheme to a Personal Retirement Savings Account. Section 13 of the Finance Act 2021 amends the Taxes Consolidation Act 1997 to allow for the transfer of a scheme member’s entitlements from an occupational pension scheme to a Personal Retirement Savings Account (PRSA) also for scheme members with more than 15 years’ service.

it shall remove the benefit-in-kind charge on employer contributions to an employee’s pension;

The Report of the Interdepartmental Pensions Reform & Taxation Group 2020 recommended 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). Section 22 Finance Act 2022 which amends the Taxes Consolidation Act 1997 introduces an exemption of employer contributions to an employee’s PRSA from an income tax charge to benefit-in-kind (BIK). The section also deletes a subsection of the Taxes Consolidation Act which treated both employer and employee contributions to a PRSA for the purposes of the tax relief as if they had been made by the employee. This is no longer required following the exemption of such contributions from the BIK charge.

and it shall abolish the ‘approved minimum retirement fund’.

The Report of the Interdepartmental Pensions Reform & Taxation Group 2020 recommended that *‘On the basis that reforms in relation to regulation and advice are accepted, progressed and executed, the AMRF should be abolished’* (page 114, line 7). Section 14 of the Finance Act 2021 which amends the Taxes Consolidation Act 1997 provides for the removal of the Approved Minimum Requirement Fund (AMRF) requirement for individuals availing of the Approved Retirement Fund (ARF) option on retirement and the transfer of current AMRF funds to an ARF for current AMRF holders.

This shall support the harmonisation across pension products and occupational pension schemes, including the tax treatment of employer contributions to employees' pensions...

The above legislative amendment removing the benefit-in-kind (BIK) charge on employer contributions to an employee's pension (Section 22 of the Finance Act 2021 which amends the Taxes Consolidation Act 1997), supports the harmonisation across pension products and occupational pension schemes by equalising the tax treatment of employer contributions to employees' pensions across PRSAs and Occupational Pension Schemes. While employer contributions to an Occupational Pension Scheme were not liable for a BIK charge, in the case of PRSAs employer contributions were chargeable to BIK under certain conditions. The aforementioned legislation exempts these contributions from the BIK charge.

...and shall also contribute to the simplification of the drawdown process.

The above legislative amendment abolishing the Approved Minimum Retirement Fund (AMRF) (Section 14 of the Finance Act 2021 which amends the Taxes Consolidation Act 1997), contributes to the simplification of the drawdown process because it gives more flexibility in accessing a pension fund and withdrawal options. As the aforementioned legislation converts existing AMRFs into Approved Retirement Funds (ARFs), their beneficiaries benefit from more flexible withdrawal options associated with ARFs. For example, the maximum withdrawal that was allowed from an AMRF was 4% per annum and only once in a given tax year, while the ARF allows the holders to withdraw funds without limits at any time.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 102 - Homes made available for sale through the new Affordable Purchase scheme for homes on public lands

Related Measure: 3.8 Increasing the provision of social and affordable housing

Quantitative Indicator: Number

Baseline: 0

Target: 100

Time: Q3 2023

1. Context:

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

Target 102 requires homes to be made available for sale through the new Affordable Purchase scheme for homes on public lands.

Target 102, together with targets 103 and 104, are the last targets of the reform, and they follow the completion of milestone 101, related to the entry into operation of the Land Development Agency as a commercial state agency.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|--|
| 1 | Summary Document | A summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | The Affordable Housing Act 2021 (Act 25 of 2021) of which relevant provisions entered into force on 3 September 2021 | The Affordable Housing Act 2021 provides for dwellings to be made available for sale under the affordable dwelling purchase arrangement (ADPA). |
| 3 | Statutory Instrument number 450 published in the national official journal (Iris Oifigiúil) on 7 September 2021 | Statutory Instrument number 450 confirms the entry into force on 3 September 2021 of the relevant provisions of the Affordable Housing Act 2021 related to the ADPAs and the shared equity scheme. |
| 4 | Statutory Instrument number 424 published in the national official journal (Iris Oifigiúil) on 24 August 2021 | Statutory Instrument number 424 confirms the entry into force on 19 August 2021 of the relevant provisions of the Affordable Housing Act 2021 related to the cost rental scheme. |
| 6 | Newton Heights call for applications published on the Cork city council website in July 2022 | The call for applications shows 37 homes were made available for sale in Newton Height (Cork) under the ADPA. |
| 7 | Crann Darach call for applications published on the Cork city council website in December 2022 | The call for applications shows 27 homes were made available for sale in Crann Darach (Cork) under the ADPA. |
| 8 | Greenhills call for applications published on the Wicklow county website in November 2022 | The call for applications shows 36 homes were made available for sale in Greenhills (Wicklow) under the ADPA. |

| | | |
|----|---------------------------------------|---|
| 9 | Newton Heights land registry document | An official copy of the Land Registry record of Cork County from the Property Registration Authority |
| 10 | Crann Darach land registry document | An official copy of the Land Registry record of Cork County from the Property Registration Authority |
| 11 | Greenhills land registry document | An official copy of the Land Registry record of Wicklow County from the Property Registration Authority |

3. Analysis:

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

At least 100 homes shall have been made available for sale through the Affordable Purchase Scheme for homes on public lands.

The Affordable Purchase Scheme, also known as the affordable dwelling purchase arrangement (ADPA), follows the methodology outlined in pages 6-31 of the Affordable Housing Act 2021, which entered into force on 3 September 2021 as confirmed Statutory Instrument number 450 of 2 September 2021. Under such methodology, local authorities make newly built homes on public land available at a reduced price for first-time and other eligible buyers who cannot afford to purchase home at their open market value with a maximum mortgage and 10% deposit. The local authorities keep a percentage equity share of the homes sold, which the buyers can later purchase from the local authority. All details of the ADPA scheme are also publicly available on a website (<https://affordablehomes.ie/>) advertising the ADPA scheme to the public.

Published calls for applications show that the corresponding 100 homes were subsequently made available for sale between August 2022 and January 2023. In particular:

- Pages 1 and 2 of the Newton Heights call for applications shows that 37 homes in Newton Height (Cork) have been made available under ADPAs for move-in in 2022. Paragraph 5 of the call states that buyers of the advertised properties will sign up to an “Affordable Dwelling Purchasing Arrangement” with Cork City Council. The period of applications ran from 16 August 2022 to 30 August 2022.
- Pages 1-7 of the Crann Darach call for applications shows that 27 homes in Crann Darach (Cork) have been made available under ADPAs. Section 3 of the call states that buyers of the advertised properties will sign up to an “Affordable Dwelling Purchase Arrangement” with Cork City Council. The period of applications ran from 13 December 2022 to 3 January 2023.
- Pages 1-11 of the Greenhills call for applications shows that 36 homes in Greenhills (Wicklow) have been made available under ADPAs. Section 3 of the call states that buyers of the advertised properties will sign up to an “Affordable Dwelling Purchasing Agreement” with Wicklow City Council. The period of applications ran from 30 November 2022 to 21 December 2022.

Land registry documents show that the homes were built on public land, specifically:

- Page 21 of the Newton Heights land registry document recognises the Lord Mayor of Cork (an annually elected position within the Cork City Council) as the full owner (as of 1983) of the land where 117 houses were built. Pages 33 to 35 of the document present a map of the land marked as public.
- Page 4 of the Crann Darach land registry document recognises Cork City Council as the full owner (as of April 2021) of the land where 27 houses were built. Page 6 of the document presents a map of the land marked as public.

- Page 4 of the Greenhills land registry document recognises Wicklow Town City Council as the full owner (as of 2008) of the land where 36 houses were built. Page 6 of the document presents a map of the land marked as public.

Furthermore, the Commission services accessed the link provided by the authorities on 17 December 2024 to verify the public ownership of the land by consulting the publicly available State Lands Database (accessible at <https://lda.ie/public-lands/register-of-relevant-lands/map>). This check was completed successfully, confirming that the land on which the homes were constructed belonged to the state.

Furthermore, in line with the description of the measure, **the reform also consists in the entry into force of the Affordable Housing Act sections related to the Affordable Purchase Scheme for homes on public lands, the cost rental scheme and equity support scheme.**

The Affordable Housing Act 2021 was passed into law on 21 July 2021. Pages 6-31 of the Affordable Housing Act 2021 allow for the provision of dwellings for sale under the Affordable Purchase Scheme for homes on public lands, also known as the Affordable Dwelling Purchase Arrangement (ADPA) (target 102). Pages 32-43 provide for dwellings to be made available on a cost rental basis (see target 103) and pages 43-45 provide for funding to be made available for the purchase of dwellings in accordance with a support scheme of shared equity (see target 104).

Statutory Instrument Number 450 of 2021 confirms the entry into force on 3 September 2021 of the relevant parts of the Affordable Housing Act 2021 related to the Affordable Dwellings Purchase Arrangements and the shared equity scheme (see target 104). It was signed by the Minister for Housing, Local Government and Heritage on 2 September 2021 and is publicly available (<https://www.irishstatutebook.ie/eli/2021/si/450/made/en/pdf>).

Similarly, statutory Instrument Number 424 of 2021 confirms the entry into force on 19 August 2021 of the relevant parts of the Affordable Housing Act 2021 related to the cost rental scheme (see target 103). It was signed by the Minister for Housing, Local Government and Heritage on 18 August 2021 and is publicly available (<https://www.irishstatutebook.ie/eli/2021/si/424/made/en/print>).

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 103 - Homes delivered under the cost rental scheme

Related Measure: 3.8 Increasing the provision of social and affordable housing

Quantitative Indicator: Number

Baseline: 0

Target: 450

Time: Q3 2023

1. Context:

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

Target 103 requires homes to be delivered under the cost rental scheme.

Target 103, together with targets 102 and 104, are the last targets of the reform, and they follow the completion of milestone 101, related to the entry into operation of the Land Development Agency as a commercial state agency.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|---|
| 1 | Summary Document | A summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled. |
| 3 | 441 Cost rental tenancy agreements between two not-for-profit charities, Clúid Housing and Toath Housing Association, and individual tenants | The documents show that 441 houses were tenanted under the cost rental scheme. |

3. Analysis:

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

At least 450 homes shall have been completed and tenanted under the cost rental scheme.

Cost Rental is a form of tenancy designed to address high rental prices in the private sector. Section 29(3) of the Affordable Housing Act 2021 explains that, under the cost rental scheme, rents are set to cover only the cost of financing, building, managing and maintaining the homes. Section 33 defines the procedure of setting and review of rent in cost rental tenancy. The 441 cost rental tenancy agreements signed between 27 August 2021 and 25 October 2024 between two non-for-profit charities (Toath Housing Association, Clúid Housing Association) and individual tenants show that the houses were tenanted under the cost rental scheme.

- For the 199 cost rental tenancy agreements between Toath Housing Association and individual tenants, article 6.2 of the cost rental tenancy agreements provides for the application of section 33 of the Affordable Housing Act 2021 on rent setting and rent review.

- For the 242 cost rental tenancy agreements between Clúid Housing Association and individual tenants, article 8.2.1 of the cost rental tenancy agreements provides for the application of section 33 of the Affordable Housing Act 2021 on rent setting and rent review.

The Council Implementing Decision required 450 homes to be completed and tenanted under the cost rental scheme. Of the contracts provided as evidence, 441 fully satisfy the conditions set by the target description. Whilst this constitutes a minimal numerical deviation of 2% from the requirement of the Council Implementing Decision, the overall objective of this target is considered met notwithstanding this minor deviation. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 104 - Homes made available for sale to purchasers who avail of the equity support scheme

Related Measure: 3.8 Increasing the provision of social and affordable housing

Quantitative Indicator: Number

Baseline: 0

Target: 100

Time: Q3 2023

1. Context:

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

Target 104 requires homes to be made available for sale to purchasers who avail of the equity support scheme.

Target 104, together with targets 102 and 103, are the last milestones or targets of the reform, and they follow the completion of milestone 101, related to the entry into operation of the Land Development Agency as a commercial state agency.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|---|
| 1 | Summary Document | A summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | List of eligibility certificate numbers | A list of 137 unique eligibility certificate numbers and corresponding addresses and drawdown dates sent by FHS DAC in December 2024 |
| 3 | Eligibility Certificates | In the context of the sampling analysis, 60 eligibility certificates were provided by the independent mortgages, real estate and commercial loan servicer of the equity support scheme. |
| 4 | The First Home Scheme Designated Activity Company (FHS DAC) 2022 annual report and financial statement | The 2022 annual report and financial statement of the First Home Scheme Designated Activity Company (FHS DAC). |
| 5 | Letter of Confirmation from BCM (Service Provider to FHS, responsible for the end-to-end processing of customer applications and all points of contact with the customer) | A letter from BCM, the scheme's service provider, sent on 5 November 2024, confirming equity contracts are in place. |
| 6 | First Home Scheme – FY22 Equity Contracts confirmation | A letter by external auditors sent on 07 November 2024, confirming total equity investment in residential properties |

3. Analysis:

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

At least 100 homes shall have been made available for sale to purchasers who avail of the equity support scheme.

The equity support scheme, also known as the 'First Home Shared (FHS) Equity Scheme', follows the methodology outlined in pages 43-45 of the Affordable Housing Act 2021, which entered into force on 3 September 2021 as confirmed by Statutory Instrument number 450 of 3 September 2021.

Under such methodology, FHS is a shared equity scheme, launched on 7 July 2022. It is funded by the Government of Ireland (through Department of Housing, Local Government & Heritage) and Participating Lenders. It aims to bridge the gap for first-time buyers and other eligible homebuyers between their deposit and mortgage, and the price or build cost of a new home within property price ceilings set up across the Republic of Ireland. The Scheme provides homebuyers with what is known as an equity facility, meaning that homebuyers will enter into a contract with the FHS and receive funds from the Scheme in return for the FHS taking percentage ownership in the property. The First Home Scheme Designated Activity Company (FHS DAC) is a legal entity established to operate and oversee the scheme. All details of the FHS and the FHS DAC are publicly available on the website (<https://www.firsthomescheme.ie/>) advertising the FHS scheme to the public.

To show that at least 100 homes have been made available for sale, FHS DAC provided a list of 137 eligibility certificate numbers, linked to unique eligibility certificates. An eligibility certificate shows that an application for a specific property has been approved in principle by the FHS, giving the applicants the possibility to buy a home while availing of the equity support scheme.

The list of eligibility certificate numbers was verified by the Commission through a sampling exercise. For a sample of 60 eligibility certificate numbers randomly selected by the Commission, Ireland provided the corresponding eligibility certificate contracts. This confirmed that 137 homes have been made available for sale to purchasers who availed of the equity support scheme.

In addition, the external auditors of FHS DAC sent a signed letter on 7 November 2024 confirming that the total equity investments in residential properties as of 31 December 2022 amounted to 137 properties. A signed letter by the independent mortgages, real estate and commercial loan servicer for the equity support scheme was also sent on 5 November 2024 confirming that equity contracts are in place for each of the 137 facilities, with signed contracts received before any funds were released. The letter also confirms that all applications underwent scheme eligibility checks and were confirmed as eligible.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 106 - Community Health Networks accepting referrals from general practitioners

Related Measure: 3.9 Health

Quantitative Indicator: Number

Baseline: 0

Target: 96

Time: Q4 2022

1. Context:

The objective of this reform is to progress on the implementation of the Sláintecare reform programme to achieve a universal single-tier healthcare system where everyone has equal access to services based on need irrespective of ability to pay.

Target 106 requires 96 Community Health Networks accepting referrals from general practitioners.

Target 106 is the second milestone or target of the reform, and it follows the completion of milestone 105, related to the entry into operation of the Sláintecare Consultant Contract. It will be followed by target 107, related to the registration of at least 430 000 patients to the Chronic Disease Management Programme. The reform has a final expected date for implementation by Q4 2023.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|--|
| 1 | Summary Document | A summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Extract of patient referrals to CHNs through the HealthLink platform covering the period from January to October 2024 | The HealthLink extract of referrals to CHNs shows the number of total referrals by general practitioners to each CHN on a monthly basis. |
| 4 | Sláintecare progress report 2021-2023 published on 30 April 2024 by the Department of Health | The report shows the implementation of the Sláintecare reform with regards to the CHNs |

3. Analysis:

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

A total of 96 Community Health Network (CHN) shall have accepted referrals from general practitioners.

Community Health Networks (CHNs) are geographically-based units consisting of multi-disciplinary primary clinical teams that manage and deliver local primary care services to a defined catchment area. In accordance with page 29 of the Sláintecare progress report, HealthLink is an national

electronic messaging service which, amongst other functions, allows the secure transmission of clinical patient information, including referrals of patients, from general practitioners to CHNs. The extract of patient referrals through the HealthLink platform shows that for 94 out of the 96 CHNs there are records of accepted referrals from GPs to CHNs.

The Commission services conducted an on-the-spot check on 20 November 2024 to verify the alignment of the extract submitted by Ireland with the data from the HealthLink database. This check was completed successfully, confirming that for 94 out of the 96 community health networks there are records of accepted referrals from general practitioners of patients.

The Council Implementing Decision required 96 CHNs shall have accepted referrals from general practitioners. However, two CHNs are currently not using HealthLink but still using paper forms. Although these two CHNs have a publicly available address to general practitioners, no aggregate referral data could be easily verified by the Commission. Whilst this constitutes a minimal numerical deviation of 2% from the requirement of the Council Implementing Decision, the overall objective of this target is considered met notwithstanding this minor deviation. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 110 - Strengthening framework to prevent, detect, and correct any serious irregularities.

Related Measure: C4.R1 Audit and Control

Qualitative Indicator: Instructions issued

Time: Before the second payment request

1. Context:

The objective of this measure is to ensure the protection of the Union's financial interests and compliance with applicable EU and Irish regulations by strengthening framework for preventing, detecting and correcting any serious irregularities under the Recovery and Resilience Facility framework.

The audit and control milestone 110 requires the Implementing Body of the Irish Recovery and Resilience Plan to issue instructions to the Accountable Departments aimed to strengthen the framework for preventing any serious irregularities when implementing the Recovery and Resilience Plan, such as fraud, conflict of interest, corruption and double funding.

Milestone 110 is the third and last milestone of the reform and it follows the completion of milestone 108, related to the repository system for audit and controls with information for monitoring the implementation of the Recovery and Resilience Plan, and milestone 109 related to ensuring the administrative capacity of the Implementing Body, as well as the administrative capacity for the audit body.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|---|
| 1 | Summary document | Summary document duly justifying how the target (including all its constitutive elements) has been satisfactorily fulfilled. |
| 2 | Signed Memoranda of Understanding between the Implementing Body and Accountable Departments | Memoranda of Understanding signed by each Accountable Department for each Irish RRF funded project. |
| 3 | Government Decision S180/20/10/2534 of 28 May 2021 approving the submission of Ireland's National Recovery and Resilience Plan (NRRP) to the Commission | Decision approving the submission to the European Commission of Ireland's NRRP. Further, the Decision approved the internal governance of the plan in the following area: establishment of the National Implementing Body located in the DPENDR "to oversee the implementation of the Plan". It established that "delivery of the investment and reform projects included in the Plan will be the responsibility of the relevant Departmental Ministers". |
| 4 | Instructions issued by the Implementing Body to | Instructions issued to the Accountable Departments with the objective to |

| | | |
|---|---|---|
| | Accountable Departments, Version 1.3, 19 December 2024 | strengthen the framework to prevent, detect, and correct any serious irregularities such as fraud, conflict of interest, corruption and double funding. |
| 5 | Annex I: National Implementing Body Guidance on Beneficial Ownership issued by the Implementing Body to the Project Leads, Version 1.1, 13 March 2024 | Annex to instructions issued to Accountable Departments. The guidance has been issued to assist Accountable Departments in carrying out their obligation to collect and provide information on recipients of RRF funding, particularly the provision of beneficial owner information. |
| 6 | Annex II: OLAF document Implementing the Recovery and Resilience Facility: A general risk framework | Annex to instructions issued to Accountable Departments. |
| 7 | Annex III: OLAF presentation on a proposal for a risk framework | Annex to instructions issued to Accountable Departments. |
| 8 | Annex IV: DG ECFIN's RRF Enquiry Planning Memorandum (EPM) General Audit Checklist | Annex to instructions issued to Accountable Departments. |
| 9 | Email from the Implementing Body sharing the instructions with the Accountable Departments, 19 December 2024 | Email transmitting the instructions along with the four annexes. |

3. Analysis:

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

The Implementing Body of the Irish Recovery and Resilience Plan shall issue instructions to the Accountable Departments with the objective to strengthen the framework to prevent, detect, and correct any serious irregularities such as fraud, conflict of interest, corruption and double funding.

The Irish Implementing Body issued the instructions to the Accountable Departments by email on 19 December 2024 (evidence No 4 and 9). The Accountable Departments were required to confirm their agreement to adhere and implement the issued instructions. This was achieved through the signature of an updated Memorandum of Understanding (MoU) which incorporated the issued instructions. Each Accountable Department, at ministerial level, signed a single MoU covering all the projects under its responsibility (in line with Government Decision S180/20/10/2534) (evidence No 3). All signed MoUs were shared by the Irish authorities with the Commission services on 10 April 2025.

These instructions shall include, as a minimum:

(a) Instructions for the Accountable Departments to conduct ex-ante conflict of interests and double

funding checks through the use of appropriate national databases and data mining and risk scoring tools.

The instructions reflect the need of conducting ex-ante conflict of interests and double funding checks throughout the use of ARACHNE, the Commission's data mining and risk scoring IT tool, and other national and/or EU tools. A separate section describing the use of ARACHNE, specifically on how to upload and update the project data, was included in the instructions (pages 5-6).

Regarding conflicts of interests, the instructions include a clear definition of conflict of interests as outlined in the EU Financial Regulation, as well as the preventive measures to address them, namely ex-ante checks. In this regard, it is indicated that the Accountable Departments have to use ARACHNE for the purpose of conducting ex-ante checks together with the Irish Central Register of Beneficial Ownership of Companies and Industrial and Provident Societies (RBO). Additionally, when it is justified by the risks of the project, the Accountable Departments shall request and verify declarations of the absence of conflict of interests (pages 7-8 of the instructions).

In relation to double funding, the instructions describe when it occurs, how to detect it and require the Accountable Departments to perform ex-ante checks to identify potential double funding using ARACHNE. These checks should be supplemented with additional verifications on the dedicated platforms for Common Agricultural Policy funds (CAP) and Kohesio. The instructions also suggest the use of self-declarations, which must always be verified through the above-mentioned tools (pages 9-13 of the instructions).

The instructions should also include which data must be collected and reported by Accountable Departments from final recipients;

Additionally, the Implementing Body developed a Guidance Note for Project Leads outlining the categories of information to be collected to meet the requirements of Article 22(2)(d) of the RRF Regulation, the methods for obtaining this information, and the process for incorporating it into the national project management system (as detailed in Annex I of the instructions). This note was sent to all Accountable Departments on 14 March 2024 and incorporated in the signed Memoranda of Understanding.

(b) Instructions for the Accountable Departments to conduct a fraud risk assessment for their respective RRF measures;

The instructions indicate that the Accountable Departments have to ensure that a fraud risk assessment is provided for their RRF measures, though there is flexibility as to the methodology to be applied. In this sense, the Accountable Departments can rely on their risk management system operating within the Department/Office. For that, their risk management system should adequately reflect the risks to which its National Recovery and Resilience Plan (NRRP) projects are exposed. In addition, it should also reflect effective mitigation and remediation measures to address risks of serious irregularities such as fraud, conflict of interest, corruption and double funding. In case these criteria are not in place, the Accountable Departments have to create a stand-alone fraud risk assessment. To assist with this, the Implementing Body provided guidance in the instructions, based on guidelines from OLAF and the European Commission, on how to create a fraud risk assessment (pages 16-21 of the instructions).

(c) Clear procedures for on-the-spot verifications to be performed by the Accountable Departments.

The instructions set out clear requirement and procedures to perform on-the-spot verifications. In this context, on-the-spot checks will be carried out on the projects identified as high risk, using ARACHNE's scoring function for the risk assessment. The specific nature of these verifications will be determined by the risks identified. Additionally, it is pointed out that Accountable Departments can rely on their internal audit function to conduct audits based on the analysis of the financial risks identified by means of ARACHNE, or via the Department's risk register (pages 22 – 23 of the instructions and Annexes II and III to the instructions).

4. Commission Preliminary Assessment: Satisfactory fulfilled.