

Government of Ireland

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Introduction

The National Treasury Management Agency (the “Issuer” or “NTMA”), which is the debt management office of the Government of Ireland (“Ireland” or the “Country”), issued its inaugural Irish Sovereign Green Bond (ISGB) in October 2018 under the Irish Sovereign Green Bond Framework (the “Framework”) dated July 2018.¹ As of June 2023, NTMA had raised a total of approximately EUR 10.8 billion via two ISGBs maturing in 2031 and 2043. Sustainalytics provided a second-party opinion on the Framework in August 2018 and conducted annual reviews between 2019 and 2022.^{2,3} The ISGBs aim at promoting Ireland’s transition to a low-carbon, climate resilient and environmentally sustainable economy. The Issuer engaged Sustainalytics in July 2023 to review the projects and expenditures funded by proceeds raised from the issuance of the ISGBs and provide an assessment as to whether they met the use of proceeds criteria and the reporting commitments outlined in the Framework.

Evaluation Criteria

Sustainalytics evaluated the projects and expenditures funded by proceeds from the issuance of the ISGBs based on whether they:

1. Met the use of proceeds and eligibility criteria outlined in the Framework; and
2. Reported on at least one of the Key Performance Indicators (KPI) for each use of proceeds category outlined in the Framework.

Table 1: Use of Proceeds Categories, Eligibility Criteria and Associated KPIs⁴

Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> • Clean water and wastewater treatment projects 	<ul style="list-style-type: none"> • Water network leakage (in %) • Number of discharges with no treatment or preliminary treatment only
Clean Transportation	<ul style="list-style-type: none"> • Public transportation initiatives, low-emission vehicles incentives and infrastructure, and alternative fuels • Public programmes incentivizing modal shift away from private car use 	<ul style="list-style-type: none"> • Number of public transport passenger journeys • Number of electric vehicle purchase grants • Number of electric vehicle charger grants
Environmentally Sustainable Management of Living Natural Resources & Land Use	<ul style="list-style-type: none"> • Grants, subsidies and support schemes designed to reduce agricultural environmental impacts • Afforestation, restoration and conservation programmes 	<ul style="list-style-type: none"> • Number of hectares of forest planted • Number of peatland areas restored

¹ NTMA, “Irish Sovereign Green Bond Framework”, at: <https://www.ntma.ie/uploads/general/Irish-Sovereign-Green-Bond-Framework.pdf>

² “Irish Sovereign Green Bond Framework Second-Party Opinion”, at: <https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/published-projects/project/ireland/ireland-sovereign-green-bond-second-party-opinion/ireland-green-bond-spo-pdf>

³ Sustainalytics’ Annual Reviews on the Irish Sovereign Green Bond Framework are available at Sustainalytics’ website at: <https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/published-projects>

⁴ Sustainalytics notes that the criteria as laid out in the Framework only illustrate examples of projects and expenditures that can be financed through bonds issued under the Framework; they don’t represent an exhaustive list of eligible projects. The decision as to which projects and expenditures are mapped to each category and their respective eligibility is, as per Framework, at the discretion of the Green Bond Working Group.

Renewable Energy	<ul style="list-style-type: none"> • Support schemes for renewable heat use and energy storage • Research and development for the commercialization of renewable energy technologies 	<ul style="list-style-type: none"> • Number of companies (including public sector organizations) benefitting from SEAI Research & Innovation programmes as lead, partner or active collaborators • Number of SEAI Research & Innovation awards benefitting research institutions
Built Environment/ Energy Efficiency	<ul style="list-style-type: none"> • Support schemes for residential energy efficiency programmes (including heating, retrofit, insulation) • Support schemes for energy efficiency programmes for the commercial, public and industrial sector 	<ul style="list-style-type: none"> • Carbon dioxide reductions (in tonnes)
Climate Change Adaptation	<ul style="list-style-type: none"> • Flood relief and other risk mitigation programmes 	<ul style="list-style-type: none"> • Flood defences

Issuer’s Responsibility

Ireland is responsible for providing accurate information and documentation relating to the details of the funded projects, including description of projects, amounts allocated and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from Ireland’s green bond. The work undertaken as part of this engagement included collection of documentation from Ireland and review of said documentation to assess conformance with the Framework.

Sustainalytics relied on the information and the facts presented by Ireland. Sustainalytics is not responsible nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by Ireland.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

Conclusion

Based on the limited assurance procedures conducted,⁵ nothing has come to Sustainalytics’ attention that causes us to believe that, in all material respects, the reviewed projects and expenditures do not conform with the use of proceeds criteria and reporting commitments in the Framework. NTMA has disclosed to Sustainalytics that the proceeds from the Irish Sovereign Green Bonds were fully allocated as of June 2023.

⁵ Sustainalytics’ limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impact, which were provided by the Issuer. The Issuer is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Detailed Findings

Table 2: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects and expenditures which received allocations in 2022 to determine if they aligned with the use of proceeds criteria outlined in the Framework and above in Table 1.	All projects and expenditures reviewed complied with the use of proceeds criteria.	None
Reporting Criteria	Verification of the projects and expenditures funded by the ISGB to determine if impact was reported in line with the KPIs outlined in the Framework and above in Table 1. For a list of KPIs reported, please refer to Appendix 2.	All projects and expenditure reviewed reported on at least one KPI per use of proceeds category.	None

Appendices

Appendix 1: Allocation Reporting by Use of Proceeds Criteria

Since October 2018, a total of approximately EUR 10.8 billion has been raised via two ISGBs maturing in 2031 and 2043. As of 30 June 2023, the proceeds raised have been fully allocated. The total allocation is detailed in the following tables.

Table 3: Proceeds raised and allocation timeline as of 30 June 2023

Year	Amount in EUR millions ⁶						
	2017/2018	2019	2020	2021	2022	2023	Total
Starting balance	0	1,034	1,318	198	0	0	-
Proceeds raised through ISGBs	2,983	2,252	1,269	839	0	3,444	10,788
Allocations to eligible projects and expenditures	1,949	1,969	2,389	1,036	0	3,444 ⁷	10,788
End year balance	1,034	1,318	198	0	0	N/A	-

Table 4: Allocation of proceeds by category for year ending 31 December 2022⁸

Use of Proceeds Category	Name of Project	Eligible green projects and expenditures in 2022	Allocated proceeds in 2022
		Amount in EUR thousands	
Built Environment/ Energy Efficiency	Estate regeneration/ social housing improvement	64,142.0	43,214.0
	Non-residential energy efficiency programmes	43,676.0	29,425.6
	SEAI admin and general expenses	19,509.0	13,143.7
	Limerick Regeneration Thermal Upgrade Programme	3,012.7	2,029.8
	Total	130,339.7	87,813.0
Clean Transportation	Public transport investment	688,998.0	464,194.3
	Public service provision payments	618,987.0	417,026.2
	Active travel infrastructure	309,110.0	208,254.7
	Carbon reduction	80,832.0	54,458.4
	Greenways	42,848.0	28,867.7

⁶ Rounded to nearest million.

⁷ Sustainalytics notes that proceeds from the January 2023 issuance have retrospectively been allocated to projects and expenditures of the budget years 2021 and 2022.

⁸ For a detailed report on the allocation of projects, please refer to the Irish Sovereign Green Bond Allocation Report 2022, available at: <https://www.ntma.ie/publications/irish-sovereign-green-bond-isgb-allocation-report>

	Low emission vehicle incentivization	18,800.0	12,666.0
	Total	1,759,575.0	1,185,467.3
Climate Change Adaptation	Flood risk management (Office of Public Works)	54,670.0	36,832.5
	Climate initiatives	9,776.4	6,586.6
	Total	64,446.4	43,419.1
Environmentally Sustainable Management of Living Natural Resources & Land Use	Forestry and bioenergy	74,086.0	49,913.5
	Environmental Protection Agency – administrative expenses	41,600.0	28,026.9
	National Heritage The National Parks & Wildlife Service	31,592.0	21,284.3
	Waste management programmes	21,323.0	14,365.8
	International climate change commitments	16,045.0	10,809.9
	Environmental and climate research	13,536.0	9,119.5
	Peatlands restoration and management	4,094.0	2,758.2
	Total	202,276.0	136,278.1
Renewable Energy	Energy research programmes	9,450.0	6,366.7
	Total	9,450.0	6,366.7
Sustainable Water and Wastewater Management	Capital expenditures provided to Irish water for domestic services	717,000.0	483,059.9
	Rural water programme	54,521.0	36,732.1
	Total	771,521.0	519,792.0
Total		2,937,608.2	1,979,136.1⁹

⁹ This is the total allocation of proceeds in 2022. The ISGB Working Group has allocated the remainder from the January 2023 issuance, which raised EUR 3,444 million, retrospectively to eligible projects and expenditures from 2021 (EUR 1,465 million).

Appendix 2: Reported Impact by Eligibility Criteria

Table 5: Impact reporting for proceeds¹⁰

Use of Proceeds Category	Key Performance Indicators	Value (year end 2021) ¹¹
Built Environment/ Energy efficiency¹²	Annual energy savings (in GWh)	458.2
	Annual GHG emissions reduced/avoided in tonnes of CO ₂ equivalent (in ktCO ₂ e)	44.7
	Number of homes renovated	17,187
Clean Transportation	Number of new grant-aided electric vehicle purchases	13,135
	Number of grant-aided small public service vehicles (taxi/hackney/limousine)	689
	Number of vehicles registered: Electric Vehicle Toll Incentive Scheme	19,196
	Number of grant-aided electric vehicle home charging points installed (including chargers in multi-unit developments from 2020)	8,379
	Passenger journeys (Million)	139.8
	Annual operated vehicle kilometres (millions)	112.7
	Annual operated vehicle seat kilometres (millions)	13,210.4
	Number of new coaches and buses delivered for national PSO fleets	293
	Length of regional and national greenways constructed (km)	70
Climate Change Adaptation	Number of properties protected on completion	8,296
	Damages/losses avoided on completion (in EUR million)	728
Environmentally Sustainable Management of Living Natural Resources and Land Use	Afforestation (hectares of broadleaf planted)	829
	Afforestation (hectares of conifers planted)	1,187
	Number of reports published	34
	Number of visits to urban wastewater sites	212
	Environmental licenses issued (permits, authorizations and licenses)	687
	Number of reports published (International Climate Change Commitments)	1
	Number of landfill sites remediated	62
	Number of diesel laundering sites cleaned up	3
	Number of reports published (Climate Initiatives)	23
	Number of species held by the National Biodiversity Data Centre	16,911
	Number of NPWS farm plan schemes	178
	Land area conserved/restored (hectares)	460

¹⁰ For a detailed report on the Impact of projects funded, please refer to the Irish Sovereign Eligible Green Projects Impact Report 2021, at: <https://www.ntma.ie/publications/irish-sovereign-green-bond-isgb-allocation-report>

¹¹ The Issuer has disclosed to Sustainalytics that the impact figures recorded are as of end of year 2021 since impact data is provided on a lagged basis and, as such, the 2022 impact data will be reported in 2024.

¹² Impact for Built Environment and Energy Efficiency projects has been combined for each KPI.

Renewable Energy	Number of companies (including public sector organisations) benefitting from SEAI Research & Innovation programmes as lead, partner or active collaborators	143
	Number of SEAI Research & Innovation awards benefitting research institutions	48
Sustainable Water and Wastewater Management	Total number of private wells (new and upgraded)	2,913
	Total number of septic tanks (upgraded)	164
	Water savings (million litres of water per day)	222.08
	New and upgraded water treatment plants	12
	Length of water main laid – new and rehabilitated (km total)	202
	New and upgraded wastewater treatment plants	8
	Length of sewer laid-new and rehabilitated (km total)	26

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