

# Government of Ireland

**Type of Engagement:** Annual Review

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## Introduction

In 2018, the Government of Ireland issued a green bond (the “Irish Sovereign Green Bonds”) aimed at financing projects which promote Ireland’s transition to a low carbon, climate-resilient and environmentally sustainable economy. In 2021, 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 Bonds Framework.

## Evaluation Criteria

Sustainalytics evaluated the projects, which received allocations in 2019 and 2020, based on whether the projects and programmes:

1. Met the Use of Proceeds and Eligibility Criteria outlined in the Irish Sovereign Green Bond 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 Bond Framework.

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

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

Use of Proceeds	Eligibility Criteria	Key Performance Indicators
<b>Built Environment / Energy efficiency</b>	Support schemes for residential energy efficiency programmes (including heating, retrofit, insulation).	Annual energy savings (GWh)
		Annual GHG emissions reduced/avoided in tonnes of CO <sub>2</sub> equivalent (ktCO <sub>2</sub> e)
	Support schemes for energy efficiency programmes for the commercial, public and industrial sector.	Number of homes renovated
		Number of people benefited from grants
<b>Clean Transportation</b>	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)
<b>Climate Change Adaptation</b>	Flood relief and other risk mitigation programmes.	No. of Properties Protected on Completion
		Damages/Losses Avoided on completion (Million)
<b>Environmentally Sustainable Management of Living Natural Resources and Land Use</b>	Grants, subsidies, and support schemes designed to reduce agricultural environmental impacts.	Number of hectares of forest planted
		Number of peatland areas restored
	Afforestation, restoration and	

	conservation programmes.	
<b>Renewable Energy</b>	Support schemes for renewable heat use and energy storage.	Number of companies (including public sector organisations) benefitting from SEAI Research & Innovation programmes as lead, partner or active collaborators
	Research and development for the commercialization of renewable energy technologies.	Number of SEAI Research & Innovation awards benefitting research institutions
<b>Sustainable Water and Wastewater Management</b>	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

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 Irish Sovereign Green Bonds' Use of Proceeds. The work undertaken as part of this engagement included the collection of documentation from Ireland and a review of documentation to confirm the conformance with the Irish Sovereign Green Bond Framework.

Sustainalytics has relied on the information and the facts presented by Ireland with respect to the Eligible Green 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,<sup>1</sup> nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed bond projects, funded through proceeds of the Government of Ireland's green bond, is not in conformance with the Use of Proceeds and Reporting Criteria outlined in the Irish Sovereign Green Bond Framework.

<sup>1</sup> 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 3: Detailed Findings**

<b>Eligibility Criteria</b>	<b>Procedure Performed</b>	<b>Factual Findings</b>	<b>Error or Exceptions Identified</b>
<b>Use of Proceeds Criteria</b>	Verification of the projects which received allocations in 2020 to determine if projects aligned with the Use of Proceeds Criteria outlined in the Irish Sovereign Green Bond and above in Table 1.	All projects reviewed complied with the Use of Proceeds criteria.	None
<b>Reporting Criteria</b>	Verification of the projects funded by the green bond in 2019 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 1.	All projects reviewed reported on at least one KPI per Use of Proceeds criteria.	None

## Appendices

### Appendix 1: Impact Reporting by Eligibility Criteria of projects funded in 2019

Use of Proceeds	Key Performance Indicators	Reported amount
<b>Built Environment / Energy efficiency</b>	Annual energy savings (GWh)	621 gWh/year
	Annual GHG emissions reduced/avoided in tonnes of CO <sub>2</sub> equivalent (ktCO <sub>2</sub> e)	130 ktCO <sub>2</sub> e/year
	Number of homes renovated	24,777
<b>Clean Transportation</b>	Number of public transport passenger journeys	294.6 million
	Additional km of cycling infrastructure completed / improved (km)	18 km
	Number of vehicles sold under the Low Emissions Incentivization	24,122
<b>Climate Change Adaptation</b>	Flood Risk Management: No. of Properties Protected on Completion	6,685
	Flood Risk Management: Damages/Losses Avoided on completion (Million)	EUR 571 million
<b>Environmentally Sustainable Management of Living Natural Resources and Land Use</b>	Number of hectares of forest planted	3,550
	Number of peatland areas restored/conserved	62
<b>Renewable Energy</b>	Number of companies benefitting from SEAI Research	36
	Number of SEAI Research & Innovation awards benefitting research institutions	46
<b>Sustainable Water and Wastewater Management</b>	Water savings (million litres of water per day)	160 million/day
	New and upgraded water treatment plants	4
	Length of water main laid (km total)	393 km
	New and upgraded wastewater treatment plants	10
	Length of sewer laid (km total)	69 km

## Appendix 2: Allocation Reporting

This is the third annual allocation report issued in accordance with the Irish Sovereign Green Bonds Framework. EUR €2,389.1 million was allocated to eligible green projects from the proceeds on hand of EUR €2,586.7 million as of the end of 2020. The remaining proceeds of EUR €198 million will be available for allocation in 2021. The table below sets out the timeline of the proceeds raised and allocated.

**Table 4 – Timeline of the Irish Sovereign Green Bonds Framework proceeds raised and allocation timeline**

	2018	2019	2020
<b>Starting balance</b>		1,034,361,382	1,317,704,382
<b>Proceeds from sales of ISGBs</b>	2,983,410,000	2,252,380,000*	1,268,980,270
<b>Proceeds for Allocation</b>	2,983,410,000	3,286,741,382	2,586,684,652
<b>Allocations to eligible green projects</b>	(1,949,048,618)	(1,969,037,000)	(2,389,112,000)
<b>End-year balance</b>	1,034,361,382	1,317,704,382*	197,572,652

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