
Minister Donohoe announces additional funding of €2.25 billion for public capital projects out to 2026

Minister Donohoe today (Wednesday), agreed revised capital allocations totalling €2.25 billion out to 2026. The National Development Plan (NDP) 2021-30 published in October 2021 set out €165 billion of funding to support capital projects across the country. As set out in the Summer Economic Statement (SES) 2023, an additional €2.25 billion was made available to be allocated in the 2024 to 2026 period. This funding will facilitate the progression of important projects and enable more rapid development of key Programme for Government commitments, such the delivery of actions to fulfil our climate action plan commitments, the provision of more housing and enhanced education facilities.

Following the conclusion of a series of bilateral meetings which took place from January to March between the Minister for Public Expenditure, NDP Delivery and Reform, Paschal Donohoe and his Ministerial colleagues, the distribution of the additional €2.25 billion across Departments has now been agreed.

The additional allocations of capital funding to 2026 will support key projects and programmes under the NDP such as:

- Further delivery of immediate Public Transport projects such as Dart+, BusConnects and Cork Commuter Rail;
- Additional investment in the Social and Affordable Housing programmes;
- Further delivery of Student Accommodation through Universities;
- Additional Acute Hospital Beds (in excess of 1,500 beds already funded);
- Enhanced biomethane investment (in addition to ReCoverEU funding);
- Regional labs investment and additional veterinary provision;
- Upgrading of embassies abroad;
- Funding the Level of Ambition 2 programme in the Defence Forces;
- Public and Private Sector Retrofitting;
- Enhanced Prison Service Provision and investment in Garda Capital; and
- Further investment in the Local Improvement Scheme and Community Recognition Fund.

Individual Ministers and Departments will provide the detailed information on the projects or programmes that will be supported by the updated capital allocations to 2026.

On announcing the finalisation of the NDP ceilings process, the Minister for Public Expenditure, NDP Delivery and Reform, Paschal Donohoe said: 'I am pleased that the Government has today agreed to the allocation of additional funding of €2.25 billion for the National Development Plan up to 2026. This builds on the existing funding already available under the NDP and it will mean more schools, housing, transport and healthcare projects can be progressed and delivered for our people'.

"I have worked very closely with my Ministerial colleagues over the past two months to reach agreement on the best way of distributing the additional funds. I believe that the allocations announced today strike a fair balance between the many competing demands that were made to me. The NDP is ambitious, with record levels of investment and today's announcement will contribute in a significant way to the delivery of sustained growth and prosperity for our country."

ENDS

Notes

1. National Development Plan 2021-2030

The National Development Plan 2021-30 (NDP) itself sets out the investment priorities that will underpin the successful implementation of the National Planning Framework (NPF), and wider Government policies. The overall funding of €165 billion for the lifetime of the National Development Plan out to 2030 was allocated on an indicative basis to each of the ten National Strategic Outcomes set out in the NPF. In addition, the NDP also set out 5-year expenditure allocations by Department for the period 2021 – 2025. The multi-annual NDP ceilings were devised to give Departments a degree of certainty for future planning.

As set out in the Summer Economic Statement (SES) in 2023, an additional €2.25 billion in capital expenditure is to be provided in the 2024 to 2026 period. The updated capital ceilings are detailed in the table below.

	2021	2022	2023	2024	2025	2026
	Capital	Capital	Capital	Capital	Capital	Capital
	€m	€m	€m	€m	€m	€m
National Development Plan 2021	9,784	11,115	11,857	12,826	13,600	14,200
Windfall Capital – SES 2023				250	750	1,250
Revised NDP Allocations	9,784	11,115	11,857	13,076	14,350	15,450

2. Updated Capital Allocations to 2026

The updated capital allocations for 2025 and 2026 for each Ministerial Vote Group are set out below. These allocations have been informed by the ESRI report on the NDP, Departmental submissions and the bilateral meetings held between Ministers with the Minister for Public Expenditure, NDP Delivery and Reform, as well as meetings between officials across Government Departments.

	2024*	2025	2026
Ministerial Vote Groups	NDP Core Capital (excl. Non-Core, EU funds etc.)	Revised NDP Capital	Revised NDP Capital
	€ million	€ million	€ million
Agriculture, Food and the Marine	287	300	305
Children, Equality, Disability, Integration and Youth	74	140	180
Defence	176	215	220
Education	940	1,300	1,300
Enterprise, Trade and Employment	584	611	625
Environment, Climate and Communications	950	1,110	1,270
Finance	28	28	24
Foreign Affairs	25	35	35
Further and Higher Education, Research, Innovation and Science	620	670	725
Health	1,220	1,460	1,560
Housing, Local Government and Heritage	3,866	4,196	4,336

Justice	274	310	330
Public Expenditure and Reform	323	357	377
Rural & Community Development	201	210	220
Social Protection	16	17	17
Tourism, Culture, Arts, Gaeltacht, Sport and Media	235	255	295
Transport	2,664	2,850	3,350
Other Funds:			
European Regional Development Fund (ERDF)	115	115	100
Shared Island Fund	150	150	190

* An additional €250 million was made available in 2024, and this funding has formed the basis of agreements with a small number of Departments to meet in-year pressures that are already evident or may become evident as the year progresses.

The table above shows the final agreed allocations which distributes all the available funding, including the €2 billion additional funding granted to capital in the SES last year.

The above amounts honour and build on the committed uplifts in allocations to Ministerial Vote Groups under the NDP 2021-2030 published in October 2021. The allocations are also aligned with the funding commitments required to deliver the 'Housing for All' strategy over the coming years, and with other priority commitments of the Programme for Government including but not limited to: Health, Education, Transport and Climate action.

An independent evaluation of NDP priorities and capacity published by the ESRI in January 2024 has informed the updated capital ceilings to 2026. The ESRI report [The National Development Plan in 2023- Priorities and Capacity](#) provided useful insights in terms of the capacity to deliver current Government priorities in supply constrained and full employment economy. The NDP must respond to the need for additional capital expenditure but also not fuel further inflationary pressure in the wider economy.

Further Info:

- In 2024, over €13 billion will be made available from the Exchequer for investment in public capital projects, which will provide more schools, homes, hospitals, road and public transport projects. To put this into context, capital expenditure in 2024 will be almost €8.6 billion or 189% higher than the €4.5 billion allocated in 2017. The overall level of capital funding is now at an all-time high, with a commitment to further increase investment in capital projects and programmes over the lifetime of this NDP.
- Estimated capital expenditure as a percentage of GNI* is anticipated to be 4.3% in 2024. As a percentage of national income, annual capital investment is among the highest in the EU and well above the recent average of 3% of national income.