

Government of Ireland

Type of Engagement: Annual Review

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Introduction

In October 2018, the Government of Ireland (the “Country”) issued the Irish Sovereign Green Bonds (ISGBs) aimed at financing or refinancing projects aimed at promoting Ireland’s transition to a low-carbon, climate-resilient and environmentally sustainable economy. In 2022, the Government of Ireland engaged Sustainalytics to review the projects financed with proceeds from the Irish Sovereign Green Bonds and to provide an assessment as to whether the project met the use of proceeds criteria and the reporting commitments outlined in the Irish Sovereign Green Bond Framework (the “Framework”).¹ Sustainalytics provided a second-party opinion on the Framework in August 2018.²

Evaluation Criteria

Sustainalytics evaluated the projects and assets which received allocations in 2020 and 2021 based on whether the projects and programmes:

1. Met the use of proceeds and eligibility criteria of the Irish Sovereign Green Bond Framework;
2. Reported on at least one key performance indicator (KPI) for each use of proceeds criteria of the Irish Sovereign Green Bond Framework.

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

Use of Proceeds	Eligibility Criteria	KPI examples
Built Environment/ Energy Efficiency	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 (tonnes)
Clean Transportation	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
Climate Change Adaptation	Flood relief and other risk mitigation programmes	<ul style="list-style-type: none"> • Flood defences
Environmentally Sustainable Management of Living Natural Resources & Land Use	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 <ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Number of companies (including public sector organizations) benefitting from SEAI Research & Innovation programmes as

¹ The Irish Sovereign Green Bond Framework is available at: <https://www.ntma.ie/uploads/general/Irish-Sovereign-Green-Bond-Framework.pdf>

² Sustainalytics’ 2018 second-party opinion on the Irish Sovereign Green Bond Framework is available at Sustainalytics’ website at: https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/ireland-green-bond-spo.pdf?sfvrsn=58035410_3

		lead, partner or active collaborators <ul style="list-style-type: none"> • Number of SEAI Research & Innovation awards benefitting research institutions
Sustainable Water and Wastewater Management	Clean water and wastewater treatment projects	<ul style="list-style-type: none"> • Water network leakage % • Number of discharges with no treatment or preliminary treatment only

Issuing Entity’s Responsibility

The Government of Ireland is responsible for providing accurate information and documentation relating to the details of the projects that have been funded, including description of projects, amounts allocated 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 the Government of Ireland’s Irish Sovereign Green Bonds’ use of proceeds. The work undertaken as part of this engagement included collection of documentation from Government of Ireland employees and review of documentation to verify conformance with the Irish Sovereign Green Bond Framework.

Sustainalytics has relied on the information and the facts presented by the Government of Ireland with respect to the funded projects. Sustainalytics is not responsible nor shall it be held liable if any of the opinions, findings or conclusions herein are not correct due to incorrect or incomplete data provided by the Government of 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,³ nothing has come to Sustainalytics’ attention that causes us to believe that, in all material respects, the projects funded with proceeds from the Government of Ireland’s Irish Sovereign Green Bonds are not in conformance with the use of proceeds and reporting criteria outlined in the Irish Sovereign Green Bond Framework. The Government of Ireland has disclosed to Sustainalytics that the proceeds from the Irish Sovereign Green Bonds were fully allocated as of December 2021.

³ 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 which received allocations in 2021 to determine if projects aligned with the use of proceeds criteria outlined in the Irish Sovereign Green Bond 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 2020 to determine if impact of projects was reported in line with the KPIs outlined in the Irish Sovereign Green Bond Framework and above in Table 1. For a list of KPIs reported, please refer to Appendix 2.	All projects reviewed reported on at least one KPI per use of proceeds criteria.	None

Appendices

Appendix 1: Allocation Reporting by Eligibility Criteria

This is the fourth annual allocation report issued in accordance with the Framework. Since the launch of the ISGBs in October 2018, a total of EUR 7,343.6 million has been allocated. In 2021, EUR 1,036.4 million was allocated to eligible green projects from ISGB proceeds, which includes EUR 838.8 million from the sale of ISGBs and EUR 197.5 million allocated to eligible green projects from the proceeds on hand as of the end of 2020. The total allocation is detailed in the following tables.

Table 3: Proceeds raised (EUR) and allocation timeline

Year	2017/2018	2019	2020	2021
Starting balance	-	1,034,361,382	1,317,704,382	197,572,652
Proceeds from the sales of ISGBs	2,983,410,000	2,252,380,000	1,268,980,270	838,844,500
Allocations to the eligible green projects	1,949,048,618	1,969,037,000	2,389,112,000	1,036,417,152
End year balance	1,034,361,382	1,317,704,382	197,572,652	-

Table 4: Allocation of proceeds by category

UoP category	Name of Project ⁴	Proceeds allocation by end of 2021 (in EUR thousands)	Total proceeds allocated to each category (in EUR thousands)
Built Environment/ Energy Efficiency	Sustainable Energy Programs	7,651.6	23,916.6
	Energy Efficiency-Retrofitting	9,008.0	
	Sustainable Energy Authority of Ireland (SEAI) Admin and General Expenses	6,669.9	
	Limerick Regeneration Thermal Upgrade program	587.1	
Clean Transportation	Low Emission Vehicle Incentivization	7,188.6	638,446.5
	Active Travel Infrastructure/ Greenways/ Public Transport Investment	363,154.8	
	Public Service Provision Payments	234,910.1	
	Carbon Reduction	33,192.9	

⁴ For a detailed report on the allocation of projects, please refer to the Irish Sovereign Green Bond Allocation Report 2021, available at: <https://www.ntma.ie/publications/ntma-irish-sovereign-green-bond-allocation-report-2021>

Climate Change Adaptation	Flood risk management	23,064.2	23,064.2
Environmentally Sustainable Management of Living Natural Resources & Land Use	Forestry and Bioenergy	28,824.2	78,602.7
	Environmental protection Agency-Administrative Expenses	20,278.6	
	National Heritage (NPWS)	10,688.9	
	Waste Management Programmes and Landfill remediation	8,827.7	
	International Climate Change Commitments	5,374.9	
	Peatlands restoration and Management	2,274.7	
	Climate Initiatives	2,333.8	
Renewable Energy	Energy Research Programmes	4,291.6	4,291.6
Sustainable Water and Wastewater Management	Capital Expenditures provided to Irish Water for domestic services	248,184.5	268,095.6
	Rural Water Program	19,911.1	
Total		1,036,417.2	1,036,417.2

Appendix 2: Impact Reporting by Eligibility Criteria

Use of Proceeds Category	Key Performance Indicators ⁵	Reported Impact (Year End 2020) ⁶
Built Environment / Energy efficiency	Annual energy savings (in GWh)	156
	Annual GHG emissions reduced/avoided in tonnes of CO ₂ equivalent (in ktCO ₂ e)	39
	Number of homes renovated	19,086
	Number of people who benefited from grants	25,982
Clean Transportation	Number of public transport passenger journeys (in million)	137.7
	Additional km of cycling infrastructure completed or improved (in km)	72
	Number of vehicles sold under the Low Emissions Incentivization	16,107
	Additional km of greenway projects funded for feasibility/detailed design/environmental screening (in km)	10
	Take-up of Grant Schemes – SPSV (number of grants issued)	20
	Take-up of Grant Schemes – EV toll incentive (number of transactions)	559,682
Climate Change Adaptation	No. 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	Number of hectares of forest planted	2,434
	Visits to urban wastewater sites	127
	Number of reports published	54
	Number of landfill sites remediated	1
	Environmental licenses issued	200
	Number of diesel laundering sites cleaned up	53
	Number of species held by the National Biodiversity Data Centre	16,500
	Number of NPWS farm plan schemes	69
Renewable Energy	Number of companies benefitting from SEAI Research	19
	Number of SEAI Research & Innovation awards benefitting research institutions	11
Sustainable Water and Wastewater Management	Water savings (in million litres of water per day)	227.6
	Total no. of private wells (new and upgraded)	1,921
	Total no. of septic tanks (upgraded)	112
	New and upgraded water treatment plants	5
	Length of water mains laid (total km)	178

⁵ For a detailed report on the Impact of projects funded, please refer to the Irish Sovereign Eligible Green Projects Impact Report 2020, available at: <https://www.ntma.ie/publications/ntma-irish-sovereign-green-bond-eligible-green-projects-impact-report-2020>

⁶ The Government of Ireland has disclosed to Sustainalytics that the impact recorded is as of end of year 2020 since Irish impact data is provided on a lagged basis and as such the 2021 impact data will be reported on in 2023.

	New and upgraded wastewater treatment plants	7
	Length of sewer laid (total km)	42

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