General Scheme of the Future Ireland Fund and Infrastructure, Climate and Nature Fund Bill
Regulatory Impact Analysis

1. Summary of Regulatory Impact Analysis (RIA)

Department/Office: Department of Finance	**Title of Legislation:** Future Ireland Fund and Infrastructure, Climate and Nature Fund Bill 2023
Stage: Publication of General Scheme	**Date:** October 2023
Related Publications: The General Scheme of the Future Ireland Fund and Infrastructure, Climate and Nature Fund Bill 2023	
Available to view or download at: Finance.gov.ie	
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The following policy options have been considered in relation to Future Ireland Fund and Infrastructure, Climate and Nature Fund Bill:

1. No intervention - Use the forecast resources for present expenditure e.g. additional expenditure or debt reduction.
2. Transfer the forecast resources to the National Reserve Fund.
3. Establish a Future Ireland Fund to address forecast future expenditure including aging demographics, and the digital and climate transitions.
4. Establish a Future Ireland Fund and an Infrastructure, Climate and Nature Fund to address the forecast future expenditure of aging demographics, digital and climate transition and to support capital expenditure through the business cycle.

Preferred option: Option 4

The establishment of the Future Ireland Fund and Infrastructure, Climate and Nature Fund is being pursued by the Department of Finance through the Future Ireland Fund and Infrastructure, Climate and Nature Fund Bill.

Option 1 was discounted as:
Option 1a:

- To spend the full forecast resources available would not align with the current spending rule.
- The Government set out its medium-term framework for the public finances in the Summer Economic Statement (SES) in July 2021. This framework set net core expenditure growth of 5 per cent annually over 2023-2025.
- Annual increases in spending are anchored to the economy's estimated trend growth of c. 3 per cent, taking into account an assumed inflation rate of around 2 per cent.
- Increased current expenditure would build on what are expected to be potentially transient taxes. It would be difficult to reverse such expenditure in the event of a deterioration in such forecasted taxes. This would require either expenditure reductions or tax increases to compensate.
- There is a significant capital expenditure programme up to 2030 under the NDP. There are capacity constraints in the delivery of capital projects and increasing the amount of resources for capital projects may increase demand; increase prices and reduce the level of delivery.
- The Summer Economic Statement announced additional capital expenditure of €2.25 billion, over the period 2024 to 2026 to boost delivery of critical infrastructure projects and to make a contribution to the existing Climate Action Fund for nature restoration and for other Government priorities.
- Increased current or capital expenditure does not deal with known and expected costs of ageing and other expected but unknown costs (e.g. climate adaptation or mitigation).

Option 1b:

- Reducing debt has the potential to reduce debt-servicing costs over time. Given the low rates that apply to current borrowing, the benefits of debt reduction may not be as significant as the possible return from an investment led approach.
- Reducing Irish Government issuance will impact the liquidity of Ireland's bond market.
- Buying back and redeeming existing bonds would also reduce liquidity in Ireland's benchmark curve. The cost of any buy-back would need to be considered versus the return on investing that cash.
- There are operational challenges regarding the early repayment of EU loans. In addition, the cost of any early repayment would need to be considered.
- Based on the current forecast, it is possible that there will be a continued path towards debt reduction in the period to 2030.

Option 2 was discounted as:

- The overall capacity of the National Reserve Fund (NRF) is €8 billion (subject to the Dáil amending the amount), of which €6 billion is currently invested.

- It would not be prudent to have the full forecast figure included in the NRF as it is invested on a short-term basis.
- The creation of another fund with a counter-cyclical focus under option 4 will be an enhanced version of the NRF.
- It was logical to have a NRF when resources were more scare and it was possible to use them on a one-off basis, as was the case with the pandemic. However, state savings structures need to evolve in line with new conditions and levels of resources available – hence the reluctance to use the NRF.
- The conditions under which the NRF can be withdrawn are strict, requiring exceptional circumstances to arise, serious damage to be posed to the financial system or major structural reforms to be contemplated. Transferring the forecast resources to the NRF could lead to a disproportionate amount of state resources being invested in readily accessible assets with limited opportunities to generate an investment return.

Option 3 was discounted as:

- It is considered prudent to take the opportunity presented to safeguard the commitment of the National Development Plan (NDP) and to address the pro-cyclicality of capital spending.

2. Statement of Policy Problem and Objective

Policy Context

In the Department of Finance spring forecasts (set out in the Stability Programme Update), budgetary surpluses are projected over the period 2023-2026.[1] Analysis published by the Department of Finance highlights that the surpluses largely arise from what are likely to be transitory corporation tax receipts.[2]

Beyond the near-term, major fiscal challenges are on the horizon. The Department of Finance has estimated that demographic pressures will intensify over the years ahead, and the wider budgetary costs of an ageing population (pensions, healthcare and long-term care) will be significant. Age-related spending is estimated to be around €7-8 billion higher in today's terms by the end of this decade than it was in 2019 and this is simply the 'stand-still' cost. Thereafter, the costs are set to increase exponentially – around €17 billion higher per annum in real terms by 2050 than they are currently.[3]

In addition, the State is highly likely to face ongoing and increased spending requirements related to the transition to a climate-neutral and climate-resilient society, digitalisation of the economy, housing provision and healthcare.

The climate transition may affect Government revenues through significant risks stemming from more extreme climate events, which will have economic and financial costs. Alongside the obvious economic opportunities from the green transition, there are also investments required for the adoption of greener energy and technology, and increased climate mitigation measures including measures to improve our biodiversity.

Increasing digitisation of the economy, while it has the potential to create new employment forms, may also create risks for the existing employment base.

Statement of objective

The policy objective in this context is to put forecasted budgetary surpluses available in the immediate term, to the most appropriate use, in light of fiscal challenges forecasted to arise in the medium term.

[1] "*Stability Programme Update",* Department of Finance, (April 2023), Available at: https://www.gov.ie/en/publication/e4f3a-stability-programme-update-2023/

[2] "*De-risking the public finances – assessing corporation tax receipts*", Department of Finance, (September 2022), Available at: https://www.gov.ie/en/publication/b838d-de-risking-the-public-finances-assessing-corporation-tax-receipts/

[3] "*Future-proofing the public finances – the next steps*", Department of Finance, (May 2023), Available at: https://www.gov.ie/en/publication/8a0a8-future-proofing-the-public-finances-the-next-steps/

Purpose of the legislation

The legislation will provide for:

- The establishment of the Future Ireland Fund the Infrastructure, Climate and Nature Fund.
- The resourcing and drawdown criteria for each fund.
- The governance and management structures of the fund.
- The amendment and repeal of certain elements of the National Treasury Management Agency Act 1990, the National Treasury Management Agency Act 2014 and the National Surplus (Reserve Fund for Exceptional Contingencies) Act 2019.

The legislation is intended to:

- Commit to saving a portion of forecasted budgetary surpluses, which can be invested and used to ease future expenditure pressures including demographic pressures, climate and digital transitions and housing.
- Potentially reduce the future tax burden on taxpayers.
- Build fiscal buffers to be used in periods of economic stress and pressure on the public finances, to smoothen the investment cycle.

5. Identification and Description of Options

Option 1: Do nothing or no intervention

In practice, this option would mean finding an additional use for the forecast resources now. This could be done through increased current and/or capital spending or accelerated debt reduction.

Option 1a: Additional expenditure

This option is primarily for benchmarking purposes. To spend the full forecast resources would not be feasible under the current Expenditure Rule:

- The Government set out its medium-term framework for the public finances in the Summer Economic Statement (SES) in July 2021[4]. The Expenditure Rule requires that core (non-Covid) expenditure growth is fixed at the estimated trend growth rate of the economy (once allowance is made for inflation). Increases in expenditure are generally likely to lead to permanent expenditure increases, which, if the revenues fail to materialise, will require expenditure reductions or tax increases in the years to come.
- This framework set net core expenditure growth of 5 per cent annually over 2023-2025. Annual increases in spending are anchored to the economy's estimated trend growth of c. 3 per cent, taking into account an assumed inflation rate of around 2 per cent.
- As the economy and tax revenue fluctuate around its trend growth, the fiscal accounts are also allowed to fluctuate, while keeping the spending ceiling fixed, i.e. even if tax revenue exceeds expectations expenditure ceilings will be maintained at a sustainable level and vice versa.
- The spending rule is on a net basis, i.e. annual growth in spending should only exceed 5 per cent if matched by additional discretionary revenue-raising measures.
- This is similar to the expenditure benchmark under the preventive arm of the EU fiscal rules, which were in abeyance due to the activation of the General Escape Clause in 2020.

Option 1b: Accelerated debt reduction

Ireland is in the fortunate position that fiscal outcomes have been positive in recent years and are currently forecast to continue. Furthermore, Ireland through its prudent funding strategy deployed in recent years has locked-in long term funding at historically low rates. Ireland's debt currently has an average maturity of close to 11 years, and average interest rate of 1.5%. Accelerated debt reduction could be pursued:

- By reducing or eliminating bond issuance;
- Through the buy-back of existing bonds, or
- Through the early repayment of EU loans.

[4] "Summer Economic Statement", Department of Finance, (July 2021), Available at: https://www.gov.ie/en/publication/4d84e-summer-economic-statement-2021/

Reducing debt has the potential to reduce debt-servicing costs over time. However, given the low rates that apply to current borrowing, the benefits of debt reduction may not be as significant as the possible return from an investment led approach:

- Reducing Irish Government issuance may impact the liquidity of Ireland's bond market.
- Buying back and redeeming existing bonds from a market early, would reduce the liquidity in Ireland's benchmark curve. The cost of any buy-back would need to be considered versus the return on investing that cash.
- Early repaying certain EU loans that are due to mature beyond 2026 would involve a financial cost in terms of the relatively cheap funding foregone and the possible premium to buy back bonds. In addition, there are operational challenges regarding any early repayment of EU loans.

Option 2: Transfer the forecast resources to the National Reserve Fund

Option 2 proposes that the forecast resources could be placed in the existing National Surplus (Exceptional Contingencies) Reserve Fund ("the National Reserve Fund").

The National Reserve Fund was established under the National Surplus (Reserve Fund for Exceptional Contingencies) Act 2019 ("the Act of 2019").

The unaudited balance of the National Reserve Fund at 31 August 2023 was c. €6.1 billion, following transfers in 2022 (€2 billion) and 2023 (€4 billion).

Under Section 3 of the Act of 2019, the maximum value of the fund shall not exceed €8 billion at any given time. A resolution by Dáil Éireann would be required to alter this limit.

The conditions under which the NRF can be withdrawn are strict, requiring exceptional circumstances to arise, serious damage to be posed to the financial system or major structural reforms to be contemplated.

Transferring the forecast resources to the NRF could lead to a disproportionate amount of state resources being invested in readily accessible assets with limited opportunities to generate an investment return. Given the scale of the forecasted resources, it would not be optimal from a commercial point of view to transfer the full amount to the NRF.

The state savings architecture now needs to evolve in line with new conditions and levels of resources available. It is noted that under option 4, it is proposed to create a fund, which is intended to support Capital expenditure during a downturn.

Option 3 - Transfer the forecast resources solely to a Future Ireland Fund

Option 3 proposes to establish a new Future Ireland Fund to address the forecasted future expenditure including aging demographics, digital and climate transition and housing. The full amount of the forecasted resources would be invested in this Fund to allow it to become a

suitable size to address the medium term issues. This would align with the recommendation of the Oireachtas Committee on Budgetary Oversight that by pooling resources a single fund is likely to be in a better position to maximise returns.[5]

The purpose of the fund would be to financially support future government expenditure. There are pressures on both expenditure and revenue, which are likely to emerge over the next decade or so, and these have been outlined in the Department of Finance's scoping paper, by the Irish Fiscal Advisory Council (IFAC) and the Commission on Taxation and Welfare.

The creation of a Future Ireland Fund would help ensure these costs can, in part, be alleviated. This would be achieved by the Fund contributing resources to the operation of the State, the fungibility of which would provide the possibility of increased or additional public expenditure or taxation changes in other policy areas.

The intention would be to initially contribute to the Fund from 2024 until 2035, with a review clause at that date - but with no proposed limit to its size.

It is proposed to allow the Fund to retain any returns for as long as possible to enhance the size of the Fund through the compounding of returns. The State would draw from the investment return from the Fund to cover the day-to-day expenditure of the State.

In such circumstances the main features of the **Future Ireland Fund** would be expected to be:

- A fund established under new legislation;
- Funded up to 2035 with a review in place in 2035;
- The fund to be owned by the Minister for Finance and managed by the National Treasury Management Agency (NTMA);
- The investment policy and investment strategy to be established and determined in line with the purposes of the fund;
- Contributions to the fund to take place at a rate set based on an appropriate per cent of GDP;
- Economic criteria to be set to determine when contributions would not be made into the fund and when contributions to the Fund would recommence;
- For the investment returns to be drawn down in a sustainable way from 2041 onwards to support public expenditure;
- An appropriate Environmental, Social and Governance (ESG) framework to be determined for the fund.

[5] "*Report on Proposal for a Sovereign Wealth Fund*" Oireachtas Committee on Budgetary Oversight, (October 2023), Available at: https://data.oireachtas.ie/ie/oireachtas/committee/dail/33/committee_on_budgetary_oversight/reports/2023/2023-10-05_report-on-proposal-for-a-sovereign-wealth-fund_en.pdf

Option 4- Transfer of the forecast resources to the Future Ireland Fund and the Infrastructure, Climate and Nature Fund

One of the challenges posed by having a single fund invested on a long term basis is that it would be relatively illiquid if some of the funds were required to be used to respond to the economic circumstances of the day.

Irish fiscal policy has tended to be pro-cyclical across most types of expenditures and tax expenditures. While developing the policy priorities, it was considered prudent that the National Development Plan (NDP) would be protected from future economic shocks and maintaining growth-enhancing investment through periods of lower or negative growth. The Future Ireland Fund is not envisaged to provide this support to the National Development plan.

The preferred option, therefore, is to establish the Future Ireland Fund referenced under in Option 3 to address the forecast future expenditure of aging demographics, digital and climate transition and to establish alongside it a Infrastructure, Climate and Nature Fund to support capital expenditure through the business cycle, instead of reducing capital expenditure in a pro-cyclical manner**.**

The Infrastructure, Climate and Nature Fund would have substantial value in cushioning future economic shocks and maintaining growth-enhancing investment through periods of lower or negative growth. For Ireland, fiscal policy has tended to be pro-cyclical across most types of expenditures and tax expenditures. However, capital spending has been particularly susceptible to pro-cyclicality. An adequately capitalised fund can be seen as a good means to support counter-cyclical fiscal policy.

Essentially, revenue buoyancies would be saved in periods of strong economic growth (and as a means of taking heat out of an economy with low unemployment and high inflation), while in a recession, these funds would be deployed to offset transient revenue shortfalls.

There is an opportunity for the fund to be put to use to fund growth-enhancing and employment inducing capital projects, particularly those larger-scale strategic projects that unlock further economic growth in the economy. Projects that will maintain employment during a period of higher unemployment will support counter-cyclical fiscal policy, whilst having a higher economic multiplier than other forms of Government spending.

The Fund would initially be seeded with a portion of the resources of the National Reserve Fund with the balance being drawn from future budget surpluses over time.

The creation and existence of this Fund would ensure that the State has resources available in a future downturn to support capital expenditure through the business cycle, instead of reducing capital expenditure in a pro-cyclical manner. In turn, this would avoid generating backlogs in capital projects due to a lack of spending during downturns.

It would also support economic growth during a downturn, with the spending on capital projects resulting in knock on spending in the broader economy. Finally, it would also ensure that the relevant expertise required for capital projects (builders, engineers, architects, etc.) are not lost to the State as was the case following the Global Financial Crisis.

The costs associated with climate change mitigation have been highlighted as an example of one of the expected structural fiscal pressures on the horizon. As such, the resources of the Future Ireland Fund and the Infrastructure, Climate and Nature Fund – will amongst other uses help to support climate related initiatives over the medium and long term. However, it is also acknowledged that there is a need for additional investment to assist Ireland deal with the transition to climate neutrality.

In recognition of this, it is proposed that a second avenue of access to the Infrastructure, Climate and Nature Fund, be developed, specifically related to the achievement of climate goals. It would remain a single fund with two access routes to drawing down its resources.

The main features of the **Infrastructure Climate & Nature Fund** are:

- A fund to be established under new legislation;
- The funding and structure of the ICNF will be reviewed in in 2030;
- The fund to be owned by the Minister for Finance and managed by the National Treasury Management Agency (NTMA);
- The investment policy and investment strategy to be established and determined in line with the purposes of the fund;
- Economic criteria to determine when contributions would not be made into the fund and when contributions to the fund would recommence;
- Conditions to determine when drawdowns from the fund could take place, in terms of:
    - Economic triggers to support public investment in a downturn; and
    - Specific criteria to identify public capital investment projects that contribute to the achievement of climate and nature goals.

The resources of the ICNF would be fungible across funding needs related to economic downturn and climate change requirements. The release of funds in the event of economic downturn will take precedence in order to protect projects already sanctioned under the NDP, which includes those that are critical to Ireland meeting its climate targets.

6. Analysis of costs, benefits and other impacts for each option

Cost	Benefit	Impact
Option 1a – Additional expenditure		
To spend the full forecast resources would not be feasible under the Government Expenditure Rule.	N/A – included for benchmarking purposes.	Pursuit of this option would breach Government expenditure rule. It would also lead to potentially unfunded current and capital expenditure.
Option 1b – Accelerated debt reduction		
Reducing Irish Government issuances will impact the liquidity of Ireland's bond market, and the future cost of borrowing as liquidity risk premia increases. Buying back and redeeming of existing bonds from a market early, would reduce the liquidity in Ireland's benchmark curve. The cost of any buy-back would need to be considered versus the return on investing that cash. Redeeming certain EU loans that are due to mature beyond 2026 early would involve financial cost in terms of the relatively cheap funding foregone and the premium to buy back bonds, potential challenges around the legal provision for early repayment, the appetite for early repayment from counterparts and the reduction of the diversification to Ireland's debt portfolio.	Reduction in Government Debt and potential savings on debt servicing.	**National competitiveness** Accelerated debt reduction would reduce the liquidity of Ireland's bond market and reduce the diversification of its debt portfolio. It would also present a missed opportunity in relation to the relatively cheap funding foregone.

Option 2 – Transfer the forecast resources to the National Reserve Fund		
The NRF is intended as a short-term fund, which primarily invests in Irish National debt. Given the scale of the forecasted surpluses, it would not be optimal from a commercial point of view to transfer the full amount to the NRF. The overall capacity of the National Reserve is €8 billion (subject to Dáil amendment to increase the amount), of which €6 billion is currently invested.	This option would not require the creation of additional fund structures.	**National competitiveness** The investment of the resources in very liquid instruments would forego the investment opportunity presented over a longer investment horizon. The NRF architecture is not in line with additional expected resources. There is a need for better structures to deal with additional resources.
Option 3 – Transfer the forecast resources solely to a Future Ireland Fund		
The fund would be invested over a long-term period, until at least 2040. It would not be possible to utilise any of the resources in the fund before that point without passing legislation. Investments can realise losses, though this is mitigated by the long-term investment horizon and the reinvestment of returns in the early part of the funds life.	Pooling resources in a single fund invested over a long term is likely to maximise returns. The long-term investment horizon and the reinvestment of returns in the early part of the funds life mitigate against the risk of losses on the investment. The structure of the fund would be more straightforward, without a second fund, which will require more elaborate conditionality surrounding drawdown to ensure that it does not contribute to additional spending in breach of the Government Expenditure Rule.	**National Competitiveness** Generation of an additional revenue stream for Government spending in the future. Reduction of the tax burden on future generations. **Impacts on socially excluded or vulnerable groups** One of the known fiscal challenges is the increased costs associated with an aging population. The fund could contribute to the costs associated with health care, long-term care, pensions. **Environment** There is a need for additional investment to

		assist Ireland deal with the transition to climate neutrality. The fund could be contributed to meeting the costs of such endeavours.
Option 4 – Transfer of the forecast resources to a Future Ireland Fund and a Infrastructure, Climate and Nature Fund		
A lesser return on investment would be expected if two funds were established. The INCF would be intended to be utilised to respond to an economic downturn. The portion of funds invested in it would need to be relatively liquid, similar to the NRF.	For the Future Ireland Fund to realise the optimum returns it would benefit from being invested over a long period with its returns being reinvested to capitalise on the effects of compound interest. This two fund structure would leave a portion of the resources available to address public finances in a downturn, while allowing the bulk of the resources to be invested over a longer period. The fund could be used to support capital expenditure in an economic downturn. The fund could be used to support Ireland to meet its climate and nature goals.	As well as the impacts under Option 3 in respect of the Future Ireland Fund, the following apply in respect of the Infrastructure, Climate and Nature Fund. **National Competitiveness** Fiscal buffer available to be deployed in times of economic downturn. Opportunity for the fund to support growth-enhancing and employment inducing capital projects in the economy. Projects that will maintain employment during a period of higher unemployment will support counter-cyclical fiscal policy, whilst having a higher economic multiplier than other forms of Government spending.

		Promotes a stable pro-enterprise environment that supports investment throughout the business cycle. **Impacts on socially excluded or vulnerable groups** In times of economic downturn, the fund would be used to support the economy and contribute to the maintenance of employment. **Environment** There is a need for additional investment to assist Ireland deal with the transition to climate neutrality. The climate and nature element of the fund would specifically address this issue and support Ireland to achieve its climate targets.

7. Consultation

The objective of the introduction of the new funds is to put forecasted budgetary surpluses in the immediate term, to the most appropriate use in light of fiscal challenges forecasted to arise in the medium term.

The Department has engaged with the NTMA/ISIF, following the publication of the Departments scoping paper "Future-proofing the public finances- next steps", in order to devise policy to ensure that the forecasted resources that are likely to be 'transient' are used in an appropriate way.

The Department hosted its Annual Policy Conference on 11 July 2023.[6] The theme of this year's conference was future-proofing the public finances – next steps. This was a public conference attended by industry and societal representative groups, academics and charity organisations, which sought views on the matters to be addressed in the Bill and, where appropriate, the provisions of the Bill reflects the outcome of that engagement.

The Department also engaged with the Oireachtas Committee on Budgetary Oversight in relation to its Report on the Proposal for a Sovereign Wealth Fund.[7] The Department has considered the Committee's recommendations and will continue to engage.

8. Enforcement and Compliance

The proposal will be implemented by way of primary legislation. Incorporated in this is a requirement for Oireachtas approval for both the Bill and any future amendments to the Act thereafter.

The funds will be formally owned by the Minister and will be managed by the NTMA, which has extensive experience in managing State funds.

From a public accountability perspective, Section 12 of the National Treasury Management Agency (Amendment) Act 2014 shall apply to the two funds.

The Chief Executive of the NTMA and/or senior officials shall report to a Committee of the Oireachtas as required under the existing NTMA legislative framework. The Minister is also answerable to the Oireachtas.

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[6] "*Annual Policy Conference – future-proofing the public finances – the next steps*" Department of Finance, (11 July 2023), https://www.gov.ie/en/publication/85d07-department-of-finance-annual-policy-conference-2023-future-proofing-the-public-finances-the-next-steps/

[7] "*Report on Proposal for a Sovereign Wealth Fund*" Oireachtas Committee on Budgetary Oversight, (October 2023), Available at: https://data.oireachtas.ie/ie/oireachtas/committee/dail/33/committee_on_budgetary_oversight/reports/2023/2023-10-05_report-on-proposal-for-a-sovereign-wealth-fund_en.pdf

In recognition of the additional responsibilities associated with the delegation of the management of the funds to the NTMA, it is proposed that the number of members of the Agency would be increased.

The funds will be audited by the Comptroller and Auditor General, and their accounts and the reports of the C&AG will be laid before the Oireachtas.

Save as otherwise provided for in the Bill, payments into the Fund will be made where the Dáil authorises them by resolution; payments out will be made only on a resolution of the Dáil, on a proposal by a Minister with the consent of the Government.

9. Review

In view of the long term nature of the policy approach and the potentially transitory nature of the available resources, it is considered prudent that a number of mechanisms for review are built into the governing legislation and the resulting processes for the management of the funds.

At a high level, it is proposed that the funds are resource up to a particular date, with a review to take place at that time, based on the information available then, as to whether it is appropriate to continue to maintain or contribute further to the funds.

It is also proposed that rules are developed and included within the legislation, which will allow for contributions to be suspended temporarily (on an annual basis), where there is a significant deterioration in the public finances. As the funds are intended to be established to make use of forecasted revenues, it would not be appropriate to continue to invest in the funds when the Government's resources do not allow for it.

In terms of the INCF being put to use, it is intended to provide for drawdown mechanisms, which will require the relevant Minister to establish the legitimacy of using the funds and receive Government and Dáil approval for the drawdown.

In terms of the FIF being put to use, it is intended that the NTMA will advise the Minister on an annual basis as to the amounts, which could be drawn down from the investment returns of the fund, to ensure the sustainability of the fund.

As is the case in relation to other funds managed by the NTMA, the investment strategies for the funds will be subject to regular review.

10. SME Test

The creation of the funds will not have an impact on the regulatory burden on SME's.

The establishment of the funds is expected to have a positive economic impact. The purpose of the funds is to financially support future government expenditure, in light of pressures on both expenditure and revenue, which are likely to emerge over the next decade or so.

11. Publication

This RIA or any future versions of the document shall be published in accordance with the RIA Guidelines for publication. It shall be published on the Department of Finance website and accompanied by a link to the Bill.