



**Gníomhaireacht Bainistíochta an Chisteáin Náisiúnta
National Treasury Management Agency**

**MINUTES OF MEETING OF THE
NATIONAL TREASURY MANAGEMENT AGENCY
HELD AT 2PM ON 9 July 2024 AT
TREASURY DOCK, NORTH WALL QUAY, DUBLIN 1**

PRESENT:

Rachael Ingle, Chairperson
Brian O’Kelly
David Moloney
Fiona Ross (except Agenda items 8.2, 9 and 10)
Frank O’Connor
Gerardine Jones
John Hogan
John McCormick
Myra Garrett

IN ATTENDANCE:

Elaine Hudson, Agency Secretary
Frank O’Kelly, Associate - Agency Secretariat
Susan O’Halloran, Chief Legal Officer (CLO)
Ian Black, Chief Financial and Operations Officer (CFOO)
Martin Whelan, Deputy Director, Head of Public Affairs & Communications (Item 4 only)
Michelle Lowe, Deputy Head of Public Affairs & Communications (Item 4 only)
Andrew O’Flanagan, Director NDFA/NewERA (Item 5 only)
Susanne Fitzpatrick, Head of Operations, NDFA (Item 5)
Damian Duffy, Head of Technical Design & Procurement, NDFA (Item 5)
Ray Mangan, FIF/ICNF Project Director (Item 6 only)
Fergal Power, Deputy Director, Finance (Item 6.2 only)
Dave McEvoy, Director, FDM (Item 7 only)
David Purdue, Chief Economist (Item 7 only)
Deirbhile Brennan, Deputy Director, Head of Compliance & Interim Head of Risk (Item 9.1 only)

1. NOTICE AND QUORUM

The Chairperson noted that notice of the meeting and of the nature of the business to be conducted had been given to all members entitled to attend the meeting and a quorum was present.

2. DECLARATIONS OF INTEREST

For the purposes of Section 13A of the National Treasury Management Agency Act 1990 (as amended) and Section 17 of the Ethics in Public Office Act 1995, there were no material interests declared by members in the business to be transacted at the meeting.

3. MINUTES AND MATTERS ARISING

The Chairperson noted that draft minutes of the meeting of 28 May had been circulated to the members in advance of the meeting. **IT WAS RESOLVED** that the minutes be approved and that they be signed by the Chairperson.

The Agency noted the status of the matters arising from previous meetings, as set out in the note circulated with the meeting papers.

4. CHIEF EXECUTIVE'S REPORT

The Deputy Director, Head of Public Affairs & Communications and Deputy Head of Public Affairs & Communications joined the meeting at this point.

The Public Affairs representatives briefed the Agency on the 2023 Annual Report launch and mid-year Business Update in early July and the post launch communications and engagements thereafter.

The Public Affairs representatives left the meeting at this point.

The Chief Executive presented his Report, highlighting a small number of updates including, *inter alia*, (i) the public hearing for the delivery of the judgment by the Court of Justice of the European Union (CJEU) would take place on the 10th of September 2024, (ii) the One Planet Sovereign Wealth Fund (OPSWF) mid-term meeting in early June was hosted by the NTMA/ISIF in Treasury Dock and included a keynote address from Minister McGrath and (iii) the key communications at the recent NTMA Town Hall event. In relation to the State Claims Agency, he noted that the Department of Justice had recently confirmed that the long-awaited Pre-action Protocol would be enacted prior to year-end. He also noted that the Inter-departmental Working Group's report on the rising cost of healthcare claims, 'the Rhona Mahony report' was due to be published in early August and the Mother & Baby Institutions' Compensation Scheme had opened for applications with **THIS HAS BEEN REDACTED IN PART**. He also advised that announcements from the Minister for Justice on the Real Rate of Return and the index for PPOs were awaited.

The Agency discussed the report and questioned the Chief Executive on, amongst other things, current progress of the Tier 1 project to establish a resolution unit, resourced by the NTMA, to manage any NAMA residual activity from 2026 onwards. The Chief Executive and CFOO, as Executive Project Sponsor, provided a brief update on the status of the project including the relevant draft heads of bill, and the base-case in terms of the quantum of NAMA's assets and volume of litigation likely to transfer to the NTMA. The Agency also discussed the potential outcome scenarios in respect of the impending CJEU decision. They noted that ensuring the operational readiness of both parties (NTMA and Apple) in anticipation of any potential outcome was a key priority. The Chief Legal Officer noted that the form of the requisite documentation for both Release Event scenarios was prescribed in the Escrow Framework Deed. In response to a question from the Agency, she noted that the State parties and Apple were preparing for each Release Event scenario. The Agency also discussed the drivers behind the staff turnover in certain business units (which reflected the small number of these units) and NTMA learning and development activities.

5. NDFA BUSINESS UNIT UPDATE

The NDFA presented its annual business unit update to the Agency with a focus on the NDFA's mandate, team structure and current workstreams. The NDFA representatives highlighted the NDFA's strong delivery pipeline and the NDFA's strong track record of delivery and outlined the key challenges and areas of focus. They also provided a procurement and construction update. Referring to project challenges arising from Covid-19 and the recent period of exceptional inflation, they noted that while there had been some stabilisation of some, costs remained high. **THIS HAS BEEN REDACTED IN PART**

The Agency discussed the update and questioned the NDFA representatives on various aspects of same **THIS HAS BEEN REDACTED IN PART.**

Responding to a question from the Agency, the NDFA noted that irrespective of the nature of the contract, PPP or Exchequer funded, recent infrastructure projects in the State had been impacted by higher prices. The NDFA representatives noted that the value for money assessment process and PSB process for PPPs were critical given the long-term financial commitment for the State that PPP projects involved.

THIS HAS BEEN REDACTED IN PART

The Agency also discussed, amongst other things, the NDFA's ongoing market engagement activities to ensure the participation of a sufficient number of tenderers in forthcoming NDFA projects, including seeking to attract new international sponsors and contractors to the Irish market. The NDFA representatives noted the significance of having a strong pipeline in order to attract international equity sponsors and contractors, noting however that international contractors remained reliant on the same supply chain partners in Ireland. The NDFA representatives noted the potential for the use of modern methods of construction in attracting international consortia into the Irish construction market.

The Agency commended the NDFA on its continued efforts and on its strong track record to date against the backdrop of the challenges discussed.

6. FUTURE IRELAND FUND (FIF) AND INFRASTRUCTURE, CLIMATE & NATURE FUND (ICNF) (together 'the Funds' or 'the new Funds')

6.1 PROJECT UPDATE

The Project Director, FIF/ICNF provided a brief update on the progress across various workstreams in relation to the new Funds Project noting, *inter alia*, **THIS HAS BEEN REDACTED IN PART.** He noted that the planned establishment of the new 'Future Ireland Funds' unit had been communicated to all NTMA staff at the Town Hall event on 20 June. Referring to the recruitment workstream, he noted steady progress, with ten initial roles now identified which would be advertised in the coming weeks. He also noted progress in relation to the Director role.

The Agency discussed the update and questioned the Project Director on various aspects of same including, *inter alia*, (i) project resourcing capacity and the work burden on the workstream leads in particular, (ii) progress in relation to the Global Custodian tender; **THIS HAS BEEN REDACTED IN PART** (iv) the milestone date for completion of the investment strategy **THIS HAS BEEN REDACTED IN PART** and (vi) the Ministerial consultation process in respect of the Interim Investment Strategies. The

Project Director noted that **(i)** while all ‘backfill roles’ had been filled, which had alleviated the burden of ‘double jobbing’ to an extent, there remained a significant reliance on a number of key project team members and the work stream leads in particular; **(ii)** significant progress was being made under this workstream and he briefed the Agency on the competitive dialogue process which was ongoing; **(iii)** the communication had been positively received; **(iv)** significant work on the Investment Strategy work stream was underway including modelling to ascertain the optimum Asset Allocation to maximise the portfolio return for a given level of risk. It was anticipated that this work would continue throughout the summer and the team expected to present a detailed progress update on the draft Strategies to the Agency at its September meeting. In response to a follow on question from the Agency he noted that the consultant would review the NTMA’s draft Strategies prior to them being presented to the Agency for review; and **(v)** as part of the competitive procurement process for an investment consultant to review the Investment Strategy, the marking scheme would reflect the importance attached to the experience and expertise of the proposed teams within each consultancy; and **(vi)** engagement was ongoing between the NTMA and Department of Finance officials, and it was expected that the process would be relatively straightforward in respect of the Interim Investment Strategies, however the consultation process for the long-term strategies was likely to be more complex.

6.2 FIF/ICNF BUDGET 2024

The Deputy Director, Finance presented the paper to the Agency seeking **THIS HAS BEEN REDACTED IN PART**. He advised that from commencement of the new Funds legislation any costs incurred (in respect of the Funds) would be charged directly to the Funds. He added that the budget would cover incremental costs for people (up to 10 roles), professional fees, technology costs and custody fees etc. He noted that NTMA overheads would be charged to the Funds from 2025 onwards.

7. MARKET UPDATE

The Agency noted the report, as presented. The Chief Economist, referring to the markets’ reaction to recent election results, noted that while geopolitical risks were easing in the short term, there was no room for complacency with the upcoming US election and the potential implications of longer-term de-globalisation trends for Ireland’s FDI model. He also provided a brief overview of the outlook for the domestic economy noting, *inter alia*, the recent strong tax and economic data, while acknowledging the continued reliance on Corporate Tax receipts.

The Director, FDM noted that the NTMA had recently announced the Q3 issuance schedule indicating that one auction would be held in September. In light of Ireland’s fiscal performance, current market expectations were that this would be the last issuance in 2024. He also briefed the Agency on, *inter alia*, potential H2 2024 *bilateral* bond switch transaction(s) as part of FDM’s regular bond market interaction **THIS HAS BEEN REDACTED IN PART** and Ireland’s Sovereign spread performance against its key Euro counterparts since the French election. He also informed the Agency that FDM would revert to the Agency at its September meeting, when presenting its business unit update, with a **THIS HAS BEEN REDACTED IN PART** and at that time, also update the Agency on discussions with the Department in respect of the reactivation of the Social Insurance Fund Investment account, which FDM previously managed. The Agency discussed the update including, amongst other things, FDM’s views on the Government’s Summer Economic Statement (SES), the likely trajectory of Ireland’s

spread over Germany, the prospect of any credit rating changes at this time and State Savings flows and the State Savings rebranding initiative.

8. COMMITTEE AND OTHER MATTERS

8.1 Investment Committee

The Investment Committee Chairperson, Fiona Ross, presented the report of the Committee meeting held on 17 June. She provided a brief overview of the Committee’s risk appetite discussion **THIS HAS BEEN REDACTED IN PART** She also provided an overview of the updated Global Portfolio Implementation Strategy which the Committee resolved to recommend to the Agency for approval, the transaction approved by the Committee and the investment updates presented to the Committee. **THIS HAS BEEN REDACTED IN PART**

8.2 Audit and Risk Committee

The Audit and Risk Committee Chairperson, Gerardine Jones, presented the Report of the Committee meeting held on 2 July 2024. **THIS HAS BEEN REDACTED IN PART**. She also informed the Committee that the recent External Quality Assessment had concluded that the NTMA Internal Audit Function “generally conformed” to the Standards, which was the highest rating available and was consistent with the rating achieved when an EQA was last conducted in 2019.

8.2.1 Audit and Risk Committee Terms of Reference

On the recommendation of the Audit and Risk Committee, **IT WAS RESOLVED** that the Terms of Reference of the Audit and Risk Committee, as presented to the Agency, be approved.

9. GOVERNANCE MATTERS

9.1 Other Appointments Procedure

The Agency reviewed the updated procedure, noting a small number of proposed non-material changes tracked therein. The Agency discussed the requirement (within the procedure) for Board and Committee members to consult with the relevant NTMA personnel/Chair in respect of their consideration of a potential third-party role and the alignment of the procedure with wider public sector guidance. The presenters advised that the procedure was put in place to support and protect Agency and Committee members in meeting their statutory and governance obligations from a confidentiality and conflicts of interest perspective. They also noted, in the context of the wide array of business areas within the NTMA and wider affiliates, that members might not always be aware of potential, perceived or actual conflicts of interest and the aim of the procedure was to initiate a conversation and to assist, inform and guide members in navigating their associated obligations. Following discussion, the Agency requested that the procedure be further reviewed in light of the discussion and brought back to it for consideration in due course **[Action]**.

9.2 Delegated Matters Notifiable to the Agency

The Agency noted the Report on Delegated Matters Notifiable to the Agency, as presented.

9.3 Annual Workplan – Mid-Year Review

The Agency noted progress to date against the Agency’s 2024 work programme, noting the full year progress update would be presented at the November meeting.

10. AOB

The Chairperson briefed the Agency on her recent meeting with the Minister for Finance **THIS HAS BEEN REDACTED IN PART.**

The Remuneration Committee Chairperson briefed the Agency on the Committee meeting held earlier on 9 July. He noted that the Future Ireland Funds Director role would be advertised internally and externally with an external search provider being appointed to support the process. He informed the Agency of the proposed indicative salary range as agreed by the Committee. **THIS HAS BEEN REDACTED IN PART**

There being no other items under AOB, the Chairperson brought the meeting to a close.

Rachael Ingle
Agency Chairperson
24 September 2024