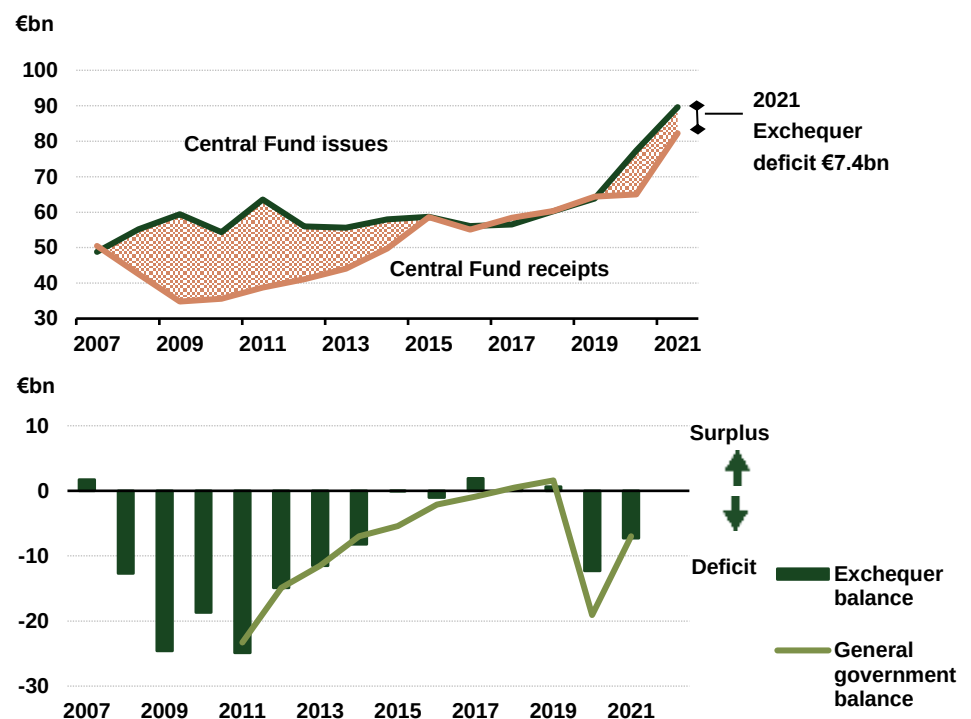


1 Exchequer financial outturn for 2021

Fiscal summary

- 1.1 All revenues of the State are paid into the Central Fund of the Exchequer unless otherwise determined by law.¹ Issues from the Central Fund are used mainly to fund expenditure on State services, and to service State debt.
- 1.2 The annual Finance Accounts present the receipts into and issues from the Central Fund, together with details relating to borrowing undertaken by the National Treasury Management Agency (NTMA) on behalf of the State.²
- 1.3 In 2021, the Exchequer deficit was just under **€7.4 billion**. This represented a significant improvement in the Exchequer balance from the deficit of €12.3 billion reported in 2020 (see Figure 1.1). The improvement of almost €5 billion was largely driven by increases in tax revenue in 2021.
- 1.4 A more complete view of the State's fiscal performance in 2021 indicates there was a general government deficit of **€7 billion**, a decrease of over 63% on the 2020 deficit of €19 billion.³

Figure 1.1 Central Fund receipts and issues, and Exchequer and general government balances, 2007 to 2021^a



1 State revenue not paid directly into the Central Fund includes, for example, Pay Related Social Insurance (PRSI) receipts, which are paid into the Social Insurance Fund.

2 Transactions recorded in the Finance Accounts represent around 75% of total government revenue and expenditure.

3 The general government balance is a broader measure than the Exchequer balance. It measures the fiscal performance of the general government sector, and is the standard benchmark used for comparative purposes across the European Union. Annual and quarterly general government finance statistics are prepared by the Central Statistics Office. See Annex 1A for an outline of these statistics.

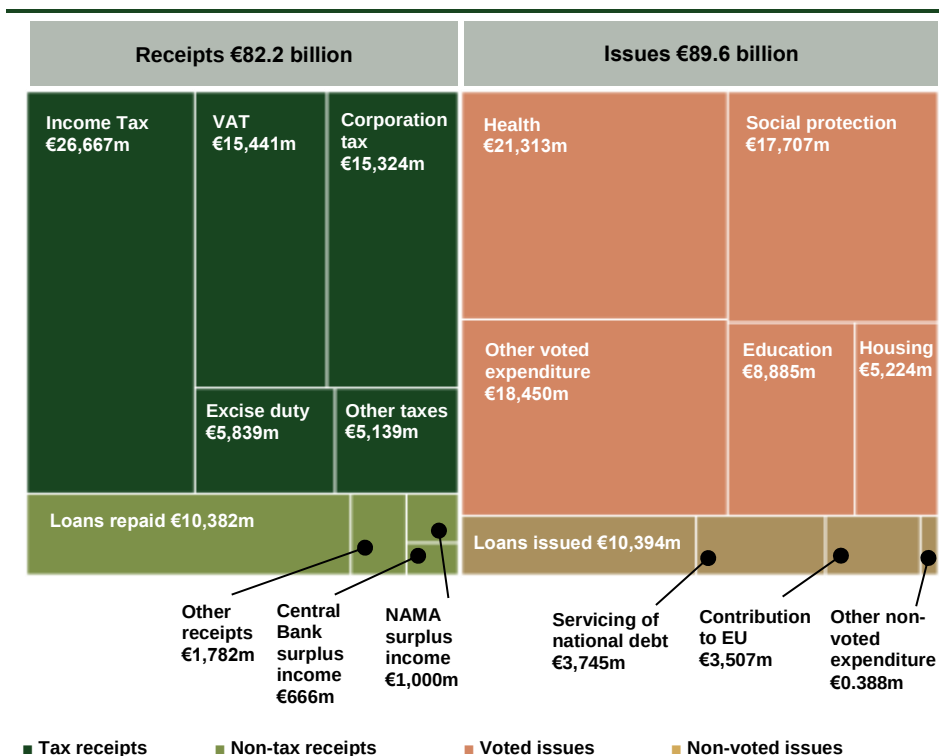
Source: Finance Accounts 2007 to 2021 (Exchequer balance). Central Statistics Office: Government Finance Statistics, July 2022 (general government balance).

Note: a Central Fund receipts and issues include the service of national debt but exclude borrowing undertaken by the NTMA on behalf of the State and the repayment of national debt. See Annex 1B, Figure 1B.1 for analysis of Central Fund receipts and issues for 2016 to 2021.

Central Fund receipts and issues

- 1.5** Central Fund receipts in 2021 totalled **€82.2 billion**. Taxes accounted for 83% of the receipts (see Figure 1.2).¹ Issues in 2021 totalled **€89.6 billion** comprising issues for voted services (80%), servicing of national debt (4%), contributions to the EU (4%) and other non-voted expenditure (12%).

Figure 1.2 Central Fund receipts and issues in 2021



Source: Finance Accounts 2021. Any apparent differences in totals are due to rounding.

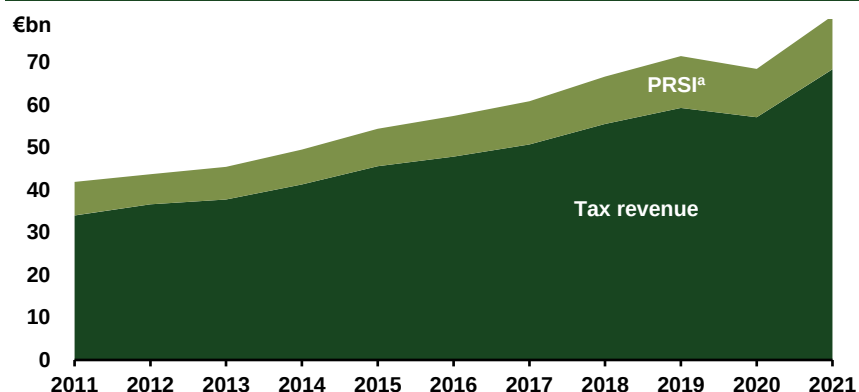
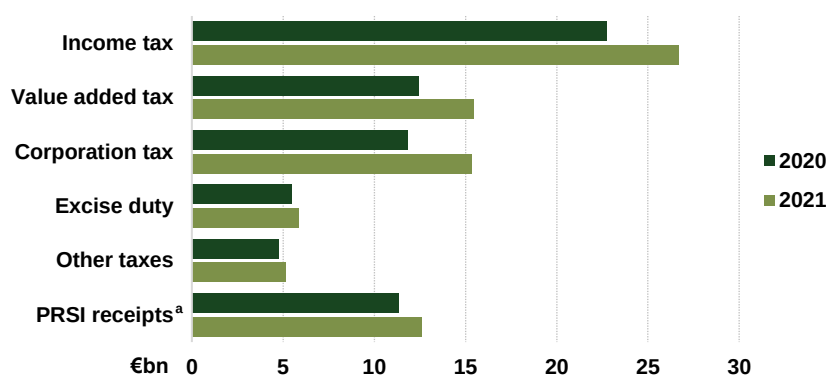
Exchequer receipts

- 1.6** Total receipts into the Central Fund increased by around €17.2 billion in 2021, reflecting increases of €11.2 billion in tax receipts and €6 billion in non-tax receipts. A significant part of the latter involved the repayment of temporary Exchequer loans.

Tax receipts

- 1.7** Tax receipts in 2021 were €68.4 billion, the highest ever tax yield collected by the State. Significant increases in income tax (17%), corporation tax (30%) and VAT (24%) contributed to the record yield (see Figure 1.3).
- 1.8** Corporation tax represented 22% of total Exchequer tax receipts in 2021, and were almost equivalent in value to VAT receipts at 23% (see Figure 1.3).
- 1.9** Customs duties increased by 91% in 2021 to €526 million (2020: €276 million), mainly due to a significant increase in customs declarations as a result of Brexit. Under the Brexit free-trade agreement, goods imported from Britain into the EU, but which do not originate in Britain, are now subject to customs duty. More than 40% (€215 million) of the customs duties collected applied to goods imported from Britain.

¹ An analysis of Central Fund receipts and issues (excluding NTMA borrowing) for the years 2016 to 2021 is set out in Annex 1B, Figure 1B.1.

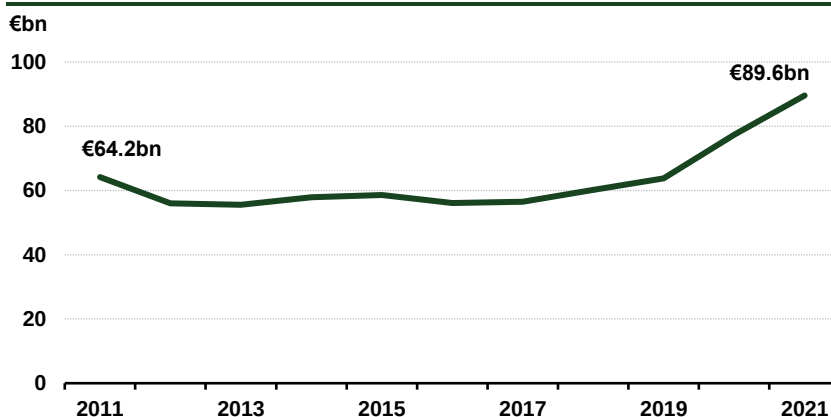
Figure 1.3 Tax revenue and PRSI receipts, 2011 to 2021**Year on year change by receipt type**

Source: Finance Accounts. Social Insurance Fund accounts.

Note: a PRSI receipts are paid into the Social Insurance Fund.

Central Fund issues

- 1.10** Issues from the Central Fund increased significantly in 2021 to €89.6 billion — up €12.3 billion or 16% on the prior year (€77.3 billion) (see Figure 1.4).

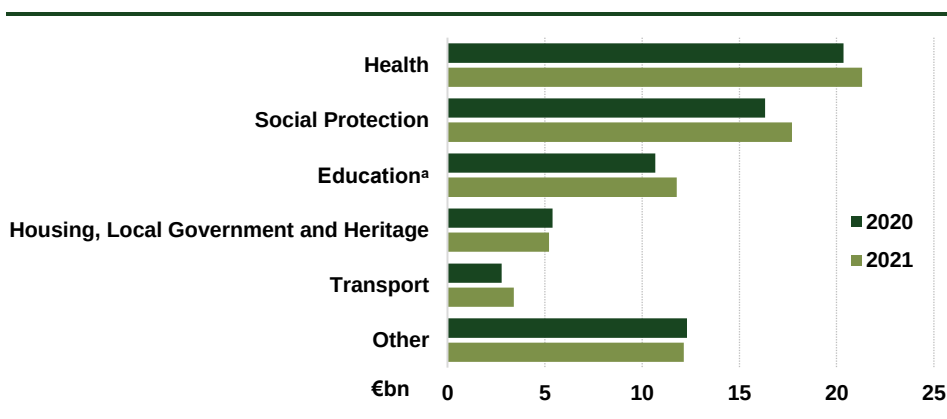
Figure 1.4 Total Exchequer issues, 2011 to 2021

Source: Finance Accounts, 2011 to 2021

Voted issues

- 1.11** Voted expenditure increased by €3.7 billion (5%) to €71.6 billion and reflected the continued funding of Covid-19 related support measures throughout 2021. Nearly 55% of voted expenditure issues was attributable to two departments — Health and Social Protection (see Figure 1.5).

Figure 1.5 Voted departmental expenditure, 2020 and 2021



Source: Finance Accounts 2021

Note: a Includes Department of Further and Higher Education, Research, Innovation and Science with expenditure of €2.4 billion in 2020 and €2.9 billion in 2021.

Ireland's contribution to the EU

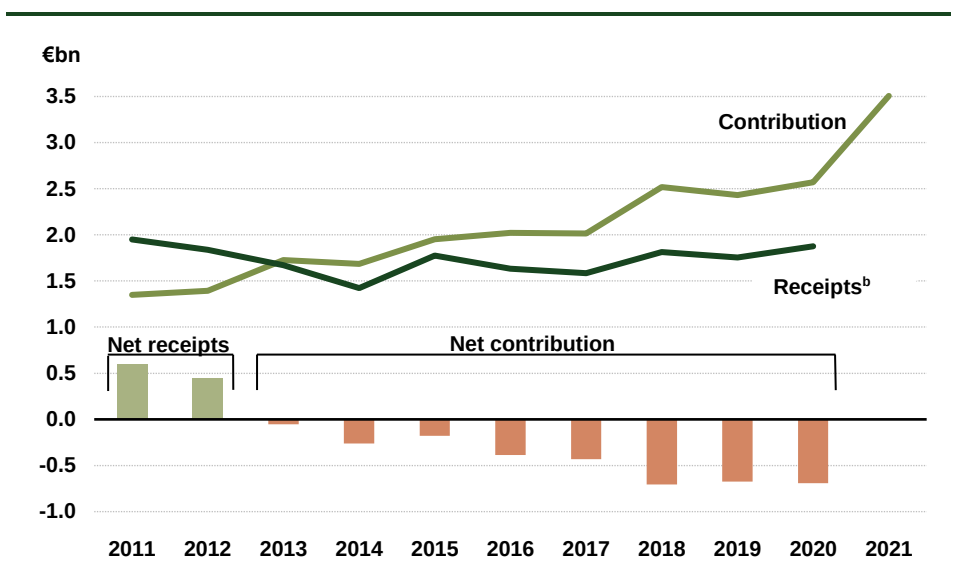
- 1.12** Ireland's contributions to the EU budget are managed by the Department of Finance and are accounted for in the Finance Accounts, on a cash basis.
- 1.13** Currently, there are four main components to Ireland's contributions to the EU Budget
- traditional own resources (TOR) — these comprise customs duties collected by the Revenue Commissioners on imports from outside the EU, of which 75% is payable to the EU
 - a VAT related contribution — 0.3 per cent on Ireland's VAT base
 - an unrecycled plastics based contribution — at a rate of €0.80 per kilogram on plastic packaging waste that is not recycled¹
 - GNI own resource — a contribution based on level of income as defined by gross national income (GNI).²
- 1.14** The contribution to the EU budget in 2021 was €937 million (36%) higher than in 2020. In addition to an increase related to economic growth, the main reasons for the increase were
- the commencement of the EU 2021–2027 Multiannual Financial Framework (MFF), which established a higher level of total expenditure than the previous MFF
 - a balancing adjustment for previous estimates of GNI and VAT
 - increased customs receipts related to the impacts on trade between Ireland and the UK
 - a new contribution to the budget related to unrecycled plastic.

1 In 2021, a new contribution based on the amount of non-recycled plastic packaging waste in each country was introduced. In 2021, Ireland's contribution was €145.8 million.

2 GNI own resource contribution is deemed the balancing element to ensure that all agreed expenditures in an EU annual budget are sufficiently covered by the total budget revenues. Depending on the total annual revenues required to finance expenditures, a uniform call rate is applied to each member state's GNI. The call rate varies from year to year. Ireland's average GNI contribution accounted for 77% of the overall contribution over the period 2017–2020, compared to an EU average of 74%.

- 1.15** Department of Finance budgetary statistics show that Ireland was a net beneficiary from the EU up to 2012 and has been a net contributor since then. Ireland's contribution to the EU in 2021 was €3.5 billion (see Figure 1.6).

Figure 1.6 Ireland's EU contribution, receipts and net position, 2011 to 2021^a



Source: Finance Accounts. Department of Finance, Ireland: Budgetary Statistics 2020.

Notes: a Fund flows are shown on a cash basis.

b Figures for 2021 receipts were not available at time of publication.

- 1.16** The forecasted or estimated annual contributions to the EU budget are regularly adjusted as updated data is provided or published by a wide variety of sources. In addition, annual balancing exercises are carried out in respect of GNI and VAT elements of the contributions. This involves retrospective comparison of the forecasts for GNI and VAT provided by the member states for the prior year with the outturn.
- 1.17** Ireland's monthly payments to the EU are based on a compromise figure agreed between the Department of Finance and the EU Commission, which is based on estimates prepared by both parties. The compromise figure usually falls somewhere in the middle of the two estimates. The following year when the actual figures are available, a true-up calculation is prepared and amounts are paid to, or refunded from the EU.
- 1.18** In June 2022, an adjustment of €185.7 million, in favour of the EU, was applied to Ireland's contribution for 2021 and previous years. This represented an estimation underpayment of 6.8%. Figure 1.7 sets out the value of such adjustments in respect of the period 2019 to 2021.

Figure 1.7 Ireland's gross GNI and VAT contributions and adjustments

Relevant year	Gross GNI and VAT contributions ^a € million	Subsequent year adjustment ^b € million	Percentage adjustment
2019	1,992	(44.5)	(2.2%)
2020	2,187	84.5	3.9%
2021	2,740	185.7	6.8%

Source: Department of Finance. Analysis by the Office of the Comptroller and Auditor General.

Notes: a The amounts reflect gross GNI and VAT payments and exclude any other adjustments made relating to other member states.

b Adjustments can relate to more than one year and usually occur in June of the following year.

1 The Commission brought an action against the United Kingdom (UK), to the European Court of Justice. The UK had disputed the statistical calculation method applied by the Commission. In March 2022, the Court ruled in favour of the Commission, but partly rejected the Commission's calculation method for the total claimed losses, ruling that it did not meet the requisite legal standard.

2 This commitment was in response to a recommendation in the Comptroller and Auditor General's special report 105: *Ireland's transactions with the EU in 2017*.

3 The 2019 report can be found [here](#).

4 Bord Telecom Éireann (Eircom) was formed in 1984 under the Postal and Telecommunications Act 1983.

5 The Minister for Finance was required to make contributions to the superannuation scheme to cover pre-privatisation pension liabilities for staff and their survivors who transferred from the former Department of Posts and Telegraphs to Bord Telecom Éireann in January 1984.

6 In accordance with sections 26, 46(9) and 46 (11) of the Postal and Telecommunications Services Act 1983.

7 Deed of Amendment Eircom No. 2 Superannuation Fund and Eircom Superannuation (Amendment) Scheme 2016 were put in place to provide for future funding of the Eircom No. 2 Fund.

EU traditional own resources (TOR) fraud

1.19 The EU Commission identified an EU-wide fraud pattern relating to the import of textiles and footwear from China at significantly understated value, which led to a systematic loss of EU 'traditional own resources' (TOR) over several years. The Commission calculated Ireland's TOR losses at €30.4 million (0.69%) of the total EU losses incurred. In July 2021, Ireland paid over the €30.4 million in customs duties from the Central Fund, on reserve, to avoid the accumulation of late payment interest on the losses.

1.20 Following the outcome of a ruling by the European Court of Justice in March 2022, whereby the Court partly rejected the Commission's method for calculating the total claimed losses, it is now expected that the Commission will reassess each member state's liability based on the Court's decision.¹

EU transactions reporting

1.21 In January 2020, the Department committed publicly to publish an annual report, on a consolidated basis, on the financial transactions between Ireland and the EU. The aim of the report is to provide a comprehensive overview of such transactions in a single document, since this information is not otherwise readily available.²

1.22 In September 2020, the Department published its report on *Ireland's transactions with the EU in 2018*. The equivalent report for 2019 was published in June 2022.³ The Department has stated that preparation of the report in respect of Ireland's transactions with the EU in 2020 is in progress.

Eircom pension scheme subvention

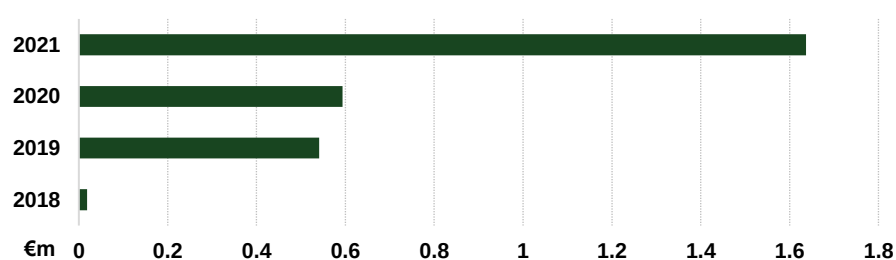
1.23 In 1996, the State sold 20% of its holding in the former Bord Telecom Éireann (Eircom) to private investors.⁴ By the end of July 1999, the company had been fully privatised. The Minister for Finance provided just over €1 billion to the Eircom No. 2 pension fund when it was set up in December 1999.^{5,6} The State is the pension fund's sole contributor and no further funding from the State was expected to be required.

1.24 By early 2021, the pension fund was fully depleted. The latest actuarial valuation, as at October 2021, calculated the outstanding scheme liability at €1.1 billion. In 2021, €81.2 million was paid into the scheme from the Exchequer to meet pension liabilities. Annual costs will reduce gradually to zero over the estimated 40 year lifetime of the fund.⁷ Contributions to the pension fund are to be made on a 'pay as-you-go' basis whereby the Minister will pay moneys to the fund on a scheduled basis in respect of benefits due.

Interest charges on public expenditure balances

- 1.25** The Surplus Public Expenditure Monies (SPEM) account was opened in September 2018 to hold surplus cash in the public expenditure system. The SPEM account replaced the previous Deposit Monies Investment Account (DMIA). The account is held at the Central Bank.
- 1.26** Negative interest has been charged on Central Bank accounts since 2014. Negative interest charges associated with the SPEM account increased significantly in 2021 (see Figure 1.8). Such charges arising on the SPEM account are charged to the Finance Vote, whereas negative interest charges which accrued on the DMIA were paid by the NTMA.

Figure 1.8 Negative interest charges on the SPEM account, 2018 to 2021



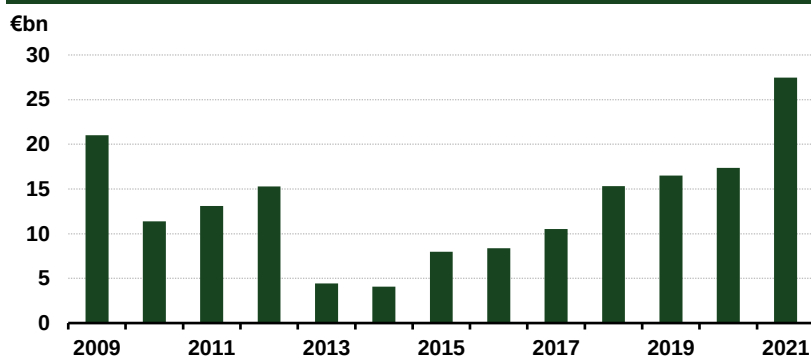
Source: Surplus Public Expenditure Monies (SPEM) account

Exchequer assets

Central Fund cash balance

- 1.27** The value of cash held by the Exchequer totalled almost €27.5 billion at end 2021 (see Figure 1.9). The increase of over €10 billion (58%) year-on-year reflects the impact of net borrowing of €17.3 billion and the Exchequer deficit of €7.4 billion. See Annex 1B, Figure 1B.2.

Figure 1.9 Central Fund cash balance, 2009 to 2021



Source: Finance Accounts, 2009 to 2021

Exchequer lending

- 1.28** At 31 December 2021, Exchequer financial assets included almost €1.7 billion (2020: €1.6 billion) of Housing Finance Agency guaranteed notes and €10 million of Strategic Banking Corporation of Ireland (SBCI) guaranteed notes.
- 1.29** Excluding the Housing Finance Agency and SBCI guaranteed notes, net loans and advances provided from the Central Fund increased marginally (around €12 million) in 2021, with just over €2.1 billion outstanding at the year-end (see Annex 1B, Figure 1B.3).
- 1.30** During 2021, €9.4 billion was advanced to the Social Insurance Fund for cash flow purposes. No interest accrued on the loan and it was fully repaid before the end of the year.
- 1.31** Amounts totalling €130 million were issued from the Central Fund in 2021 to Irish Water under a loan agreement entered into with the Minister for Finance in June 2020. Under the agreement, over €1 billion will be made available to Irish Water to repay existing non-domestic commercial debt and to fund its future non-domestic water borrowing requirements. The total amount drawn down to end 2021 was €502 million (see Annex 1B, Figure 1B.3).

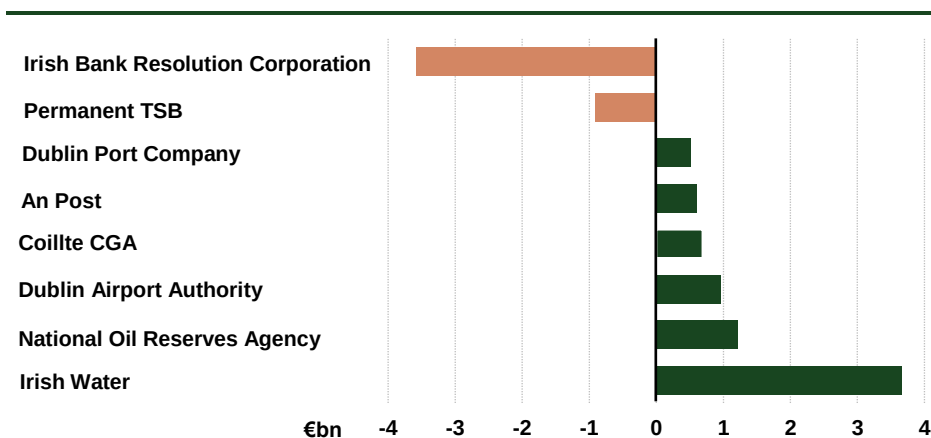
Shareholding in Irish companies

- 1.32** Shareholdings in 24 State and private companies are disclosed in the Finance Accounts.^{1,2} The State's interest in these companies is recorded at historic cost, and at 31 December 2021 totalled €7.96 billion.
- 1.33** Shareholdings at cost in Irish Bank Resolution Corporation Limited (IBRC), Permanent TSB Group, Coillte CGA, Irish Water and the Dublin Airport Authority represent just over 95% (by value) of the total shareholdings as disclosed in the 2021 Finance Accounts.
- 1.34** Up to end 2013, the Finance Accounts also disclosed details of the net asset value (NAV) of the shares.³ Figure 1.10 illustrates the difference between the NAV and the historic equity cost for the eight companies with the highest movement. The total NAV for the eight companies at 31 December 2021 was €10.8 billion and the historic cost was €7.7 billion, a difference of almost €3.2 billion. However, operating losses incurred by IBRC and Permanent TSB have significantly eroded the value of the State's shareholdings in the companies (- €3.6 billion and - €914 million, respectively) while Irish Water (€3.7 billion) has had a significant increase in value.

1 See statement 1.8(A) of the Finance Accounts 2021, which can be accessed [here](#).

2 The Department of Finance has stated that the Finance Accounts are not a comprehensive financial statement for the State, its assets and liabilities and that the State holds an interest in more entities than those set out in the Finance Accounts.

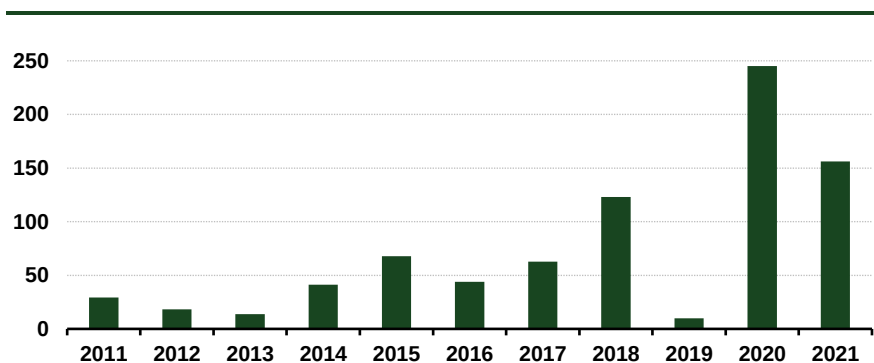
3 Net asset value, or NAV, is the value of a company's assets minus its liabilities.

Figure 1.10 Movement in net asset value of share capital to historic cost, at end 2021

Source: Department of Finance, Finance Accounts 2021

Sundry Moneys Account

- 1.35** The Sundry Moneys Account (SMA) is a temporary holding account that records transactions and balances that usually are received into the Central Fund of the Exchequer, but that are held back until proper and sufficient instructions are received for final disposal. The account is managed by the Department of Finance and is accounted for separately from the Finance Accounts. Administratively, the objective is to minimise the time that funds are held in the account, to ensure their timely receipt into the Central Fund.
- 1.36** Receipts into the SMA in 2021 totalled just under €602 million. Transfers out of the SMA to the Central Fund amounted to €691 million in 2021. The balance held in the SMA at the end of 2021 was €156 million, most of which had been received in the previous 30 days (see Figure 1.11).¹ The balance at the end of 2020 was €245 million.

Figure 1.11 Sundry Moneys Account year-end balances, 2011 to 2021

¹ The end-2021 balance is taken from the unaudited draft account.

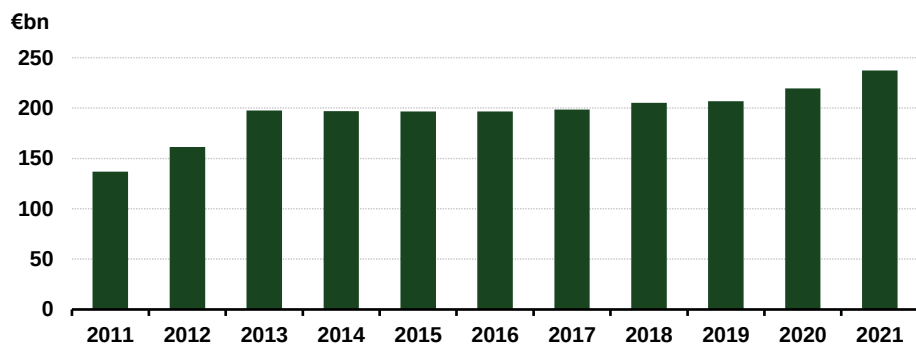
Source: Sundry Moneys Account, 2011 to 2021

Exchequer liabilities

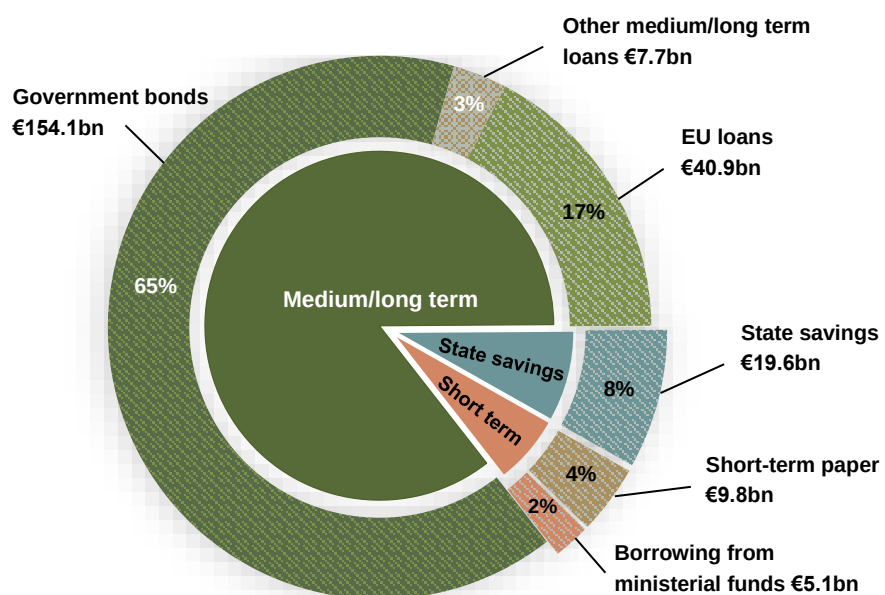
National debt

- 1.37** Ireland's national debt increased by 8% (€17.7 billion) in 2021 to €237.2 billion at the year-end (see Figure 1.12).¹
- 1.38** Around 85% (€202.7 billion) of the national debt at end-2021 was in the form of medium and long term borrowing. This comprised mainly government bonds (fixed rate, floating rate, amortising and inflation linked bonds) and EU loans (European Financial Stabilisation Mechanism, European Financial Stability Facility, and the European instrument for temporary support to mitigate unemployment risks in an emergency (SURE)).
- 1.39** Debt arising from the various State savings schemes accounted for €19.6 billion, or 8% of the national debt at end-2021.

Figure 1.12 National debt at redeemable par values, end 2011 to end 2021



Composition of national debt at end-2021^a



¹ National debt is defined by section 1 of the National Treasury Management Agency Act 1990 as the debt outstanding for the time being of the Exchequer.

Source: Financial Statements of the National Debt of Ireland 2021, National Treasury Management Agency

Note: ^a Due to rounding, the percentages for the individual debt elements do not total 100%.

1.40 Short-term debt accounted for €14.9 billion of the national debt at end-2021.¹ This comprised 'short-term paper' to the value of €9.8 billion; borrowings from the Post Office Savings Bank Fund of €3.1 billion; and €2 billion of surplus Paymaster General funds.²

1.41 The NTMA long-term bond issuance in 2021 totalled €19.3 billion (2020: €24.6 billion).³ Bonds were issued at a weighted average maturity of over 14 years and a weighted average yield of just under 0.2%. The debt included the issuance of bonds with maturities of between five and 29 years (see Figure 1.13). There were two new syndicated bond issuances, €5.5 billion (10-year bond) and €3.5 billion (20-year bond).⁴

1.42 The NTMA also raised almost €1 billion in other long-term debt issued under its *Euro Medium Term Note* programme. There were eight fixed-rate private placements with long maturities ranging from 65 to 100 years and one 30-year inflation linked bond.⁵

1 Short-term paper debt has an original maturity of less than one year.

2 The surplus public expenditure moneys account records the borrowings and repayments of surplus funds held in the supply account of the Paymaster General.

3 This includes €0.8 billion (€0.6 billion in 2020) issued in non-competitive bond auctions.

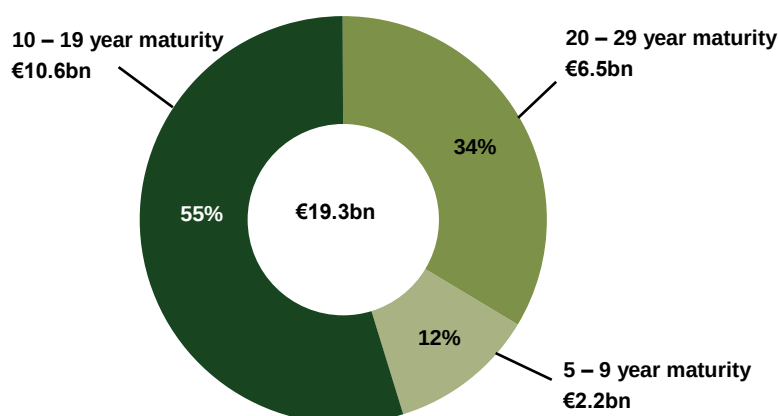
4 A syndicated bond sale is the issue of a new or existing bond through a syndicate of primary dealers in Irish government bonds. The NTMA currently recognises 14 primary dealers — mostly international financial institutions — which are responsible for market-making and the sale and distribution of Ireland's government bonds to end investors.

5 A private placement is a sale of debt instruments, called Notes, through a primary dealer to a single or to multiple end investors. These transactions are normally the result of a direct approach by an investor to a recognised primary dealer who will negotiate the terms of the issue with the NTMA.

6 The ISGB Framework enables Ireland to fund eligible 'green' projects through the issuance of ISGBs. The Framework was approved by Government, pursuant to a cabinet decision in July 2018.

7 The SURE instrument provides for financial assistance from the European Commission to member states in the form of loans of up to €100 billion in total.

Figure 1.13 NTMA government bond issues, 2021^{a,b}



Source: National Treasury Management Agency

Notes: a Includes non-competitive auctions.

b Due to rounding, the percentages for the individual bonds do not total 100%.

Irish Sovereign Green Bond

1.43 The government bonds balance at end 2021 includes €6.8 billion of green bonds issued under the Irish Sovereign Green Bond (ISGB) Framework.⁶ This includes €0.75 billion of new issuance under the framework in 2021. ISGBs are designed to provide investors with the financial features of a standard Irish Government bond combined with sovereign green bond market practice, and to help finance Ireland's transition to a low-carbon, climate-resilient and environmentally-sustainable economy.

EU SURE instrument

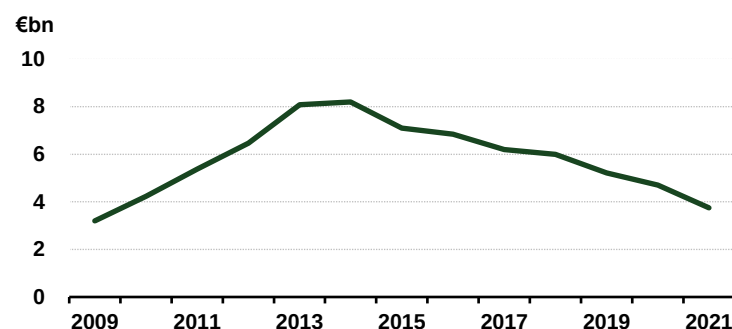
1.44 In March 2021, the NTMA drew down €2.47 billion in loans from the European Commission's SURE instrument.⁷ The amounts drawn down were based on costs already incurred under the Covid-19 Temporary Wage Subsidy Scheme (TWSS). The SURE loans drawn down comprised

- a €1.27 billion five-year loan with 0% interest, maturing in March 2026, and
- a €1.2 billion 25-year loan with 0.45% interest, maturing in April 2046.

Debt service costs

- 1.45** The cost of servicing Ireland's national debt in 2021 was €3.75 billion — this was 20% down compared to the cost in 2020, and the lowest cost since 2009 (see Figure 1.14). The cost comprised net interest on the national debt of €3.48 billion, net interest paid on cash held at the Central Bank and on other financial assets of €112 million, and fees and operating expenses of €151 million.

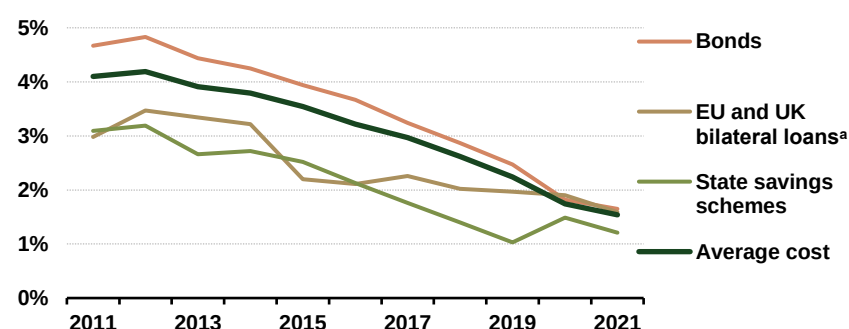
Figure 1.14 Debt service costs, 2009 to 2021 (cash basis)



Source: National Treasury Management Agency

- 1.46** The NTMA attributes the prolonged fall in the debt service bill mainly to the maturing of high coupon bonds — mostly issued during the financial crisis of the late 2000s — and their replacement with cheaper funding, together with the compression of sovereign bond yields brought about by the European Central Bank's quantitative easing programme.¹
- 1.47** These factors are reflected also in the average cost of State borrowing, which continued to fall in 2021. At the end of the year, the overall weighted average debt service cost estimated at 1.54% (see Figure 1.15).

Figure 1.15 Weighted average debt service cost by debt type, 2011 to 2021



Source: National Treasury Management Agency

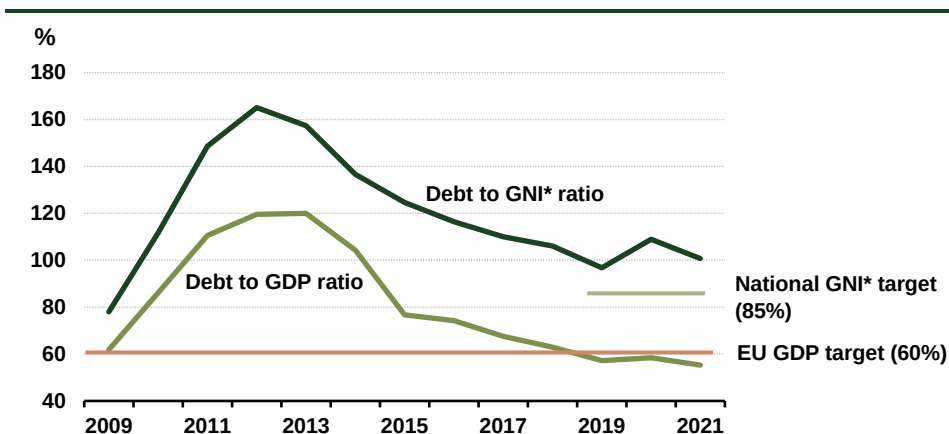
Note: a In March 2021, the NTMA completed the repayment of Ireland's bilateral loan from the UK — part of the EU/IMF programme of financial assistance. The amount repaid was €0.48 billion.

¹ The NTMA noted that no bonds matured in 2021.

General government debt target

- 1.48** General government debt is a more comprehensive measure of State indebtedness than national debt, and is the standardised measure which all EU countries are legally obliged to report under the Maastricht Treaty.¹
- 1.49** European fiscal rules state that member states' general government debt should not exceed 60% of GDP or, if greater, should steadily decrease towards the 60% target.² Due to strong GDP growth, Ireland's general government debt ratio reduced to 55.3% at end 2021, despite the increase in overall debt levels, compared with 58.4% at end 2020 (see Figure 1.16).
- 1.50** The Department has stated that due to statistical distortions in Ireland's GDP, ratios related to GDP do not provide a true reflection of the Irish economy's repayment capacity. For this reason, a new Irish target based on GNI* was adopted in 2019.³ The national target is to reduce Ireland's general government debt-to-GNI* ratio to 60% at a suitable pace, with an interim target of reaching 85% of GNI* by 2025 (see Figure 1.16). At the end of 2021, the debt-to-GNI* ratio was 100.8% (108.9% in 2020).⁴

Figure 1.16 Ireland's debt to GDP and debt to GNI* ratios, 2009 to 2021 (percentage)



Source: Central Statistics Office. Department of Finance.

1 General government debt comprises the debt liabilities of central government, local government and government funds, excluding debt owed by one sector of government to another.

2 The European Commission has temporarily allowed EU member states to suspend requirements to meet these fiscal targets while taking appropriate budgetary measures to address the exceptional circumstances posed by the Covid-19 pandemic.

3 The CSO defines GNI* ('GNI star') as an indicator designed to exclude globalisation effects that disproportionately impact the measurement of the size of the Irish economy.

4 The debt-to-GNI* ratio for 2020 was initially reported at 104.7%. This was subsequently revised to 108.9%, as published by the CSO in July 2022.

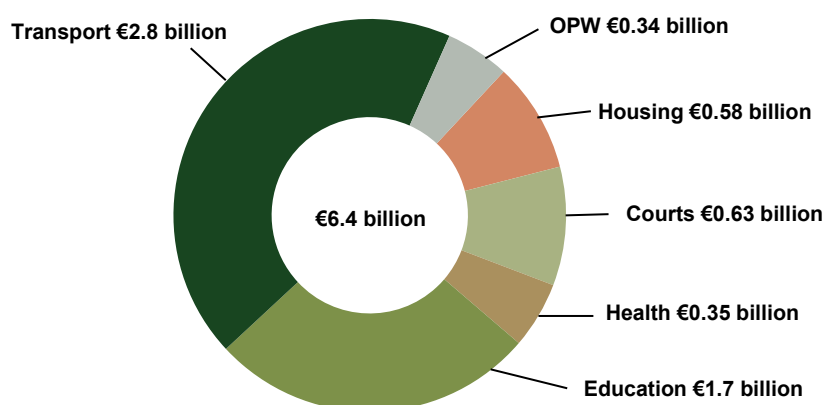
Other liabilities

Public private partnerships

- 1.51** A public private partnership (PPP) is an arrangement between a public authority and a private partner designed to procure and deliver public infrastructure assets and/or services under long-term contracts. The asset is funded and constructed by the private partner, following which it is made available for public use and is paid for by the State and/or by users (through user charges) over an extended period (typically 25 years), after which the asset comes into State ownership.
- 1.52** PPPs are recorded as an 'off-balance sheet' funding mechanism from a general government perspective, as liabilities under PPP contracts are generally not included in the calculation of general government debt. Liabilities are met as they arise from voted issues out of the Central Fund, or from user charges in the case of PPP concession projects.

- 1.53** Future commitments under PPP projects are tracked by the Department of Public Expenditure and Reform. At the end of 2021, 30 PPP schemes were fully operational and six were at development stage. At that date, future PPP commitments totalled just over €6.4 billion (see Figure 1.17).
- 1.54** Expenditure on PPP unitary payments totalled just over €320 million in 2021. Under the deals currently in place, the Exchequer is committed to making payments totalling on average around €325 million a year until 2035.¹ Thereafter, payments under those deals will taper off, largely because the older contracts will have been completed.

Figure 1.17 Composition of projected total cost of all PPP outstanding payments



Source: Department of Public Expenditure and Reform

Debt relief payment

- 1.55** In 2020 and 2021, the Minister for Finance consented to the transfer of Ireland's share of resources in International Monetary Fund (IMF) managed accounts to the IMF's administered accounts for Somalia and Sudan, for the purpose of clearing arrears owed by both countries. In total, Ireland contributed around €8.5 million from the IMF managed accounts, of which €6.5 million was payable to the Central Bank of Ireland (CBI).
- 1.56** The European Central Bank (ECB) has determined that the use of CBI funds for this purpose was monetary financing and in breach of Article 123 of the Treaty on the Functioning of the European Union.
- 1.57** In light of the ECB determination, Ireland (the Exchequer) is required to refund the money to the CBI.² Accordingly, the CBI's 2021 financial statements include a receivable for €6.5 million.³ In its 2021 annual report, the ECB has referenced that financial donations by central banks to IMF debt relief initiatives for heavily indebted poor countries are not compatible with the prohibition of monetary financing and warrant corrective measures.⁴
- 1.58** Because the Finance Accounts are presented on a cash basis, and do not contain a statement of financial position, the debt is not recognised in the 2021 Finance Accounts.

1 Aggregate annual repayment levels in this period could increase as new PPP contracts are put in place.

2 A provision will be included in the Bretton Woods Agreements (Amendment) Bill 2022 to provide a legal basis for the payment.

3 The Central Bank's 2021 Annual Report and Annual Performance Statement 2021–2022 can be found [here](#).

4 The European Central Bank annual report 2021 can be found [here](#).

Annex 1A Central Statistics Office government finance statistics

The European Union's statistics authority, Eurostat, requires each member state to produce a range of finance statistics that comply with the harmonised definitions and standards within the European System of Accounts 2010.

The Central Statistics Office (CSO) is responsible for the official reporting of Ireland's general government finance statistics.

The CSO's general government finance outputs and general government statistics include the following key statements

- Table 1.1 — general government finances
- Table 1.2 — general government transactions: revenue, expenditure, financing and deficit
- Table 2.1 — general government; detailed classification of revenue and output
- Table 2.2 — general government; detailed classification of expenditure and consumption
- Table 3.1 — general government gross and net debt
- Table 3.2 — general government financial transactions
- Table 3.3 — general government: detailed breakdown of net worth
- Table 3.4 — general government net worth, gross and net debt.

The general government sector encompasses both central and local government, non-commercial State-owned bodies and extra budgetary funds, the larger approved housing bodies and voluntary hospitals.

The full list of entities included is published on the CSO's website.

Annex 1B Data tables

Figure 1B.1 Composition of Central Fund receipts and issues, 2016 to 2021^a

	2016	2017	2018	2019	2020	2021
	€m	€m	€m	€m	€m	€m
Receipts						
Current receipts						
Tax revenue	47,864	50,737	55,557	59,314	57,165	68,410
Transfer from Local Government Fund	318	230	—	—	—	—
Central Bank surplus income ^b	1,800	1,836	2,108	2,395	2,050	666
National Lottery surplus income	219	227	225	251	270	290
Dividends from State bodies	269	324	261	262	133	152
Other current revenues	498	248	311	440	197	422
NAMA Surplus Income	—	—	—	—	2,000	1,000
Capital receipts						
Loans/advances repaid ^c	2,143	1,021	933	1,055	1,680	10,382
Financial sector stabilisation measures	1,871	3,723	341	682	3	—
Exceptional capital receipts ^d	—	—	—	—	1,500	—
Receipts from EU			89	24	25	645
Other capital receipts	75	30	483	6	5	274
Total receipts	55,057	58,376	60,308	64,429	65,028	82,240
Issues						
Issues for voted expenditure	43,986	46,291	50,445	54,146	67,849	71,579
Service of national debt	6,845	6,227	5,967	5,220	4,676	3,745
Contribution to EU budget	2,023	2,016	2,519	2,432	2,569	3,507
Oireachtas Commission	114	110	131	126	132	133
Loans/advances ^c	2,320	963	975	935	1,523	10,264
Financial sector stabilisation measures	4	—	—	—	—	—
Irish Water (shares, capital contributions and loans)	184	270	—	758	372	130 ^e
Transfer to Local Government Fund ^e	463	480	12	—	—	—
Other payments	136	113	160	165	224	255
Total issues	56,075	56,470	60,209	63,782	77,345	89,612
Surplus/(deficit) for the year	(1,018)	1,906	99	647	(12,317)	(7,372)

Source: Finance Accounts 2016 to 2021. Any apparent differences in totals are due to rounding.

- Notes:
- a Transactions of the Central Fund account and the Capital Services Redemption Account are consolidated. The latter account is maintained by the NTMA for servicing national debt and transactions of a normal banking nature.
 - b The amount received into the Central Fund each year principally consists of the surplus income for the previous financial year, as per the audited financial statements of the Central Bank of Ireland.
 - c See Figure 1B.3 for further details.
 - d Exceptional capital receipts are non-recurrent. The 2020 figure relates to the National Surplus Reserve Fund.
 - e Related to application of local property tax (LPT) receipts, which were included in tax revenue prior to 2018. With effect from 1 January 2018, LPT receipts are paid directly into the Local Government Fund by the Revenue Commissioners, rather than indirectly through the Central Fund.

Figure 1B.2 Movements in Exchequer cash and financial asset balances, 2016 to 2021

Movement in year	2016	2017	2018	2019	2020	2021
	€m	€m	€m	€m	€m	€m
Balance at 1 January	13,554	11,119	13,217	17,593	18,536	19,200
Net Exchequer borrowing/ (repayment) in year	(1,417)	193	4,276	297	12,981	17,321
Exchequer surplus/(deficit)	(1,018)	1,906	99	647	(12,317)	(7,372)
Balance at 31 December	11,119	13,217	17,593	18,536	19,200	29,149

Composition of cash and financial assets at 31 December	2016	2017	2018	2019	2020	2021
	€m	€m	€m	€m	€m	€m
Central Fund cash balance ^a	8,385	10,533	15,338	16,502	17,362	27,474
Commercial bank deposits	199	—	—	—	—	—
SBCI medium-term guaranteed notes ^b	85	85	85	25	—	10
Housing Finance Agency guaranteed notes	2,032	1,742	1,558	1,913	1,586	1,665
Collateral funding	418	857	612	96	252	—
Balance at 31 December	11,119	13,217	17,593	18,536	19,200	29,149

Source: Finance Accounts 2016 to 2021. Any apparent differences in totals are due to rounding.

- Notes:
- a Includes a balance of €216,000 held in the Capital Services Redemption Account (CSRA) (2020: €216,000).
 - b Strategic Banking Corporation of Ireland (SBCI) was established under the Strategic Banking Corporation of Ireland Act 2014. Its aim is to ensure access to flexible funding for Irish small and medium enterprises by facilitating the provision of lower-cost funding and flexible products. The issued share capital of the SBCI is owned by the Minister for Finance.

Figure 1B.3 Loans and advances, 2016 to 2021

	2016	2017	2018	2019	2020	2021
	€m	€m	€m	€m	€m	€m
European Agricultural Guarantee Fund						
Opening balance	599	770	740	725	750	670
Repayments	(599)	(770)	(740)	(725)	(750)	(670)
Loans issued	770	740	725	750	670	655
Closing balance	770	740	725	750	670	655
Social Insurance Fund						
Opening balance	—	—	—	—	—	—
Repayments	(1,370)	—	—	—	(600)	(9,370)
Advances	1,370	—	—	—	600	9,370
Closing balance	—	—	—	—	—	—
Insurance Compensation Fund						
Opening balance	812	706	636	636	556	414
Repayments	(106)	(70)	—	(80)	(142)	(69)
Loans issued	—	—	—	—	—	—
Closing balance	706	636	636	556	414	345
EU stability support to Greece						
Opening balance	347	347	347	347	347	344
Repayments	—	—	—	—	(3)	(22)
Closing balance	347	347	347	347	344	323
Irish Water						
Opening balance	96 ^a	—	—	—	—	372
Repayments	—	—	—	—	—	—
Advances	—	—	—	—	372	130
Closing balance	—	—	—	—	372	502
Other loans and advances						
Opening balance	81	194	236	293	228	296
Repayments/loans conversion	(67)	(181)	(193)	(250)	(185)	(253)
Loans issued	180	223	250	185	253	241
Closing balance	194	236	293	228	296	284
Total closing balance	2,017	1,959	2,001	1,881	2,096	2,109

Source: Finance Accounts 2016 to 2021. Any apparent differences are due to rounding.

Note: a In December 2016, the loan was converted into an unconditional, irrevocable and non-refundable capital contribution.