Official Journal
of the European Union

EN
C series

C/2026/1812

20.3.2026

COUNCIL RECOMMENDATION

of 10 March 2026

endorsing the national medium-term fiscal-structural plan of Ireland

(C/2026/1812)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 121 thereof,

Having regard to Council Regulation (EU) 2024/1263, and in particular Article 17 thereof,

Having regard to the recommendation from the Commission,

Whereas:

GENERAL CONSIDERATIONS

(1) The EU's economic governance framework [1] aims at promoting sound and sustainable public finances and sustainable and inclusive growth and resilience through reforms and investments and preventing excessive government deficits. It also promotes national ownership and has a greater medium-term focus, combined with more effective and coherent enforcement of the rules.

(2) The national medium-term fiscal-structural plans that Member States submit to the Council and to the Commission are at the centre of the new economic governance framework. The plans are to deliver on two objectives: i) ensuring that, *inter alia*, by the end of the adjustment period, general government debt is on a plausibly downward trajectory, or stays at prudent levels, and that the government deficit is brought and maintained below the reference value of 3 % of GDP over the medium term, and ii) ensuring the delivery of reforms and investments responding to the main challenges identified in the context of the European Semester and addressing the common priorities of the EU. To that end, each plan is to present a medium-term commitment to maximum growth rates of net expenditure [2], which effectively establishes a budgetary constraint for the duration of the plan, covering four or five years (depending on the regular term of legislature in a Member State). In addition, the plan is to explain how the Member State will ensure the delivery of reforms and investments responding to the main challenges identified in the context of the European Semester, in particular in the country-specific recommendations (including those pertaining to the macroeconomic imbalances procedure (MIP)), and how the Member State intends addressing the common priorities of the Union. The period for fiscal adjustment covers four years, which may be extended by up to three years if the Member State commits to delivering a set of relevant reforms and investments that satisfies the criteria set out in Regulation (EU) 2024/1263.

(3) Following the submission of the plan, the Commission is to assess whether it complies with the requirements of Regulation (EU) 2024/1263.

[1] Regulation (EU) 2024/1263 of the European Parliament and of the Council of 29 April 2024 on the effective coordination of economic policies and on multilateral budgetary surveillance (OJ L, 2024/1263, 30.4.2024, ELI: http://data.europa.eu/eli/reg/2024/1263/oj), together with Council Regulation (EC) No 1467/97 of 7 July 1997 on speeding up and clarifying the implementation of the excessive deficit procedure (OJ L, 209, 2.8.1997, ELI: http://data.europa.eu/eli/reg/1997/1467/2024-04-30), and Council Directive 2011/85/EU of 8 November 2011 on requirements for budgetary frameworks of the Member States (OJ L, 306, 23.11.2011, ELI: http://data.europa.eu/eli/dir/2011/85/2024-04-30).

[2] Net expenditure as defined in Article 2 of Regulation (EU) 2024/1263, namely government expenditure net of (i) interest expenditure, (ii) discretionary revenue measures, (iii) expenditure on Union programmes fully matched by revenue from Union funds, (iv) national expenditure on co-financing of programmes funded by the Union, (v) cyclical elements of unemployment benefit expenditure and (vi) one-offs and other temporary measures.

(4) Upon a recommendation from the Commission, the Council is to then adopt a recommendation to set the maximum growth rates of net expenditure path of the Member State concerned and, where applicable, to endorse the set of reform and investment commitments underpinning an extension of the fiscal adjustment period.

RELATED PROCESSES, INCLUDING THE PREVIOUSLY RECOMMENDED NET EXPENDITURE PATH AND ITS ASSESSMENT

(5) On 15 October 2024, Ireland submitted its national medium-term fiscal-structural plan, covering the period from 2025 until 2029. On 21 January 2025, the Council adopted a recommendation endorsing the plan of October 2024 ([3]). To assess compliance in 2025, the maximum net expenditure growth rate established by the Council Recommendation of 21 January 2025 remains relevant. The Commission will assess compliance, based on outturn data, in the context of the European Semester package of spring 2026.

(6) On 25 November 2025, as part of the Autumn 2025 European Semester package, the Commission published its most recent assessment of Ireland's compliance with the maximum growth rates of net expenditure recommended by the Council in January 2025. ([4]) According to Commission estimates, the net expenditure growth rate of Ireland in 2025 was above the recommended maximum, corresponding to an expected deviation of 0,5 % of GDP. Considering 2024 and 2025 together, the cumulative growth rate of net expenditure was also projected above the recommended maximum cumulative growth rate, corresponding, however, to a smaller deviation: 0,2 % of GDP.

(7) This assessment took into account the Draft Budgetary Plan for the year 2026 that Ireland submitted on 15 October 2025. The Commission adopted an opinion on this Draft Budgetary Plan on 25 November 2025 ([5]). The Commission was of the opinion that the Draft Budgetary Plan of Ireland complied with the budgetary policy obligations of the Stability and Growth Pact, as the budgetary position for 2026 was projected to be in surplus, thus contributing to a reduction in the government debt-to-GDP ratio. At the same time, the Commission opinion noted the above-described deviation, and risks of deviation, from the maximum growth of net expenditure in the Council Recommendation of 21 January 2025.

(8) On 8 July 2025, the Council addressed to Ireland a series of country-specific recommendations (CSRs) in the context of the European Semester ([6]).

CONSIDERATIONS CONCERNING THE NATIONAL MEDIUM-TERM FISCAL-STRUCTURAL PLAN OF IRELAND

(9) According to Article 15(2) of Regulation (EU) 2024/1263, in the case of a newly appointed government, a Member State may submit a revised medium-term fiscal-structural plan. Following general elections in November 2024, a new government was established on 23 January 2025. On 9 January 2026, Ireland submitted a revised national medium-term fiscal-structural plan (henceforth 'the plan') to the Council and to the Commission. The plan covers the period from 2026 until 2030.

([3]) Council Recommendation of 21 January 2025 endorsing the medium-term fiscal-structural plan of Ireland, OJ C/2025/667, 10.2.2025, ELI: http://data.europa.eu/eli/C/2025/667/oj.
([4]) Commission communication 'Reflecting the economic governance framework in national fiscal policy' of 25 November 2025, COM (2025) 951 final.
([5]) Commission Opinion on the Draft Budgetary Plan of Ireland, 25.11.2025, C(2025) 9059 final.
([6]) Council Recommendation on the economic, social, employment, structural and budgetary policies of Ireland, OJ C/2025/3981, 20.8.2025, ELI: http://data.europa.eu/eli/C/2025/3981/oj.

Process prior to the submission of the plan of January 2026

(10) Ireland was eligible for receiving technical information ([7]) from the Commission but did not request it. The Commission provided to Ireland on 19 December 2025, and published on 12 January 2026 ([8]), the main initial conditions and underlying assumptions used in the Commission's medium-term government debt projection framework ([9]), as referred to in Recital (25) of Regulation (EU) 2024/1263.

(11) In line with Article 12 of Regulation (EU) 2024/1263, Ireland and the Commission engaged in a technical dialogue in the course of October and December 2025. The technical dialogue centred on the maximum growth rates of net expenditure envisaged by Ireland and their underlying assumptions as well as on the envisaged delivery of reforms and investments responding to the main challenges identified in the context of the European Semester and the common priorities of the Union in fair green and digital transition, social and economic resilience, energy security and the build-up of defence capabilities.

(12) In June 2025, in line with Article 11(3) of Regulation (EU) 2024/1263, according to the information provided by Ireland in its plan, Ireland engaged in a consultation process with civil society, social partners, regional authorities and other relevant stakeholders. According to the information provided by Ireland in its plan, the Government hosted the National Economic Dialogue (NED), an annual event that provides a forum for stakeholders to exchange with the Government on economic and social priorities. Discussions at the NED 2025 were framed around the theme of medium-term budgetary planning in the context of Ireland's obligations under the revised EU fiscal framework.

(13) The Irish Fiscal Advisory Council (IFAC) delivered an opinion on the macroeconomic forecast and the macroeconomic assumptions underpinning the net expenditure path in the plan. The plan is based on the macroeconomic forecasts underpinning the national budget for 2026 covering the years 2025 to 2030, which were endorsed by the IFAC on 26 September 2025. The IFAC was satisfied the forecasts were 'within an endorsable range'.

(14) The plan was adopted by the government on 19 December 2025 and submitted to the national parliament on 9 January 2026.

SUMMARY OF THE PLAN AND THE COMMISSION'S ASSESSMENT THEREOF

(15) In line with Article 16 of Regulation (EU) 2024/1263, the Commission assessed the plan of January 2026 as follows:

([7]) According to Article 2 of Regulation 2024/1263, *'technical information' means the guidance transmitted by the Commission upon request to Member States with government debt not exceeding 60 % of GDP and government deficit not exceeding 3 % of GDP before Member States draw up their national medium-term fiscal-structural plans.*

([8]) https://economy-finance.ec.europa.eu/document/download/3b78cf93-fed7-419c-bb9a-ed6b74913733_en?filename=Commission_prior_guidance-2025-ireland_en.pdf.

([9]) The main initial conditions and underlying assumptions are in line with the methodology described in the Commission's *Debt Sustainability Monitor 2023* (https://economy-finance.ec.europa.eu/publications/debt-sustainability-monitor-2023_en). They are based on the European Commission Autumn 2025 Forecast and its medium-term extension up to 2033, and long-term GDP growth and ageing costs are in line with the joint Commission-Council *2024 Ageing Report* (https://economy-finance.ec.europa.eu/publications/2024-ageing-report-economic-and-budgetary-projections-eu-member-states-2022-2070_en).

Context: macroeconomic and fiscal situation and outlook

(16) Real GDP in Ireland grew by 2,6 % in 2024, driven by export growth, mainly in specific multinational-dominated sectors. According to the European Commission Autumn 2025 Forecast, the economy is expected to have grown by 10,7 % in 2025, on the back of strong pharmaceutical exports, partly reflecting front-loading ahead of expected changes in US tariff policy. Modified domestic demand, which better reflects the domestic economic activity in Ireland, is expected to have increased by 3,4 %. In 2026, real GDP is set to increase by 0,2 %, negatively impacted by the unwinding of the front-loading in 2025, but supported by growth in export of services and domestic demand. In 2027, real GDP is expected to increase by 2,9 %, reflecting positive contributions from both exports and domestic demand. Over the forecast horizon (*i.e.*, 2025-2027), potential GDP growth in Ireland is expected to gradually decline from 4,5 % in 2025 to 3,5 % in 2027, primarily driven by a decelerating contribution from labour. The unemployment rate stood at 4,3 % in 2024. According to the European Commission Autumn 2025 Forecast, it is estimated to have been 4,6 % in 2025, and is projected to be 4,7 % in 2026 and 2027. Inflation (GDP deflator) is estimated to have decreased from 4,5 % in 2024 to 2,1 % in 2025, and is projected to reach 2,0 % in 2026 and 1,8 % in 2027.

(17) Regarding fiscal developments, in 2024 Ireland's general government surplus amounted to 4,0 % of GDP. According to the European Commission Autumn 2025 Forecast, it is estimated at 1,5 % of GDP in 2025, projected to decline further to 1,0 % of GDP in 2026 and, on a no-policy-change basis, to 0,8 % in 2027. The European Commission Autumn 2025 Forecast takes into account Ireland's draft budget for 2026 that the government proposed in October 2025, and which has been adopted by the national parliament in the meantime. The general government debt was 38,3 % of GDP at end-2024. According to the European Commission Autumn 2025 Forecast, the debt ratio is expected to have declined to 33,1 % of GDP at end-2025. It is projected to further decline to 32,5 % of GDP at end-2026 and 31,3 % at end-2027.

Maximum growth rates of net expenditure and main macroeconomic assumptions in the plan of January 2026

(18) The plan covers the period 2026-2030 and presents a fiscal adjustment over four years.

(19) The plan contains all information required by Article 13 of Regulation (EU) 2024/1263.

(20) The plan commits to the maximum growth rates of net expenditure indicated in Table 1 hereunder, corresponding to average annual net expenditure growth of 6,7 % over the years 2026–2030.

Table 1: Maximum net expenditure growth and main assumptions in Ireland's plan

	2026	2027	2028	2029	2030	Average over the period of validity of the plan 2026–2030	Average over the adjustment period 2026–2029
Net expenditure growth (annual, %)	6,6	6,0	7,6	6,7	6,4	6,7	6,7
Net expenditure growth (cumulative, from base year 2024 (*), %)	16,5	23,5	32,9	41,7	50,9	—	—
Potential GDP growth (%)	1,0	4,6	3,6	3,6	3,6	3,3	3,2
Inflation (GDP deflator growth) (%)	2,0	2,1	2,2	2,2	2,3	2,2	2,1

Source: Medium-term fiscal-structural plan of Ireland (January 2026) and Commission calculations.

(*) The cumulative growth rates are calculated by reference to the base year of 2024, the latest year for which outturn fiscal data have been published by the national statistical institute and Eurostat. For 2025, the plan projects net expenditure growth of 9,3 %. The cumulative balance of the control account for the first year (2026) and subsequent years of the plan of January 2026 will include the difference between that projection and the outturn data for 2025.

(21) The plan estimates the net expenditure growth rate in 2025 to have been 9,3 %. This growth rate is relevant for defining the cumulative net expenditure growth rates for 2026–2030 shown in Table 1, as the plan's base year is 2024, the last year for which outturn data have been published by the national statistical institute and Eurostat. If outturn data for 2025 available in spring 2026 are in line with the net expenditure growth rate estimated in the plan, it would mean that, compared to the Council Recommendation of 21 January 2025, Ireland would register an annual deviation of 0,8 % of GDP and a cumulative deviation of 0,5 % of GDP (see Table 2). At the same time, if the ratio of the government debt to GDP does not exceed the 60 % of GDP reference value in 2025, as reported in the plan, the Commission would not prepare a report in accordance with Article 126(3) TFEU ([10]). According to the authorities, higher net expenditure growth in 2025 compared to the Commission's estimate published in the Commission Opinion on the 2026 Draft Budgetary Plan of Ireland is explained by the more recent outturns of estimated spending in 2025, as published in the Revised Estimates Volume for Public Services 2026.

Table 2: Net expenditure growth in 2025

	Net expenditure growth rate, %		Expected deviations vis-à-vis the Recommendation of January 2025, % of GDP
	2024	2025	2025
Maximum growth rate, annual (Council Recommendation of 21 January 2025)	9,8 (*)	5,1	—
Maximum growth rate, cumulated (Council Recommendation of 21 January 2025)	—	15,4	—
Annual (Commission Autumn 2025 Forecast)	8,0	7,7	0,5
Cumulated (Commission Autumn 2025 Forecast)	—	16,3	0,2
Annual (Estimate in the revised plan of January 2026)	7,9	9,3	0,8
Cumulated (Based on the net expenditure growth estimate in the revised plan of January 2026)	—	17,9	0,5

Source: Commission Autumn 2025 Forecast, Medium-term fiscal-structural plan of Ireland (January 2026) and Commission services' calculations.

(22) The maximum growth rates of net expenditure committed to in the plan are reported to lead to a structural primary balance of 0,9 % of GDP at the end of the 4-year adjustment period (2029), and of 1,1 % of GDP in 2030. This is higher than the ratio-to-GDP of the structural primary balance in 2029 that, based on the Commission's assumptions, would ensure compliance with the requirements of Regulation (EU) 2024/1263 ([11]).

(23) The plan assumes potential GDP growth to increase from 1 % in 2026 to 4,6 % in 2027, and to stabilise at 3,6 % from 2028. In addition, the plan expects the growth rate of the GDP deflator to gradually increase to 2,3 % in 2030, from 2,0 % in 2026.

([10]) According to Article 2(2), second paragraph, of Regulation 1467/97 'The Commission shall prepare a report in accordance with Article 126(3) TFEU where the ratio of the government debt to GDP exceeds the reference value, the budgetary position is not close to balance or in surplus and where the deviations recorded in the control account of the Member State exceed (a) either 0,3 percentage points of GDP annually, (b) or 0,6 percentage points of GDP cumulatively.'

(*) The 2024 growth rate that is implicit in the cumulated growth rate.

([11]) In the scenario without the deficit resilience safeguard.

Implications of the plan's net expenditure commitments for the general government balance

(24) Based on the plan's maximum growth rates of net expenditure and assumptions, the general government surplus would gradually decrease from 1,5 % of GDP in 2025 to 0,5 % of GDP in 2029. Thus, according to the plan, there would be no general government deficit exceeding the 3 % of GDP reference value at the end of the adjustment period 2029. In addition, in the ten years following the adjustment period (i.e. until 2039), the government deficit would not exceed 3 % of GDP. Therefore, based on the plan's policy commitments and macroeconomic assumptions, the maximum growth rates of net expenditure put forward in the plan are consistent with the requirement for the deficit as set out in Article 16(2) of Regulation (EU) 2024/1263.

Implications of the plan's net expenditure commitments for general government debt

(25) If the maximum growth rates of net expenditure committed to in the plan and the underlying assumptions materialise, general government debt would, according to the plan, gradually decrease from 33,0 % in 2025 to 30,0 % of GDP at the end of the adjustment period (2029), as per the following table. After the 4-year adjustment period, over the medium term (*i.e.* until 2039), the debt ratio is expected to continue decreasing and to be well below 60 % of GDP to reach 23,7 % of GDP by 2039. Thus, according to the plan, general government debt would stay below the Treaty reference value of 60 % of GDP over the medium term. Therefore, based on the plan's policy commitments and macroeconomic assumptions, the maximum growth rates of net expenditure put forward in the plan are consistent with the requirement for debt as set out in Article 16(2) of Regulation (EU) 2024/1263.

Table 3: General government debt and balance developments in Ireland's plan

	2024	2025	2026	2027	2028	2029	2030	2039
Government debt (% of GDP)	38,3	33,0	32,4	31,5	30,7	30,0	28,8	23,7
Government balance (% of GDP)	4,0	1,5	0,8	1,0	0,7	0,5	0,5	- 0,8

Source: Medium-term fiscal-structural plan of Ireland (January 2026).

Macroeconomic assumptions of the plan

(26) The plan is based on a set of assumptions which differs from the Commission's assumptions which were transmitted to Ireland on 19 December 2025. In particular, the plan uses different assumptions for eight variables, namely the starting point (the structural primary balance in 2025), potential GDP growth, real GDP growth and output gap closure, GDP deflator growth, the revenue elasticity to nominal potential GDP, the stock-flow adjustment and nominal implicit interest rates. A careful assessment of these differences in assumptions is necessary, especially as average maximum net expenditure growth in the plan is higher than what would result from the Commission's assumptions. The differences in assumptions with the most significant impact on the average net expenditure growth ceiling are listed and assessed below.

— The plan assumes a higher structural primary balance for 2025, namely a surplus of 1,1 % of GDP, while it was expected it to be balanced (at 0 % of GDP) in the Commission Autumn 2025 Forecast. At the same time, the estimated headline balance for 2025 in the plan, namely a surplus of 1,5 % of GDP, is in line with the Commission Autumn 2025 Forecast. The more favourable starting point assumption in the plan in terms of structural primary balance is explained by the plan's reliance on a national concept of output gap, which differs from the EU commonly agreed methodology and implies a smaller cyclical contribution. Whereas the national assessment of the output gap conceptually deviates from the EU commonly agreed methodology, there are strong indications that the positive output gap resulting from the EU commonly agreed methodology is excessively large. Ireland's GDP is expected to have recorded an exceptional growth rate of more than 10 % in 2025, partly due to the sharp increase in pharma-related exports after the announcement of incoming higher tariffs by the US administration ([12]). Estimates of labour market slack and capacity pressures in the economy ([13]), combined with easing domestic inflation ([14]), are not consistent with a large positive output gap. Moreover, considering the structural primary balance in 2024 (3,1 %) and in 2026 (1,4 %) in the Commission Autumn 2025 Forecast, the plan's assumption of a structural primary surplus of 1,1 % of GDP in 2025 could be considered as a conservative assumption. Consequently, this difference in this assumption is deemed to be duly justified. Taken on its own, it increases the average net expenditure growth ceiling over the adjustment period compared with the Commission's assumptions.

— In the plan, potential GDP growth over the plan period is lower by 0,5 pp. on average compared to the Commission's assumptions. Accordingly, the plan also assumes real GDP growth to be lower. The plan assumes closure of the output gap by 2031, i.e. one year earlier than in the Commission's assumptions. Consequently, these assumptions are deemed to be prudent and, therefore, duly justified. Together, they contribute to lower average net expenditure growth over the adjustment period in the plan than according to the Commission's assumptions.

— The plan assumes GDP deflator growth to be higher by 0,3 pp. over the period 2027–2030 compared with the Commission's assumptions. The difference in the GDP deflator growth forecast in 2027 (2,1 % in the plan against 1,8 % in the Commission Autumn 2025 Forecast) appears to be primarily driven by a higher deflator growth rate for government consumption. This mainly reflects more recent information on the cost drivers of public service delivery, including expected staffing levels and pay, resulting in higher growth of government expenditure on compensation of employees than assumed in the Commission Autumn 2025 Forecast. This assumption is deemed to be duly justified. For the period 2028-2030, the GDP deflator growth is also higher by 0,3 percentage points compared to the Commission's assumptions and by 0,1 percentage points than what would be required under the common framework for debt sustainability assessment (DSA) using an updated forecast for 2027 in line with the plan (*i.e.*, assuming a linear convergence as from the plan's deflator growth rate in 2027 towards market-based inflation expectations for 2036). In the plan's macroeconomic forecast, higher GDP deflator growth is driven by trends in private and government consumption deflator growth, as well as by the strong domestic activity expected over the medium term. Overall, the assumptions for the period 2028-2030 are not consistent with the common DSA framework. Taken on their own, they contribute to higher average net expenditure growth over the adjustment period than according to the Commission's assumptions.

— The plan assumes higher revenue elasticities to nominal potential GDP growth than in the Commission's assumptions. This reflects differences in the methodologies employed. The plan's assumptions are produced based on a bottom-up approach with a detailed assessment of the expected developments in government revenues, whereas the Commission's medium-term projections assume a unitary revenue elasticity. At the same time, the government intends to continue making transfers into the two saving funds established in 2024 (the Future Ireland Fund and the Infrastructure, Climate and Nature Fund). This is reflected in the plan's higher stock-flow adjustments than in the Commission's assumptions. Taken together, these revenue assumptions are deemed to be duly justified.

([12]) As a small open economy with strong trade and investment links with the US, Ireland is highly sensitive to global economic conditions, particularly developments in the US economy.

([13]) Labour market slack, a broad measure of labour underutilisation, increased in Ireland over the first three quarters of 2025, indicating a moderation in labour market conditions. Capacity utilisation in manufacturing industry remained broadly stable in 2025, indicating no material increase in capacity pressures.

([14]) This is proxied by services HICP inflation, which has decelerated in 2025. Services HICP inflation captures domestic price pressures more accurately than the GDP deflator, which can be distorted by the activity of multinationals in Ireland.

The remaining differences (the nominal implicit interest rate assumptions) do not have a significant impact on the average net expenditure growth ceiling compared to the Commission's assumptions.

Overall, the differences in assumptions taken together lead to a theoretical average net expenditure growth ceiling that is higher than what would be necessary to comply with the applicable fiscal rules based on the Commission's assumptions of autumn 2025. On balance, the joint impact of more cautious assumptions and differences in assumptions that are considered as duly justified outweighs the joint impact of the differences in assumptions that are not consistent with the DSA framework. Moreover, Ireland commits in its plan to a net expenditure path that is lower than this theoretical ceiling.

The Commission's assessment according to which the plan fulfils the legal requirements holds even when disregarding the plan's assumption that the structural primary balance (SPB) increases by 0,2 percentage points of GDP in 2030, which constitutes a deviation from the 'no-fiscal-policy-change' assumption of the common DSA framework (under which the SPB remains constant at its level in the last year of the adjustment period, 2029).

The Commission will take into account the above assessment of the plan's assumptions in future assessments of compliance with the maximum growth rates of net expenditure.

Fiscal strategy of the plan

(27) According to the indicative fiscal strategy in the plan, the commitments on net expenditure are consistent with further increases in government expenditure, notably to provide additional public services to meet the needs of a rapidly expanding population and to significantly increase the public sector investment rate, in a manner that more closely aligns spending growth with economic and tax revenue growth in the medium and long term. This will be complemented by structural reforms to reduce delays and improve delivery of major infrastructure projects, as outlined in the 'Accelerating Infrastructure Action Plan'. In order to build up fiscal buffers, Ireland plans to continue making transfers to the two savings vehicles established in 2024 mentioned above. While the plan does not outline any revenue measures, the headline balance is projected to remain in surplus throughout the time period of the plan thanks to the significant impact of windfall corporate income tax revenues. The specification of the policy measures to be adopted is to be confirmed or adjusted and quantified in the annual budgets. At the same time, there are risks to the macroeconomic and fiscal scenario underpinning the indicative fiscal strategy in the plan, which stem from the high degree of openness of the Irish economy and its concentration in a few multinational-dominated sectors, making it vulnerable to adverse international developments, such as shifting US trade and tax policies or global tax rules. Ireland's Budget for 2026 specifies the policy measures through which the net expenditure commitment for 2026 will be achieved ([15]).

Reform and investment intentions in the plan responding to the main challenges identified in the context of the European Semester and addressing the common priorities of the Union

(28) The plan describes policy intentions concerning reforms and investments to respond to the main challenges identified in the context of the European Semester, as set out in particular in the 2025 country-specific recommendations and in line with the priorities of the Communication 'A Competitiveness Compass for the EU' ([16]). The plan outlines 20 reforms and investments areas, of which 12 are financially supported by the Recovery and Resilience Facility and 10 by the cohesion policy funds.

(29) Concerning the common priority of a fair green and digital transition, including the climate objectives set out in Council Regulation (EU) 2021/1119, the plan outlines a consistent set of reforms and investments. Measures on water and wastewater include critical infrastructure projects as well as actions outlined in the Water Action Plan 2024. The plan refers to measures on waste management and to boost the circular economy that will be set out in the forthcoming Waste Action Plan for a Circular Economy, as well as the upcoming Whole of Government Circular Economy Strategy 2026–2028. Measures related to sustainable transport include actions in the Renewable Transport Fuel Policy 2025–2027 as well as capital investment projects under the National Development Plan. Measures on the installation of public charging points for zero-emission vehicles are included in the National Road Network EV Charging Plan 2024–2030 and corresponding regional plans.

([15]) See Commission Opinion on the Draft Budgetary Plan of Ireland, 25.11.2025, C(2025) 9059 final.
([16]) See Commission Communication 'A Competitiveness Compass for the EU' of 29 January 2025, COM(2025) 30 final.

(30) Concerning the common priority of social and economic resilience, including the European Pillar of Social Rights, the plan outlines measures to increase the supply of social and affordable housing through the implementation of the Delivering Homes, Building Communities plan 2025–2030. In addition, measures to tackle capacity constraints in the residential construction sector include the ongoing planning reform, increased investment under the updated National Development Plan, an expanded remit of the land development agency (some actions are included in Ireland's Recovery and Resilience Plan (RRP)), the introduction of a residential zoned land tax as well as a reform of the rental sector. Measures to support research and innovation include actions in Impact 2030 strategy, currently under a strategic review to guide its future delivery, alongside other measures in the Action Plan on Competitiveness and Productivity. Concerning the European Pillar of Social Rights, the plan outlines measures to strengthen the labour market and social inclusion of persons with disabilities and single parents. Measures include actions outlined in the National Human Rights Strategy for Disabled People 2025–2030, subsidies provided through the National Childcare Scheme and a commitment to introduce a cap on fees for early learning and childcare services.

(31) Concerning the common priority of energy security, the plan outlines measures on the deployment of renewables, including a Renewable Electricity Support Scheme, the establishment of the Offshore Wind Delivery Taskforce, actions in Future Framework for Offshore Renewable Energy as well as the preparation of the National Designated Maritime Area Plan. The plan also outlines measures to improve the flexibility of the electricity grid and modernise and expand capacity to reduce curtailment through the development grid connectors with Northern Ireland and France. The plan further outlines additional capital investments in grid development in the period 2026–2030. Measures on energy efficiency include actions outlined in the National Energy and Climate Plan and Climate Action Plans.

(32) Concerning the common priority of defence capabilities, the plan outlines measures to reinforce overall defence and security spending and readiness through an Updated Detailed Implementation Plan to address the remaining recommendations included in the Report of the Commission on the Defence Forces as well as actions to support the recruitment and retention of defence personnel and improve the physical working environment and equipment.

(33) In addition, the plan outlines other policy measures going beyond the common priorities of the EU, including to make the healthcare system more cost effective by implementing savings and productivity measures included in the Action Plans of the Productivity and Savings Taskforce and the Medicines Sustainability Taskforce, further digitalising healthcare record and information systems, developing better primary and community care (some actions included in the RRP) and restructuring of the health service executive into six operational health regions. The plan also mentions measures that improve the sustainability of the social insurance fund and widen pension coverage. In addition, although no recent tax base broadening measures are mentioned, the plan outlines preliminary measures to review the scope and impact of tax expenditures by publishing guidelines to improve the transparency and reporting of tax expenditures.

(34) The plan provides information on the consistency and, where appropriate, complementarity with the cohesion policy funds and Ireland's RRP. The plan includes information on the size and objectives of the different cohesion policy funds. The plan also includes a table outlining which structural reforms and investment priorities will be in part addressed through measures included in Ireland's RRP or cohesion policy funds.

(35) The plan provides a general overview of the public investment needs of Ireland related to the common priorities of the Union. Public investment amounts are based on the 2025 update of the National Development Plan. Concerning the common priority of a fair green and digital transition, the plan gives a general outline of investment capital to be made available until 2030 for water and wastewater infrastructure as well as transport. Concerning the common priority of social and economic resilience, the plan gives a general outline of investment capital to be made available until 2030 for housing as well as housing targets following a needs assessment. Concerning the common priority of energy security, the plan gives a general outline of investment capital to be made available until 2030 for the energy and electricity infrastructure. Concerning the common priority of defence capabilities, the plan includes a target for defence expenditure growth.

Conclusion of the Commission's assessment

(36) Overall, the Commission is of the view that Ireland's plan of January 2026 fulfils the requirements of Regulation (EU) 2024/1263.

OVERALL CONCLUSION OF THE COUNCIL

(37) The Council welcomes the medium-term fiscal-structural plan of Ireland and considers that its full implementation would be conducive to ensuring sound public finances and supporting public debt sustainability as well as sustainable and inclusive growth.

(38) The Council takes note of the Commission's assessment of the plan. However, the Council reiterates its request to the Commission to present its assessment of plans in a separate document from the Commission recommendations for Council recommendations.

(39) The Council takes note of the Commission assessment of the net-expenditure path and the main macroeconomic assumptions in the plan, as well as the implications of the plan's net expenditure path for government deficit and debt. The Council takes note of the Commission assessment that the macroeconomic and fiscal assumptions, while differing in some instances from the Commission's assumptions, including to cater for updated macroeconomic and fiscal data, are overall duly justified and underpinned by sound economic arguments. The Council takes note of the broad fiscal strategy of the plan and the risks to the outlook, which could affect the materialisation of the macroeconomic scenario and the underlying assumptions and the delivery of the plan's net expenditure path. In particular, the Council takes note of the preference of the Irish authorities to use modified metrics for domestic analyses of national income due to the distortions created by the relative scale of the multinational sector in Ireland. Relatedly, Ireland's headline fiscal position is affected by potential windfall corporate tax revenues, which are similarly filtered out in much of Ireland's domestic fiscal evaluations. Accordingly, the Council takes note of the establishment of two savings vehicles to build up fiscal buffers; one that will be used to deal with future structural challenges and another that will operate in a counter-cyclical manner in the event of an economic or fiscal downturn and assist in delivering Ireland's climate-related and environmental goals. The Council welcomes that the plan has been presented to the national Parliament. The Council also notes that geopolitical risks may put pressure on defence expenditures.

(40) The Council expects Ireland to stand ready to adjust its fiscal strategy as needed to ensure delivery of its net expenditure path. The Council resolves to monitor closely economic and fiscal developments, including those underlying the scenario of the plan.

(41) The Council considers that further discussions to find a common understanding on the annual surveillance implications of the cumulative net-expenditure growth rates is warranted in time for the next round of fiscal surveillance.

(42) The Council takes note of the Commission description of the reforms and investment needs and intentions, responding to the main challenges identified in the context of the European Semester, and stresses the importance of ensuring the delivery of such reforms and investments. The Council will, on the basis of reports submitted by the Commission, assess such reforms and investments and monitor their implementation within the framework of the European Semester.

(43) The Council looks forward to the annual progress reports from Ireland that shall contain, in particular, information about the progress in the implementation of the net expenditure path as set by the Council, and the implementation of broader reforms and investments in the context of the European Semester.

(44) This recommendation supersedes the Recommendation of 21 January 2025. However, the maximum growth rates of net expenditure for 2025, in annual and cumulative terms, in Annex I of the Recommendation of 21 January 2025 remain relevant to assess compliance until and including 2025.

(45) In accordance with Article 17 of Regulation (EU) 2024/1263, the maximum growth rates of net expenditure committed to in the plan of January 2026 should be recommended by the Council to Ireland.

HEREBY RECOMMENDS that Ireland:

1. Ensure that net expenditure growth does not exceed the maxima established in the Annex to this Recommendation.

Done at Brussels, 10 March 2026.

For the Council

The President

M. KERAVNOS

ANNEX

Maximum growth rates of net expenditure

(annual and cumulative growth rates, in nominal terms)

Ireland

Years		2026	2027	2028	2029	2030
Growth rates (%)	Annual	6,6	6,0	7,6	6,7	6,4
	Cumulative (*)	16,5	23,5	32,9	41,7	50,9

(*) The cumulative growth rates are calculated by reference to the base year of 2024. The cumulative growth rates are used in the annual monitoring of ex-post compliance in the control account.
Note: For 2025, the maximum annual and cumulative net expenditure growth rates established by the Council Recommendation of 21 January 2025 remain relevant and will be subject to assessments of compliance by the Commission based on outturn data.