

Government of Ireland

Type of Engagement: Annual Review

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Introduction

In 2018, the Government of Ireland (Ireland) issued green bonds aimed at financing projects which promote Ireland’s transition to a low carbon, climate-resilient and environmentally sustainable economy. In 2020, Ireland engaged Sustainalytics to review the projects funded through the issued green bonds and provide an assessment as to whether the projects met the Use of Proceeds criteria and the Reporting commitments outlined in the Irish Sovereign Green Bonds Framework.

Evaluation Criteria

Sustainalytics evaluated the projects and assets funded in 2018 and 2019 based on whether the projects and programmes:

1. Met the Use of Proceeds and Eligibility Criteria outlined in the Irish Sovereign Green Bonds Framework; and
2. Reported on at least one of the Key Performance Indicators (KPIs) for each Use of Proceeds criteria outlined in the Irish Sovereign Green Bonds Framework.

Table 1 lists the Use of Proceeds, Eligibility Criteria, and associated KPIs while Table 2 lists the Detailed Findings.

Table 1: Use of Proceeds, Eligibility Criteria, and associated KPIs

Use of Proceeds	Eligibility Criteria	Key Performance Indicators
Built Environment / Energy efficiency	Support schemes for residential energy efficiency programmes (including heating, retrofit, insulation).	Annual energy savings (GWh)
		Annual GHG emissions reduced/avoided in tonnes of CO ₂ equivalent (ktCO ₂ e)
	Support schemes for energy efficiency programmes for the commercial, public and industrial sector.	Number of homes renovated
		Number of people benefited from grants
Clean Transportation	Public transportation initiatives, low emission vehicles incentives and infrastructure, and alternative fuels.	Number of public transport passenger journeys
		Additional km of cycling infrastructure completed / improved (km)
	Public programmes incentivizing modal shift away from private car use.	Take-up of Grant Schemes/ Tax foregone provided (Number of vehicles)
		No. of Properties Protected on Completion

Climate Change Adaptation	Flood relief and other risk mitigation programmes.	Damages/Losses Avoided on completion (Million)
Environmentally Sustainable Management of Living Natural Resources and Land Use	Grants, subsidies, and support schemes designed to reduce agricultural environmental impacts. Afforestation, restoration and conservation programmes.	Number of hectares of forest planted
		Number of peatland areas restored
Renewable Energy	Support schemes for renewable heat use and energy storage. Research and development for the commercialization of renewable energy technologies.	Number of companies (including public sector organisations) benefitting from SEAI Research & Innovation programmes as lead, partner or active collaborators
		Number of SEAI Research & Innovation awards benefitting research institutions
Sustainable Water and Wastewater Management	Clean water and wastewater treatment projects.	Water savings (million litres of water per day)
		New and upgraded water treatment plants
		Length of water main laid (km total)
		New and upgraded wastewater treatment plants
		Length of sewer laid (km total)

Issuing Entity’s Responsibility

Ireland is responsible for providing accurate information and 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.

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of Ireland’s Green Bond Use of Proceeds. The work undertaken as part of this engagement included collection of documentation from Ireland employees and review of documentation to confirm the conformance with the Irish Sovereign Green Bonds Framework.

Sustainalytics has relied on the information and the facts presented by Ireland with respect to the Nominated Projects. Sustainalytics is not responsible nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct 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 over the assessment of the review.

Conclusion

Based on the limited assurance procedures conducted,¹ nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed bond projects, funded through proceeds of Ireland's Green Bonds, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the Irish Sovereign Green Bonds Framework.

Detailed Findings

Table 2: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded by the green bond in 2019 to determine if projects aligned with the Use of Proceeds Criteria outlined in the Irish Sovereign Green Bonds Framework and above in Table 1.	All projects reviewed complied with the Use of Proceeds criteria.	None
Reporting Criteria	Verification of the projects funded by the green bond in 2017 & 2018 to determine if impact of projects was reported in line with the KPIs outlined in the Irish Sovereign Green Bonds Framework and above in Table 1. For a list of KPIs reported please refer to Appendix 1.	All projects reviewed reported on at least one KPI per Use of Proceeds criteria.	None

¹ 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.

Appendices

Appendix 1: Impact Reporting by Eligibility Criteria

Use of Proceeds Category	Environmental Impact Reported by Eligibility Criteria
Built Environment / Energy Efficiency	Annual energy savings (GWh) reported as 479.12 in 2017 and 621.06 in 2018
	Annual GHG emissions reduced/avoided in tonnes of CO ₂ equivalent (ktCO ₂ e) reported as 117 in 2017 and 150.5 in 2018
	Number of homes renovated reported as 56,475 (2017 and 2018)
	Number of people who benefited from grants reported as 46,171 (2017 and 2018)
Clean Transportation	Number of public transport passenger journeys (Million) reported as 252.5 in 2017 and 268.66 in 2018
	Additional km of cycling infrastructure completed / improved (km) from 2017-2018 reported as 60.6
	Take-up of Grant Schemes/ Tax foregone provided (Number of vehicles) from 2017-2018 reported as 28,674
Climate Change Adaptation	Number of Properties Protected on completion reported as 7,403 (2017 and 2018)
	Number of Damages/Losses Avoided on completion (Million) reported as € 658 (2017 and 2018)
Sustainable Agriculture and Sustainable Management of Living Natural Resources	Number of hectares of forests planted from 2017-2018 reported as 9,561
	Number of hectares of peatlands restored in 2018 reported as 203
Renewable Energy	Number of companies (including public sector organisations) benefitting from SEAI Research & Innovation programmes as lead, partner or active collaborators reported as 104 (2017 and 2018)
	Number of SEAI Research & Innovation awards benefitting research institutions reported as 63 (2017 & 2018)
Sustainable Water and Wastewater Management	Water savings (million litres of water per day) reported as 101.6 (2017 and 2018)
	New and upgraded water treatment plants reported as 15 (2017 and 2018)
	New and upgraded wastewater treatment plants reported as 25 (2017 and 2018)

	Length of water main laid (km total) reported as 654 (2017 and 2018)
	Length of sewer laid (km total) reported as 94 (2017 and 2018)

Appendix 2: Allocation reporting

This is the second annual allocation report issued in accordance with the Irish Sovereign Green Bonds (“ISGB”) Framework.

EUR €1,96 million was allocated to eligible green projects from the proceeds on hand of EUR €3,29 million at the end of 2019. The remaining proceeds of EUR €1,32 million will be available for allocation in 2020. The table below sets out the timeline of the proceeds raised and allocated.

Table – Timeline of the ISGB proceeds raised and allocated

	<u>EUR €</u>
Total Proceeds from Irish Sovereign Green Bond inaugural syndicated sale October 2018	2,983,410,000
Amount available for allocation as at year end 2018	2,983,410,000
Allocated Proceeds 31st December 2018	-1,949,048,618
Unallocated Proceeds 1st January 2019	1,034,361,382
Total Proceeds from Irish Sovereign Green Bond syndicated tap sale October 2019	2,258,380,000
Amount available for allocation as at year end 2019	3,292,741,382
Allocated Proceeds 31st December 2019	-1,969,037,000
Unallocated Proceeds 1st January 2020	1,323,704,382

Some EUR €23.9 million of additional expenditure in eligible green categories highlighted in the 2018 Appropriation Accounts, is carried into the allocations to 2019. These adjustments, shown in the 2019 Allocation Table are a normal part of the government accounts process and are not considered to be significant by the ISGB Working Group.

The Impact Indicators for 2019 will be reported in 2021.

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Sustainalytics

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