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PPPs in Ireland – Recent Developments



Recent Developments

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Ireland's Budget 2025 was characterised by its significant emphasis on, and investment in, infrastructure which has been described as an 'absolute priority' for the Irish Government. Against this background, Public Private Partnerships ("PPPs") also continue to play a key role in the development of infrastructure, with the Government utilising PPPs to assist with the procurement and development of social housing, transport, education and other public infrastructure.

We previously provided an overview of PPPs in Ireland [here](#). In this Insight, we outline recent developments in respect of PPPs which are of particular relevance to infrastructure stakeholders.



Project Ireland 2040

The National Development Plan ("NDP") and the National Planning Framework ("NPF") together form Project Ireland 2040. The NDP (initially published in 2018 and since updated) provided for €116 billion in capital investment. One notable feature of the NDP was the use of PPPs for high-value public infrastructure projects. Project Ireland 2040 remains the Government's long-term strategy for the development of Ireland's infrastructure.



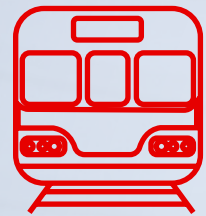
Budget 2025

Ireland's Budget 2025 placed significant emphasis on investment in infrastructure with total capital investment in 2025 reaching approximately €15 billion, representing Ireland's highest ever capital spend. Strategic investment in water, electricity, transport and housing are central to Budget 2025. For a more detailed review on the infrastructure, energy and climate highlights from Budget 2025 please see our recent article [here](#).

The Government also agreed in principle that the funds from the Apple Escrow Fund (estimated at €14.1 billion) should be invested to expand water, electricity, transport and housing infrastructure. The framework for these investments is expected to be approved in the first quarter of 2025.

Recently Announced PPPs in Ireland

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Transport

The MetroLink project will deliver a 19km north-south largely underground high capacity railway between Swords and Dublin city centre via Dublin Airport. It represents one of the largest ever public investment projects in Ireland and will be delivered using the PPP structure for all elements other than the civils packages (tunnels, viaducts, cuttings, etc (which will fall under three design and build packages)). As a result, the PPP element of the project is significant (all systems, signalling, track, electrical works, rolling stock and long-term operations) with an estimated cost of €12 billion. Consultation / planning authority review for the MetroLink project is ongoing with a planning permit decision expected in Q2 2025.



Social Housing

The Government's 'Housing for All' programme provides for the use of PPPs in respect of social housing. Social Housing Bundles 1 and 2 provided 1,000 new homes between 2020 and 2021. Social Housing Bundles 3 to 7 are anticipated to provide approx. 3,536 new homes with delivery expected to commence in 2025.

Social Housing Bundle 3 is currently at the tender stage with Social Housing Bundle 4, and Social Housing Bundles 5 - 7 undergoing procurement and pre-procurement respectively.



Justice

The National Development Finance Agency recently announced that a PPP would be used to deliver the Family Courts' Project in Hammond Lane in Dublin 7 (replacing the current facilities offered at Dolphin House, Phoenix House, and Chancery Street Courthouse). This 19-courtroom project is anticipated to commence in 2026 and be completed in 2028. The project was granted planning permission in April 2024 and procurement is underway.



Education

Budget 2025 provided a €695m capital allocation for the Department of Further and Higher Education, Research, Innovation and Science for infrastructure and research. One objective to be pursued with this funding is to support infrastructure projects in higher education through certain funds (including the Strategic Infrastructure Fund and the Infrastructure Upgrade and Refurbishment Fund) and PPPs. For stakeholders, further details are awaited in respect of the Government's plans in respect of such PPPs.

The Higher Education PPP Bundle 2 was recently formally approved following tender submission in April 2024. The Higher Education PPP Bundle 2 aims to deliver five significant capital projects across three universities including a major building at South East Technological University Cork campus and procurement is ongoing.



Upcoming Topic: Handback

Another key upcoming topic (like in the UK, where PPPs / PFIs commenced a few years in advance of Ireland) is handback. Irish PPPs typically remain in place for 25 to 35 years (though some roads PPPs have longer tenors). This means a number of Ireland's initial PPP projects will soon need to be 'handed-back' as indicated by the latest data published by the Government's Central PPP Policy Unit. Handback procedures will be particularly relevant to PPP stakeholders over the coming years given the material financial and contractual commitments involved in returning the asset to the Government in the appropriate condition. Timely engagement, strong communication between parties, handback surveys and the development of handback transition strategies will play a key role for stakeholders.

Commentary

The Irish Government continues to promote the use of PPPs for the delivery of strategic infrastructure in Ireland (as evidenced by Budget 2025 and Project Ireland 2040). Overall, the PPP market in Ireland remains active with a significant pipeline of PPP projects on the horizon.

Matheson's integrated cross-disciplinary Energy & Infrastructure team (including specialists in project development, construction, financing, planning / environmental, real estate, M&A and procurement) is the largest grouping of its kind in the Irish legal market. Our team has advised on almost every Irish PPP. If you have any questions on PPPs please get in touch with the contacts listed below or your usual Matheson contacts.

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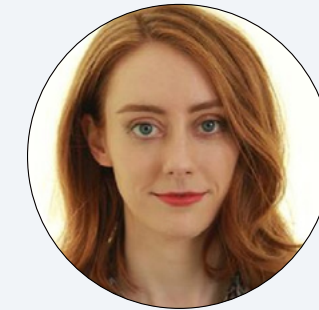


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