

The National Development Plan – An overview, and an analysis of major (discrete) infrastructure projects

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Key messages

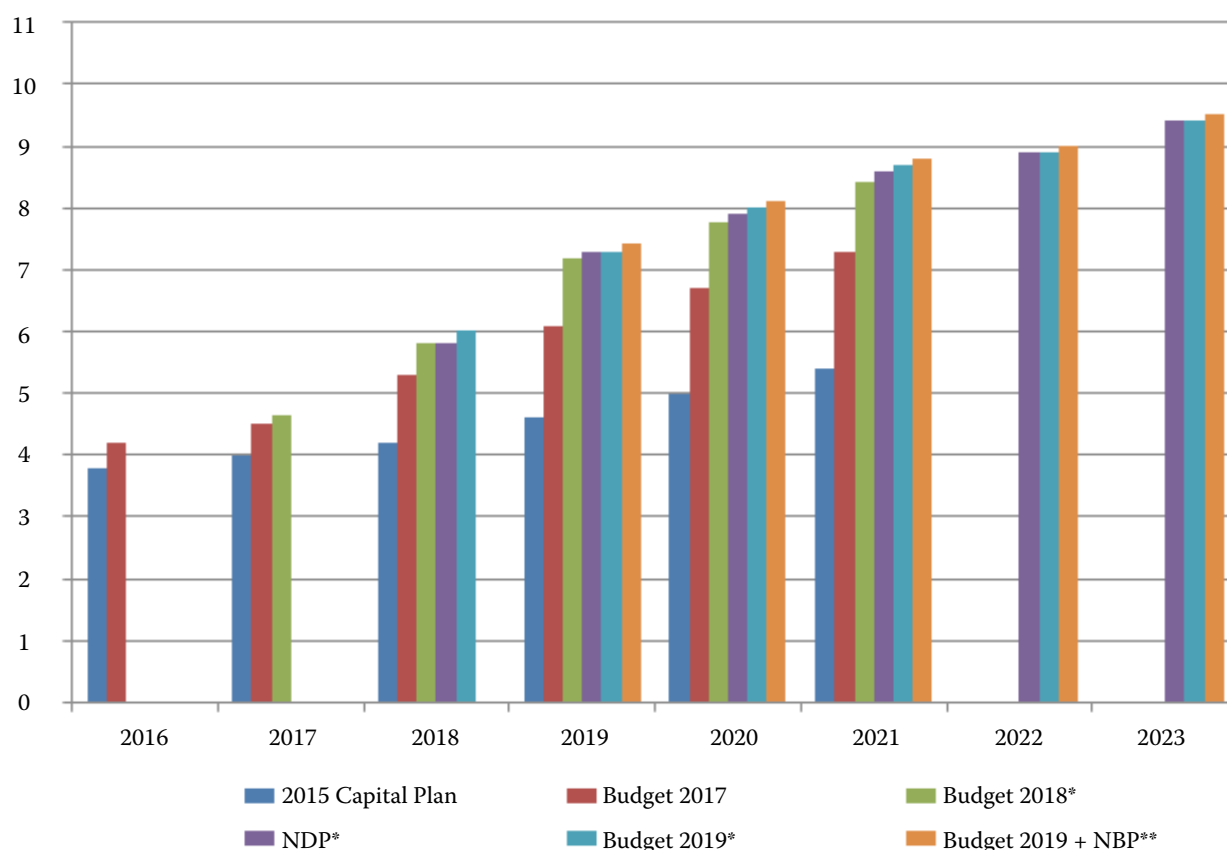
- The National Development Plan (NDP) sets out the level of investment which will underpin the National Planning Framework (NPF) and drive its implementation over the period 2018-2027. This is to be aligned with the National Strategic Outcomes contained in the NPF.
- The Project Ireland 2040¹ **Capital Tracker**, last published in September 2018, sets out details of the key projects and programmes being implemented under the NDP. The **Tracker** is an excel spreadsheet which details (1) discrete infrastructure projects, (2) infrastructure programmes, (3) investment programmes and (4) PPPs. The Tracker provides *an estimate* of the *indicative* Exchequer cost of projects over the period 2018 to 2022, *and* the total cost. **An updated version of the capital tracker will be published in Q3 2019.**
- To complement the capital tracker, a new **interactive map** ([MyProjectIreland](#)) was launched on 2 May 2019. The map allows the user to navigate projects around the country – it is to be revised and updated over the life-time of the plan.
- The annual Exchequer capital voted allocation is currently set to more than double between 2017 and 2023. Details of this planned expenditure are set out in a number of places.
- The NDP, when published, estimated public capital expenditure to 2027 to be €115.9 billion. This was divided between €91 billion in Exchequer expenditure and €24.9 billion in non-Exchequer (but State-backed) investment of €25 billion by commercial State-Owned Enterprises (SOEs). High-level descriptions of the various capital projects being funded by the commercial SOEs are available on the myProjectIreland interactive map. Additional details of these projects will be available in the Q3 2019 update of the capital tracker (except where commercial sensitivity precludes publication of cost information).
- The NDP, when published, suggested that **€13 billion would be spent (in total) on eight major (discrete) infrastructure projects (those costing more than €500 million)**. The sponsoring Departments were those that have the greatest capital voted allocations, i.e. Housing, Planning & Local Government, and Transport, Tourism & Sport. However, the Department of Communications, Climate Action & Environment is responsible for the National Broadband Plan (NBP) and the Celtic Interconnector. The cost of the National Children's Hospital (NCH) was *not* detailed in the NDP. The NCH *is* detailed in the Tracker.
- The Capital Tracker details *discrete* infrastructure projects of €20 million and above, amounting to €9 billion over the period 2018 to 2022 and €20.8 billion as the total cost.
- **The National Broadband Plan** will require €774 million in capital expenditure between 2019 and 2022 – this is an additional €459 million over and above the existing NDP provision. It will require another €1,558 million between 2023-2027, bringing it to a total of €2,332 million - an additional €1,563 million from 2019-2027 over the existing NDP provision. The latest data from the Department of Communications, Climate Action & Environment indicates that a further €645m will be required from 2028 out to 2043 bring the overall total to €2,977m.

1 Project Ireland 2040 – comprising the National Development Plan (NDP) and the National Planning Framework (NPF) - was launched by the Government on 16 February 2018. The first Project Ireland 2040 [annual report](#) (for 2018) was published in May, 2019.

Exchequer Capital envelope 2016 to 2023

Figure 1 below shows the development of the Exchequer capital envelope by year for the period 2016-2023 under various plans and Budgets. Since the original *Capital Investment Plan 2016-2021* was published (in September 2015) significant additional resources have been committed to capital expenditure. The figure also shows the projected impact of the increased allocation recently announced for the National Broadband Plan (NBP).

Figure 1: Exchequer capital expenditure envelope 2016 to 2023, € billions.



Source: Infrastructure and Capital Investment 2016-2021, *Economic and Fiscal Outlook 2017*, *Economic and Fiscal Outlook 2019*, *Revised Estimates for Public Services 2018*, *Revised Estimates for Public Services 2019* and *National Development Plan 2018-2027*.

* Due to changes in the funding arrangement for Irish Water, Budget 2018, Budget 2019 and NDP figures include the Voted capital expenditure for Irish Water for 2018 and beyond. This expenditure is not included in the 2016 or 2017 figures or in the 2015 Capital Plan or Budget 2017 figures for 2018 onwards. The overall difference in the 2018 capital expenditure figure between Budget 2017 and Budget 2018 (approximately €500 million) is mainly due to this technical change rather than actual planned increases in overall Government investment. There is a similar increase of approximately €500 million due to this change in the 2019-2023 figures.

** Estimates for the impact of the National Broadband Plan on Budget 2019's capital expenditure ceilings are based on PQ *Tuesday, 14 May 2019* (National Broadband Plan), using the annual average expenditure from 2019-2022 and 2023-2027 (see Tables 2 and 3).

In addition to voted capital expenditure over the period 2019 to 2023, non-Exchequer bodies (i.e. commercial semi-states, SOEs and other non-Exchequer bodies) are expected to make €12.7 billion in investments (approximately €2.5 billion per annum).²

² NDP, p.19.

Major (discrete) infrastructure projects in the NDP

Indicative resource allocations for the delivery of National Strategic Outcomes (NSOs),³ and for named Strategic Investment Priorities under each NSO, over the period 2018-2027 are set out in table 3.2 in the NDP. Table 1 below focusses on the indicative costs of major (discrete) infrastructure projects (>€0.5 billion) that **can be identified in the NDP**.

Table 1: NDP expenditure 2018-2027 - individual major (discrete) infrastructure projects

Priority area	Major infrastructure project	Allocation € billion
Enhanced Regional Accessibility	M20 Cork to Limerick	0.9
	N6 Galway City Ring Road	0.6
Strengthened Rural Economies and Communities	National Broadband Plan	2.3
Sustainable Mobility	Dart Expansion	2.0
	Metro Link	3.0
	Dublin BusConnects	2.0
Transition to a Low-Carbon and Climate-Resilient Society	Celtic Interconnector	1.0
Sustainable Management of Water and other Environmental Resources	Eastern and Midlands Water Supply Project	1.2-1.3
Total		13-13.1

Source: *NDP, PQ Tuesday, 14 May 2019* (Expenditure on the National Broadband Plan).

Note: No detail was provided in the NDP in respect of the cost of the National Children's Hospital. This information is included in the Capital Tracker.

Note: The funding specified for the M20, the National Broadband Plan and the three projects under 'Sustainable Mobility' is Exchequer only funded. The source or mix of funding for the other projects is unspecified in the NDP.

The NDP goes into detail on many of the projects in the pipeline that will be funded or gives indications of what types of projects will be funded in the latter years of the plan under the various priority areas. As is to be expected, the sponsoring Departments are those that have the greatest capital Voted allocations, i.e. Housing, Planning & Local Government, and Transport, Tourism & Sport. However, the Department of Communications, Climate Action & Environment is responsible for both the NBP and the Celtic Interconnector.

Most NDP expenditure will be spent on major (discrete) infrastructure projects such as those listed above, *as well as* investment programmes, such as €11.6 billion in social housing provision and €8.8 billion for schools. Specific details of these different categories of expenditure are provided in the Department of Public Expenditure and Reform's Project Ireland 2040 Capital Tracker.

3 See *National Planning Framework*, section 1.3.

National Broadband Plan

In answer to a parliamentary question in May 2019, the Minister for Public Expenditure and Reform set out the additional funding now required by the Department of Communications, Climate Action and Environment in respect of the NBP, which is summarised in the following table.

Table 2: Impact of National Broadband Plan on Capital Expenditure 2019-2027, € millions.

	2019-2022	2023-2027
Increase in Capital Expenditure	459	1,104

Sources: 2019-2022 and 2023-2027 PQ [Tuesday, 14 May 2019](#) (National Broadband Plan) and communication dated 24 June 2019 from Department of Public Expenditure and Reform.

Table 2 shows that, over the periods from 2019-2022 and 2023-2027, additional expenditure of €459 million and €1,104 million is likely to be needed, respectively. This implies an average increase in capital ceilings of €115 million from 2019-2022 and €221 million from 2023-2027. From the Project 2040 capital tracker, it appears that the total cost of the project is expected to be €2,977 million. This implies additional costs of €645 million after 2027.

The Minister for Public Expenditure and Reform has indicated that he intends to:⁴

“provide the additional capital required to fund the additional cost of proceeding with the project from future revenues - this will be done in the context of updating the overall multi-annual capital ceilings set out in Project Ireland 2040. This means that the decision to approve the appointment of the Preferred Bidder will have no repercussions for other planned projects within the National Development Plan. No other projects will be delayed or rescheduled, and no other changes will be made to the capital allocations for other projects as set out in the National Development Plan...”

Table 3 illustrates how the expected additional expenditure may impact the General Government Balance.

Table 3: Estimated impact of National Broadband Plan to General Government Balance, € millions.

	2023
General Government Balance (SPU 2019)	5,345
GDP (SPU 2019)	399,050
General Government Balance as % of GDP (SPU 2019)	1.34%
National Broadband Plan Expenditure (additional to NDP allocation)	306
General Government Balance	5,039
General Government Balance as % of GDP (including NBP)	1.26%

Source: Stability Programme Update 2019, PQ [Tuesday, 14 May 2019](#) (National Broadband Plan), communication dated 24 June 2019 from Department of Public Expenditure and Reform, and PBO's own calculations.

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Contact: PBO@Oireachtas.ie

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