



Rialtas na hÉireann
Government of Ireland

National Recovery and Resilience Plan 2021



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Europe's contribution to Ireland's recovery - Ireland's National Recovery and Resilience Plan

In July 2020, the European Council, made up of the Heads of State and Government of each EU Member State, adopted a historic €750 billion recovery package for Europe. This package, *NextGenerationEU*, is Europe's shared response to the severe health and economic crisis caused by COVID-19. Next Generation EU is an ambitious and common recovery package which will complement and support each country's own national response to the crisis.

At the heart of the *NextGenerationEU* lies the Recovery and Resilience Facility. The aim of the Facility is to address the economic and social impact of the pandemic and make European economies and societies more sustainable, resilient and better prepared for the challenges and opportunities of the green and digital transitions.

Ireland will receive approximately €915 million in grants from the Recovery and Resilience Facility. These grants will be used to support investments between now and mid-2026. A further set of grants will be allocated to each Member State in 2023, taking into account economic developments between now and then.

In order to avail of grants from the Recovery and Resilience Facility, each Member States must prepare a National Recovery and Resilience Plan. On 28 May 2021, Ireland submitted its draft Plan to the European Commission.

Ireland's Plan has been developed by the Government over recent months, taking into account the requirements for the Recovery and Resilience Facility for a minimum of 37% of expenditure to be on climate and 20% on digital investments and reforms; the need to address investment and reform challenges identified in relevant Country Specific Recommendations made to Ireland by the EU in recent years; and the importance of alignment with national economic and investment plans, in particular the Economic Recovery Plan. The development of the Plan was also informed by a public consultation process.

The overall objective of Ireland's National Recovery and Resilience Plan is to contribute to a sustainable, equitable, green and digital recovery effort, in a manner that complements and supports the Government's broader recovery efforts.

Ireland's Plan will do this through a set of 16 investments and 9 reform commitments, to a total value of just under €1 billion, to be supported both by grants from the Recovery and Resilience Facility and national funds.

Ireland's National Recovery and Resilience Plan has been arranged under three distinct priorities:

-  **Priority 1:** Advancing the Green Transition
-  **Priority 2:** Accelerating and Expanding Digital Reforms and Transformation
-  **Priority 3:** Social and Economic Recovery and Job Creation

Under each priority, there is a set of impactful and reinforcing investments and reforms which will be measurable and for which the Government will be responsible. The achievement of the milestones and targets for these investments and reforms, in line with the Regulation governing the Recovery and Resilience Facility, will see Ireland access its allocated resources from the Recovery and Resilience Facility.

Further details of the reforms and investments in each priority area are set out below, and a full list can be found as an Annex.

NRRP Priority 1 : Advancing the Green Transition

The next number of years are critical if Ireland is to address the climate and biodiversity crisis which threatens the safe future of the planet. Ireland's ambition is to more than halve carbon emissions over the course of this decade. This will be challenging and will require fundamental changes in so many aspects of Irish life.

Reflecting our strong national commitment to addressing the climate and biodiversity crisis, the National Recovery and Resilience Plan sees a significant allocation made to supporting investments addressing the green transition.

As detailed in the 2020 Programme for Government, Ireland is committed to an average 7% per annum reduction in overall greenhouse gas emissions from 2021 to 2030 (a 51% reduction over the decade) and to achieving net zero emissions by 2050. Ireland recognises the importance of frontloading these required investments as many of the changes started in the 2021-2025 period will only lead to reductions later in the decade.

This National Recovery and Resilience Plan represents a first step to significantly reform and direct relevant funding towards decarbonising projects such as retrofitting, ecosystem resilience and regeneration, climate mitigation and adaptation, and green data systems.

The two reform projects included under this priority strengthen the overall governance framework by enshrining key environmental policies in national legislation. This will help to ensure that our environmental policy efforts are on a sustainable footing and that momentum is maintained into the medium and long-term.

The measures contained in the National Recovery and Resilience Plan and in other key domestic plans will help this country rise to the challenge.



Seven investments will be undertaken to a total value of **€503 million** as follows:

- A **National Grand Challenges Programme** of mission orientated funding to be rolled out by Science Foundation Ireland;
- **Accelerate Decarbonisation of the Enterprise Sector** through providing supports for Irish SMEs and exporters to address their emissions, and by investing in carbon measurement and abatement technologies for manufacturing companies;
- A **Public Sector Retrofit Pathfinder Project** to undertake the deep retrofit of public office accommodation;
- **De-risking a Low Cost Residential Retrofit Loan Scheme** through the use of loan guarantees;
- **Enable Future Electrification Through Targeted Investment in Cork Commuter Rail**, providing significant capacity increases on the Cork Area Commuter Rail network, including construction of a through platform at Kent Station, line doubling between Glounthaune and Midleton, and re-signalling, with a view to future electrification;
- The **Enhanced Rehabilitation of Peatland** encompassing the rehabilitation of 33,000 hectares of former industrial peatlands owned by Bord Na Móna (currently being supported in its first year by the Climate Action Fund);
- **River Basin Management Plan - Enhanced Ambition Programme** to upgrade a minimum of 10 waste water treatment plants, not currently scheduled for upgrade whose discharges have been identified as being significant pressures on receiving water bodies.

In addition, under this Priority, Ireland is committing to implementing reforms by:

- Progressing the **Climate Action and Low Carbon Development (amendment) Bill**; and
- Implementation of **Base Broadening Carbon Tax** measures as currently legislated for.

NRRP Priority 2 : Accelerating and Expanding Digital Reforms and Transformation

Reflecting the importance of the digital transition for Ireland and Europe in the coming decade, support for Irish businesses and our citizens to adapt to, and reap the benefits from, digitalisation will be central to our National Recovery and Resilience Plan.

Ireland's ambition is to provide a better experience for citizens and businesses interacting with Government and, as important, to continue and accelerate the reform agenda through improvements in the way Government systems operate.

Achieving this requires digital transformation of Government: redesigning and rebuilding Government process and services, if necessary across organisations, and using digitalisation and data to provide an integrated experience for our citizens, businesses and policy makers. Having a user-centred focus on the design and delivery of public services, underpinned by exemplary identity and data infrastructures, will be a key driver of reforms.

The digitalisation of the Public Service is particularly key given the challenges presented by COVID-19, with the need for remote working, remote transferral of confidential information and a reduction in gatherings and face-to-face consultations.

Our digital transition will be one of the key enablers for our reform agenda. It will allow greater interoperability of public services within and between organisations nationally as well as across the EU as appropriate, improve the quality of service, and enable the sharing of information within the public sector and with citizens and business in an efficient manner, thus enhancing our public administration.

Assisting and incentivising SMEs to harness digital technologies to transform their business processes has also been prioritised in our Plan, with supports provided to accelerate the adoption of digital and other new technologies by Irish businesses as a critical driver of enterprise productivity and competitive advantage.

The reform project included under this priority focuses on mainstreaming digital literacy and digital skills across all levels of the education system. This will support the implementation of the digital reform and transformation agenda into the future.

This Priority will see six investments undertaken to a total value of €295 million as follows:

- **Development of a Shared Government Data Centre** to support digitalisation of Government services through delivery of high-quality Data Centre facilities;
- **Programme to Drive Digital Transformation of Enterprise in Ireland** through the introduction of a new grants scheme for businesses to support digitalization and the establishment of European Digital Innovation Hubs in Ireland;
- **Programme to Provide Digital Infrastructure and Funding to Schools** will see high speed broadband connectivity provided to over 1,100 primary schools and grants provided for schools to purchase ICT infrastructure;
- **Provision of an Online Response Option for the Census of Population** as part of Census 2026 which could also be used for other CSO and Government surveys;
- **Using 5G technologies to Drive a Greener more Innovative Ireland** will see Government use 5G technology to enhance connectivity and service provision; and
- Roll out of a number of **eHealth initiatives** including community eHealth solutions, investment in ePharmacy, and in an integrated financial management system as part of wider health system reform.

In addition, under this Priority, Ireland is committing to implementing reforms to:

- **Address the Digital Divide and Enhance Digital Skills**, by developing a new 10 Year Adult Literacy, Numeracy and Digital Literacy Strategy and of a new Digital Strategy for Schools.

NRRP Priority 3 : Social and Economic Recovery and Job Creation

Ireland's National Recovery and Resilience Plan has a strong focus on supporting people's return to work and preparing for the challenges of the future.

Further education and training (FET) in Ireland has long played a critical role in labour market activation and in upskilling and reskilling people. The requirements on the FET sector are particularly acute given the significant impact of COVID-19 on the social and economic fabric of Ireland. In particular, certain sectors and occupations have been impacted greatly, such as hospitality, services and retail. Additional skills challenges that relate to climate, Brexit and automation also still exist.

This priority area in Ireland's plan will focus on new work placements in response to the COVID-19 pandemic, in order to keep those who are unemployed close to the labour market. This area will also focus on equipping the Irish workforce with the necessary future skills that will be required to boost the innovation and productivity of the SME sector, and the provision of skills in support of climate action.

This commitment to reforming the focus of FET to meet the future employment Ireland strives to advance, in climate action and digitisation, will ensure there is alignment between the development of physical capital and human capital.

This priority area also includes a suite of six reform projects, to address a number of important social and economic policy needs identified in Ireland's Country Specific Recommendations. Implementing reforms in these key areas – health, housing, pensions, institutional frameworks, taxation, and business environment – will contribute to strengthening the overall social and economic policy framework in Ireland.

Three investments will be undertaken under this priority to a total value of €181 million:

- **Work Placement Experience Programme**, EU funds will be used in support of our ambitious new Work Placement Experience Programme, targeted at reaching 10,000 participants;
- **Solas Recovery Skills Response Programme** will see a range of additional educational and training programmes rolled out as part of the Skills to Compete and the establishment of the SOLAS Green Skills Action programme focusing on providing training to address climate and low carbon economy issues; and
- The **Technological Universities Transformation Fund** will be supported by EU funds to aid the development and realisation of Technological Universities and promote regional economic development.



In addition, under this Priority, Ireland is committing to implementing reforms by:

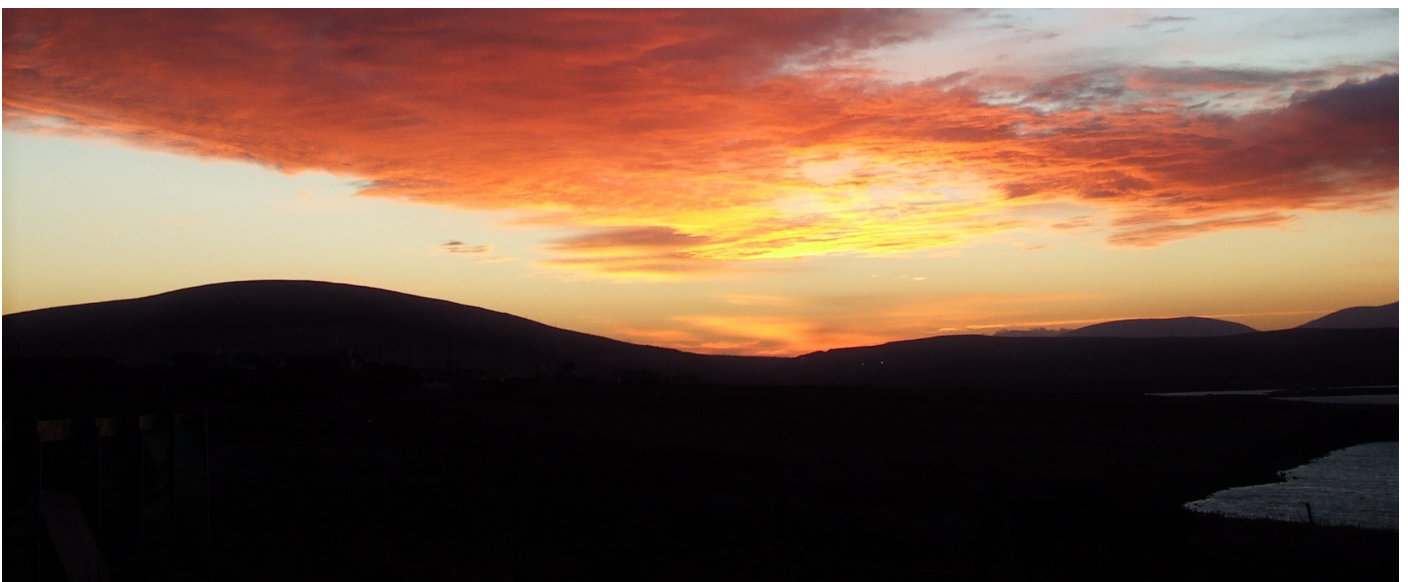
- **Reducing Regulatory Barriers to Entrepreneurship** through use of an SME Test in development of policy;
- Strengthening Ireland's capacity to address **Anti-Money Laundering** with a particular focus on Trust and Company Service Providers;
- Continue to address **Aggressive Tax Planning** through implementation of Ireland's Corporation Tax Roadmap;
- Advance Ireland's **Pensions** reforms for the purposes of simplifying and harmonising supplementary pensions in Ireland;
- **Increase the Provision of Social and Affordable Housing** through progressing the Affordable Housing Bill and the Land Development Agency Bill; and
- Progressing the strategic **Healthcare reform** agenda set out under Sláintecare, by committing to the implementation of three initiatives which will improve access to care in the community and begin the process of removing private healthcare from public hospitals.

Next Steps

Ireland's draft National Recovery and Resilience Plan will now be assessed by the European Commission which will, within two months, make a recommendation to the Council of the European Union, on the basis of which implementation of the Plan will commence and EU financial support will start to flow.

Further details of Ireland's National Recovery and Resilience Plan will be published in due course.

A NRRP Implementing Body will be established within the Department of Public Expenditure & Reform to oversee implementation of the Plan. Reporting to the Minister for Public Expenditure & Reform, this Body will act as the lead authority for Ireland and as the single point of contact with the European Commission.



Annex : Overview of Ireland's National Recovery and Resilience Plan

	Investments	Reforms
<p>Priority 1: Advancing the Green Transition</p> 	<p>1.1 Derisking a Low Cost Residential Retrofit Loan Scheme</p> <p>1.2 Accelerate Decarbonisation of the Enterprise Sector</p> <p>1.3 Public Sector Retrofit Pathfinder Project</p> <p>1.4 Future Electrification Through Targeted Investment in Cork Commuter Rail</p> <p>1.5 National Grand Challenges Programme</p> <p>1.6 Enhanced Rehabilitation of Peatlands</p> <p>1.7 Irish Water River Basin Management Plan - Enhanced Ambition Programme</p>	<p>1.8 Climate Action and Low Carbon Development (Amendment) Bill</p> <p>1.9 Base Broadening Carbon Tax</p>

	Investments	Reforms
<p>Priority 2: Accelerating and Expanding Digital Reforms and Transformation</p> 	<p>2.1 Development of a Shared Government Data Centre</p> <p>2.2 Programme to Drive Digital Transformation of Enterprise in Ireland</p> <p>2.3 Programme to Provide Digital Infrastructure and Funding to Schools</p> <p>2.4 Provision of an Online Response Option for the Census of Population</p> <p>2.5 Using 5G technologies to Drive a Greener More Innovative Ireland</p> <p>2.6 Suite of eHealth Projects</p>	<p>2.7 Address Digital Divide and Enhancing Digital Skills</p>

	Investments	Reforms
<p>Priority 3:</p> <p>Social and Economic Recovery and Job Creation</p> 	<p>3.1 Work Placement Experience Programme</p> <p>3.2 Solas Recovery Skills Response Programme</p> <p>3.3 Technological Universities Transformation Fund</p>	<p>3.4 Reduce Regulatory Barriers to Entrepreneurship</p> <p>3.5 Enhance Ireland's Anti-Money Laundering Capacity</p> <p>3.6 Address Aggressive Tax Planning</p> <p>3.7 Advance supplementary pension provision reform</p> <p>3.8 Increase Provision of Social & Affordable Housing</p> <p>3.9 Progress Slaintecare Implementation</p>

More information

You can read more about the EU commission's Recovery and Resilience Facility here:

https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility_en



Rialtas na hÉireann
Government of Ireland

Tithe an Rialtas, Sráid Mhuirfean Uacht,
Baile Átha Cliath 2, D02 R583, Éire
Government Buildings, Upper Merrion Street,
Dublin 2, D02 R583, Ireland

T:+353 676 7571

@IRLDeptPER

[gov.ie/per](https://www.gov.ie/per)