



Environmental Pillar
OF SOCIAL PARTNERSHIP

Proposals for the 2012 Budget



A Sustainable Future for Ireland

Environmental Pillar proposals for placing the 2012 Budget
in the context of Sustainable Development

31st Oct 2011

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“Economic decisions should only be taken when they have been placed in their environmental context”

Angel Gurría Secretary-General OECD¹

1. Summary

The Environmental Pillar, which is a coalition of 27 national environmental NGOs, was established as a National Social Partner by Government in April 2009. In making this submission to Government it recognises that the public are reeling from the shock of the economic and fiscal crises. However it urges the Government to realise that Ireland actually faces two major and interlinked crises, firstly an environmental one and secondly an economic one. Whilst it is clear that a very serious economic crisis is upon us, with sadly many thousands of people unemployed, the consequences of rapid climate change and general environmental degradation are likely to be far worse, and without better decision-making now, major long term costs will be incurred.

It is essential then that in dealing with the economic crisis the government applies the principles of sustainable development as described in Agenda 21 in all its decision-making. No decision should be made without first assessing the environmental consequences of that action. This should be done using the processes of Strategic Environmental Assessment laid down in the EU Directive 2001/42/EC even where it is not required under the Directive, or using the Regulatory Impact Analysis processes. Whichever route is taken it should be a participatory process as provided for in the Aarhus Convention.

This submission recommends ways of broadening the tax base and using the limited financial resources in a way that focuses on long term sustainability, whilst creating employment and stimulating the economy in the short term.

Our economy needs to focus strongly on creating resilience to the outside forces of global change. In this context our government structures must support sustainable management of our natural resources to strengthen food and energy security, to mitigate the impacts of climate change and to ensure ‘eco-system services’ that provide public benefit are not further degraded. Fundamental to this is the need to employ for example land use grants to promote carbon sequestration, sustainable forestry and farming, flood mitigation and indigenous food production. Protecting our terrestrial and marine natural infrastructure is a legal requirement, and ensuring our ‘natural capital’ is in a position to provide multiple public benefits should be high in prioritising spending and as well as in policy development. In fulfilling this

¹ Speaking at the Launch of the “OECD Environmental Performance Reviews- Ireland – Conclusions and Recommendations”, in Trinity College, Dublin 4th November, 2009

requirement jobs will be created, imports reduced, energy saved, and the economy strengthened for both the long and short term.

It is the position of the Environmental Pillar that as decisions are made by government on the provisions for the Budget each decision must take into account the issues of sustainability alluded to above and described in more detail in the body of the submission.

This submission was developed using the Environmental Pillar processes but is not necessarily the policy of each member group in the pillar.

“The belief that private financial markets can solve all our problems is the witchcraft of our age.”

“The bill for ignoring nature’s services may not be affordable if we don’t start paying now” – stated ‘total capitalist’ and environmentalist Pavan Sukhdev, (August 2011) a leading figure in the formulation of Deutsche Bank’s global markets strategy in Asia from the 1990s.

2. Introduction

The Environmental Pillar recognises the great difficulties facing the Government in developing this budget and urges the Government to think globally and long term as well as locally and short term. It is the Environmental Pillar position that there are two crises facing the country, one the economic and the other the environmental. In considering one it is essential to include the other.

All financial decisions need to take into account that over many millennia our society grew out of the environmental context on which it is entirely reliant, and that our financial system grew out of and should be subservient to our whole society. Further, it is the environmental services that provide the essentials for human society in the form of clean water, good soils, clean air, a stable atmosphere, and a thriving biodiversity, and it is the uncontrolled exploitation and degradation of these services that has created this overriding environmental crisis that we all now face. The framing of the Budget should reflect the wisdom of the multi-faceted analysis that led to the formulation of the model of Agenda 21 in 1992².

Taking this into account it is essential that in the context of the rapidly accelerating environmental crises, caused in major part by anthropogenic climate change, none of the provisions of the Budget are acted upon without a proper Strategic Environmental Assessment (SEA),³ or full Regulatory Impact Analysis⁴ being carried out on each of the relevant provisions.

It is important that, in any form of crisis management, decision-making does not lose sight of longer term goals or undermine the basis of a more sustainable future, i.e. one where natural capital is not compromised and where an ecosystem approach is

² Agenda 21 addresses the critical issues we face as a global community: continuing damage to ecosystems, the worsening of poverty, hunger and ill health, increasing world population and illiteracy. Agenda 21 is composed of 40 chapters that identify each challenge and propose simple realistic solutions towards sustainable development which is defined as meeting the needs of the present without compromising the ability of future generations to meet their own needs.

³ As provided for under EU Law, the Aarhus Convention and the Convention on Biodiversity COP 6 Decision VI/7

⁴ http://www.betterregulation.ie/eng/Publications/Revised_RIA_Guidelines.pdf [accessed 18/10/2011]

included in national decision-making including (REF TEEB). This is consistent with the Resource Efficiency Flagship Initiative of the EU 2020 Strategy, and underpins future drivers for a new type of 'growth'.

Ireland's environmental credibility needs to be addressed as a matter of urgency. In addition to avoiding potential fines from the European Court Of Justice due to lack of implementation of basic nature conservation legislation, our budget framework should support measures to proactively address this poor reputation⁵.

⁵ OECD Environmental Performance review November 2009; EU barometer of nature protection; Birdlife International 2010 "Turning point or breaking point for Europe's biodiversity".

3. Context

The near collapse of the world economy and Ireland's particular condition within it present profound and immediate challenges both to the Irish Government and the Irish people. In addition, with our national focus on crisis management we are failing to engage with the near-to-medium term risks of an energy-induced systemic crisis that will dwarf the current economic crisis in both consequences and complexity. In the meantime, the risks associated with climate change are rising, and at the same time our effort to manage those risks is under increasing strain. These are then the two crises facing the government.

This submission attempts to address these looming and overarching risks to our future as a stable society with a functioning economy based on sustainable practice⁶. This requires a deep-rooted understanding that the concept of an unrestricted growth economy is what has got us into this predicament, and only by moving to a sustainable model based on an ecosystem management approach⁷ can we have hope for the future. It is clear that you cannot fix a problem using the very tools that caused the problem in the first place.

3.1. The Fundamentals of a Sustainable Economy

Short term measures to stabilise the economy by perpetuating the current global economic model are failing due to an inherent fault in this model. This can be summarised as follows:

- The current economic model is one in which finance is based on debt and interest payment on this debt.
- Servicing this debt requires a continuous expansion or growth of the economy.
- All economic activity is ultimately based on extraction and manipulation of natural resources for raw materials and energy.
- Since we live on a finite planet with finite resources, infinite growth that surpasses the resources of a finite planet cannot be maintained and it is therefore a matter of 'when' and not 'if' the current model fails. A model based on unrestricted economic growth that relies on the depletion of our natural capital and threatens our ecosystem services⁸ is just not sustainable.

⁶ Sustainable development maintains a delicate balance between the need to improve quality of life and wellbeing on the one hand, whilst preserving the natural resources and ecosystems on which future generations depend.

⁷ An Approach to natural resource management which aims to sustain ecosystems to meet both ecological and human needs into the future.

⁸ The benefits people obtain from ecosystems. These include provisioning services such as food and water; regulating services such as flood and disease control; cultural services such as spiritual, recreational, and cultural benefits; and supporting services such as nutrient cycling that maintain the conditions for life on Earth.

Radical times require radical solutions and the Environmental Pillar urges the Government to place the decisions regarding any implementation of the McCarthy Report into a global systemic perspective.

3.2. Resilience

Our economy needs to focus strongly on creating resilience to outside forces of global change. In this context our government structures must support sustainable management of our natural resources to strengthen food and energy security and mitigate the impacts of climate change. Fundamental to this is the need to employ for example land use grants to promote carbon sequestration, sustainable forestry and farming, flood mitigation and indigenous food production, and integrate protection of natural infrastructure into all policy areas. Investing in the protection of our terrestrial and marine biodiversity is a legal requirement and will help protect public benefits provided by natural infrastructure, will create jobs, reduce imports, save energy, and strengthen the economy for both the long and short term. A resilient natural infrastructure will ensure the protection of public benefits. The environmental objectives of sectoral policy and reform of the Common Agricultural Policy and review of the Common Fisheries Policy as well as the Marine Strategy Framework Directive will also require us to take the protection of natural systems more seriously. In this context the budget framework should be designed in order to make best use of European funding sources and allow multiple public benefits to be achieved through sectoral policy.

3.3. Objectives

This submission proposes measures to be included in the provisions of the Budget in the light of the above. Both short term and long term proposals are presented. Some of them will require a good deal of practical preparation and others much less. The overall objective is to present realistic alternative models to our current disastrous way of running our economy. The development of these models will require the Social Partners working together with Government and the wider society. In some cases the models are not fully formed but are intended to initiate the debate, in others all that is required is the political will to implement them.

3.3.1. Common Purpose

The Pillar recognises that in times of increasing social stress there is need for policy that cultivates social cohesion and common purpose through fairness and transparency. There is an understanding here that whilst economic stability is essential, the development of sustainable communities where people have a good quality of life should be the central aim of the policy.

3.3.2. Security

Any actions taken in the context of the Budget must aim to support human security in all its facets, including environmental, physical and economic. A creative vibrant society needs all these aspects to be protected.

3.3.3. Realism about Ecological Limits

Any actions taken in the context of the Budget must take into account the fact that human welfare, the economy and civilisation, are on the cusp of major change arising from the unsustainable use of environmental resources. The need to take an 'eco-system' approach to natural resource management is a crucial part of addressing this. Without such an approach the 'true cost' to society of particular directions of policy making will not be quantified.

4. Proposed Measures

The measures below are proposed as part of an integrated whole, with crossover checks and balances between the different mechanisms. In order for government to act sensibly it needs to do so in the context of a fully operational National Sustainable Development Strategy⁹ *“with the introduction of targets, indicators and monitoring mechanisms, and assure consistency between it and existing sectoral policy frameworks”* OECD¹⁰. In order for the NSDS to be given the overarching priority that it needs the responsibility for the implementation of this strategy should lie with the Taoiseach. In this context the Government decision to ask the NESC discuss the draft NSDS is a welcome beginning.

4.1. Taxation

In general what is needed is a shift from taxes on income and profits to tax on consumption of natural resources. Where taxes are applied they must be progressive and just. Any new taxation should not be based on cyclical sectors of the economy that leave the exchequer vulnerable. The OECD recommends the phasing out of all environmentally harmful subsidies, and *“the replacement of some current taxes with appropriate environmentally related fiscal measures in the framework of a comprehensive environmental tax reform.”*

The proposals contained here should be seen in the context of the Environmental Pillar response to the McCarthy Report¹¹

4.1.1. Tax and Share

This mechanism involves taxing carbon entering the country, and is taxation neutral dividing the resulting income two ways, a percentage going to each of:

- A flat level dividend to every person in the state
- Investing in the transition to a low carbon economy

This system rewards those that use the least carbon, is largely beneficial to urban dwellers and promotes public transport use. It is easy to administer as there are only a small number of energy importers, as is the distribution of a

⁹ The National Sustainable Development Strategy was due for publication over three years ago. The IEN Submission on this is available at. http://www.ien.ie/wp/wp-content/uploads/2008/02/eengocf_nsds_final.pdf [accessed 10/11/2009]

¹⁰ OECD Environmental Performance Reviews- Ireland – Conclusions and Recommendations, Nov 2009, page 16.

¹¹ <http://www.environmentalpillar.ie/?p=279> [accessed 18/10/2011]

flat rate benefit. This will also help to achieve our climate change goals and reduce any requirements to pay for not meeting our Kyoto targets.

In the longer term as both the use and cost of carbon begin to rise, a national and gradually decreasing cap would be placed on the importation of carbon. This would have the effect of increasing energy efficiencies, promoting alternative energy systems and through the "cap and share"¹² mechanism protecting the fuel poor and rewarding those that reduce their use of fossil fuels.

The sharing of the income from both 'tax and share' and 'cap and share' will enable a buy in of the public to the higher fuel prices that would result. As low carbon users tend to be poorer it is very likely that they will spend the revenue straight back into the economy, thus stimulating economic activity.

4.1.2. Site Value Tax

The introduction of an annual Site Value Tax (SVT) at the earliest opportunity is essential to the long-term well-being and control of our land usage. It is also a revenue resource that is fair, transparent and reliable. It will however require considerable research to set up a register of land ownership, and so would have a lead in time of about one year, given the political will.¹³

The Environmental Pillar fully supports the merging of Ordnance Survey Ireland, the Valuation Office and the Property Registration Authority. This should help speed the development of a proper cadastre and GIS boundary registration system for Ireland. It is important that spatial information gathered over generations is recognized as a common good and not commercialised. Reforms must ensure that up-to-date Ordnance Survey maps, property ownership, market prices and valuation information is publicly available and easily searchable at an affordable cost.

It is worth noticing that the low level of tax on rural residences due to the low level of services provided by Government will compensate for the cost of the introduction of a realistic septic tank charge.

4.1.3. Taxation of Environmental "Bads"

The acceptance of taxation for carbon emissions sets the scene for the introduction of a range of taxation measures that will lead ultimately to serious savings for society and improvements in health and the quality of life, as well as the creation of a revenue stream for government. These should include taxes on:

- All products that cannot be fully and easily recycled.
- Pollutants emitted from industrial facilities and on emissions from mobile

¹² <http://www.feasta.org/documents/energy/Cap-and-Share-May08-summary.htm> [accessed 18/10/2011]

¹³ A cadastre (register of the extent, value and ownership of land) should be immediately developed as required by the UN CSD 16 and the EU INSPIRE Directive. All property should be registered according to fixed GIS locations; all transactions notified to a central resource; inputted into real time land value map to assist market functioning, prevent fraud, planning corruption and establish the basis for annual land value taxes.

- telephone masts. This may reduce long term health costs.
- PVC, polystyrene and plastic in food packaging as these all have serious health implications as endocrine disruptors.
- toxic chemicals, including pesticides and herbicides
- All one-way drinks containers. This would encourage a shift to long-life reusable containers.
- A packaging levy¹⁴. This will be a difficult measure to put in place but one that merits attention at the EU level.
- All food additives that have little or no food value but are known to cause obesity and other medical conditions.
- A super levy on any recyclable waste sent to landfill.
- A levy on all materials sent for incineration¹⁵
- Aviation and dirty marine fuels
- Detergents and household cleaners with greater than 3% phosphate content
- Septic tanks

It is essential that we initiate more stringent polluter pays policies across the whole economy. It will broaden the tax base, help put the public finances on sound footing for the longer term, and begin the process of shifting taxation from goods (such as paid work) to bads (such as resource use and pollution).

Just how much has the 'pig crisis' cost the country in cash and reputation?

4.1.4. Water Service Charges

These are essential to fund the necessary infrastructure work on water services as well as to curtail the levels of wastage. There should be no charge for per-capita consumption below a certain cut-off, and then progressive charging above that level. It costs the taxpayer €650 per year to supply each one of us with potable water¹⁶. This proposal is in line with the recent OECD recommendations.¹⁷ It is estimated that between 40-50% of all drinking water is unaccounted for through leakage and illegal use. This water costs the state €1,000,000,000 per annum to produce. Local Authorities need this money to provide for the present and to prepare for the uncertainties of future water supplies in rapidly changing climatic conditions, and to implement the Water Framework Directive. The flat rate charge being introduced by Minister Hogan should be seen as an interim measure only.

¹⁴ <http://environmentalpillar.ie/files/2011/08/Environmental-Pillar-Submission-on-the-Proposal-to-Introduce-a-Packaging-levy.pdf> [accessed 18/10/2011]

¹⁵ <http://environmentalpillar.ie/2011/09/01/levy-on-incineration-letter-to-minister-hogan/> [accessed 18/10/2011]

¹⁶ Sue Scott. ESRI. Presentation Liberty Hall 10th January 2009.

¹⁷ OECD Environmental Performance Reviews- Ireland – Conclusions and Recommendations, Nov 2009, page 11.

4.1.5. Tax Relief Schemes

Tax relief should only be given for investments that prepare for a low-carbon, low-energy future, and that don't create social inequity. Tax relief on donations to charities should be maintained.

Short-term tax relief should be given for the establishment of new businesses that comply with strict sustainability guidelines.

4.1.6. Motor taxes

Ireland needs to find new, more sustainable sources of taxation. Taxes based on consumption are less damaging to the Irish economy than taxes on income or corporations. While taxes on energy and vehicles make up the bulk of Irish environmental taxes, these rates tend to be comparatively low when compared to other OECD countries. Moreover, between 2007 and 2010, income from VRT on new car sales decreased by €674 million. We propose:

- Replacement of VRT with car charges that are based on car use;
- Restructuring of motor tax to apply to all cars, including those registered before 2008;

4.1.7. Hypothecation of Environmental Taxation Revenue

Revenues from taxation on resource use and environmental bads must be pledged for activities that protect and enhance the environment in the same way that the plastic bag tax and the land fill levies are at present the sources of revenue for the Environment Fund. Apart from the current role of this fund, this taxation should be used to promote activities that build resilience against the impacts of climate change and promote activities that lead to reductions in pollution in general and greenhouse gases in particular. Drinking water is referred to above, but there is also the need to, for example, deal with the problem of some 400,000 septic tanks that are polluting our drinking water supplies. This is a massive and potentially very costly challenge facing the state, and one that if not faced up to will see Ireland facing large fines under both the Water Framework and Groundwater Directives.

4.2. Smart Spending

Smart spending means using limited resources to produce maximum effects, 'more bang for your buck'. To this end it is important to focus on the problems facing the country both short and long term. So for example if cutting jobs in the NPWS for example means that Ireland is taken to the European Court of Justice for not fulfilling its legal commitments, then clearly that is not smart. If however local authorities are able to provide better services by pooling their resources and cutting down on the duplication of management then this is clearly smart. In considering smart spending sustainable development is at the core of the proposals that follow.

4.2.1. Rationalising the Public Services and Semi-State Bodies

There is a clear need for rationalisation of the public services; however there should be no cutting of jobs without the necessary analysis of current structures and operational practice and the future needs of society. The proposal in the programme for government to create regional centres for the provision of local government services in for example planning and environment should be assessed and pursued immediately.

A system of local government based on 6 Regional or City Region authorities primarily responsible for land use and transport with the remit to grant outline planning permissions and zone land for development where necessary should be considered. Full time paid members (approx. 25 in each authority except Dublin which would have 60 members) would be drawn from County Councils and public community organisations.¹⁸

Consolidation of existing agencies must be accompanied by greater transparency and accountability as required by the Aarhus Convention. A Whistle-blowers Charter must be part of the re-organisation outcome.

4.2.1.1. Arts, Heritage and the Gaeltacht

There should be no further reduction in capacity for environmental and ecological expertise - it important that the Biodiversity Unit within the Department is retained along with its support staff.

There are on-going, additional proposed incentives to reduce personnel which will exacerbate existing capacity difficulties within the National Parks and Wildlife (NPWS) in particular. The capacity is already inadequate, as is illustrated by the rulings of the European Court of Justice. The role of the NPWS is crucial in delivering Ireland's commitments regarding the EU Habitats and Birds Directives, and in the wider monitoring and protection of the environment.

¹⁸ More details of these proposals are to accessed in the Pillar Submission on the McCarthy Report. P.16-18
<http://www.environmentalpillar.ie/?p=279> [accessed 18/10/2011]

The NPWS is already under-funded and struggling to fulfil its role and further reductions are therefore to be resisted. The capacity should be built upon, not reduced, particularly given that the organisation has been starved of resources over a 30 year period.

Given the increased emphasis in European directives for ecological or ecosystem approaches (for example the Marine Framework Strategy Directive, Water Framework Directive etc) and possible impending ECJ fines, there is also need for ecological expertise within other departments and competent authorities, via NPWS or provided in-house.

4.2.1.2. Agriculture, Marine and Food

4.2.1.2.1. Forestry

In the light of the proposals regarding forestry in the Programme for Government any proposal to cut capital spending on forestry must be strongly resisted. A very small cut in the road building budget would go a long way to keeping our forestry industry alive, and provide jobs both now and in the future.

Whilst rationalization of agencies and of office locations in this sector, there should be no disposal of land/property holdings owned by the State Agencies.

Coillte lands and forestry could be a huge asset to this country, if managed sustainably and profits reinvested or returned to the state as a dividend, especially in terms of: meeting future domestic timber needs; providing future valuable state carbon stores and sequestration; refuge for a range of protected species; soil stability; ecological connectivity; development/flooding buffer zones; provision of valuable ecosystem services and climate change adaptation; and recreation and amenity. The Environmental Pillar will strongly oppose any attempts to privatise Coillte or its landholdings. The businesses trading under Coillte umbrella are quite a different matter and could be sold as businesses as the case for public ownership is not convincing.

The decision to retain Coillte lands and forestry should be followed by the immediate recommencement of the promised and much needed review of Coillte to compliment and validate the on-going Forestry Review Group report.

An alternative to disposal of Coillte lands would be leasing the state forests to a variety of concessionaires, including individual forest workers, local authorities, community groups and commercial operators and this would open up the sector to competition - with strict covenants on sustainable management, protection and report back. This would also allow for the development of local industries and renewable fuel supplies. Leasing is cheaper for new users of such property than purchasing, and releases more funds for productive capacity, as well as providing the state with a long-term income stream.

The lands would retain current public amenity and access. The terms of the lease would be 'Sustainable Forest Management' (SFM) as agreed between the Forest Service (the regulator) and the various stakeholders. This would require the creation of a new Sustainable Forestry Management Act that reflects the aims of SFM as proposed by the forest principles attached to Rio which was agreed and signed up to by Ireland 1992. The EU Forest Funding is based on these same forest principles. Leasing would generate revenue for the exchequer, set at a rate that covers the cost of lease management plus a return on the underlying land value.

Other possible benefits of there being a diversity of lease holders include:

- Economic: the development of a competitive market for timber supply.

- Social: more micro management, leading to increased rural economic activity.

- Opportunities for younger foresters to 'life cycle' with sites
- Ecological: more structural and species diversity.

- Strengthen the human<>tree-cover bond and culture.

This would need simple supports in training: a one year Tree cover/Forestry Cert similar to the farming Green Cert. In tandem qualified Forest operators need an upgrade to a par with Farmers in relation to grant and premium entitlements and the hiring of casual labour, in order to attract people into the sector and to add to the viability of leasing public lands.

Native tree planting as part of flood prevention and small-scale coppicing of existing woodlands can provide both employment and local fuel resources.

4.2.1.2.2. The Native Woodland Scheme

Both NPWS and Forest Service have responsibility for implementing the Forest Ecosystem Management aspects of the UN CBD. (ref: Ireland Thematic Report on Forest Ecosystems)

Both parties have told the UN that the Native Woodland Scheme (NWS) Measure 1 Conservation is their key instrument for dealing with invasive and non-native species and for reintroducing traditional silvicultural systems, but the scheme is either without or starved of funding. This should be rectified in the budget, in the context of Rio plus 20.

4.2.1.2.3. Agri-Environment

Previous submissions made regarding the loss of funding in this area and proposals for a new agri-environment fund are to be found at: <http://www.environmentalpillar.ie/?p=272> [accessed 18/10/2011] along with submissions regarding the RDP. These submissions are to be seen as an integral part of this submission. The structure of a new scheme, developed in consultation with environmental NGOs that is capable of meeting the varied objectives and challenges of agri-environment schemes is outlined in our previous submission which is a useful starting point for developing this process, to benefit the environment, farmers and rural communities in Ireland.

4.2.1.2.4. Brucellosis

The Environmental Pillar agrees with the McCarthy Report that "the operation of the TB and Brucellosis Eradication Schemes be reviewed for efficiency and effectiveness".

4.2.1.2.5. Anaerobic Digestion

It is very important that regulatory obstacles to new activities bringing green jobs and income be fully justified. For example regulations governing anaerobic digestion in rural areas are seriously unbalanced relative to other EU member states. The regulatory

environment is tailored to large-scale urban-based organic waste facilities, which bring unrecognised negative impacts of their own. Regulations and planning guidelines that foster rural anaerobic digesters, as per Teagasc recommendations, are all that is needed to inject millions of euro of private investment into rural areas. The same issues are preventing the development of appropriate scale rural systems, such as pyrolysis, to process dry organic waste.

4.2.1.2.6. Introduction of GM crops

Introducing GM crops will undermine Ireland's ability for sustainable food production and food sovereignty. There is mounting evidence (becoming overwhelming) of consequent health problems both to humanity and biodiversity/soil which will incur escalating expenditure.

4.2.1.2.7. Marine Employment

In order to allow for compliance with EU requirements it is proposed that observers be placed on most if not all marine fishing vessels. Observers on vessels could mean between 250 and 2,500 (a range of 10% to 100% of vessels) new jobs depending on the scientific capacity needed.

Observers on vessels could also address the obligation to deal with biodiversity data deficits ensuring cross compliance between Biodiversity, Sustainable Fisheries Targets and Elimination of Discards.

Similarly, marine engineers checking fuel pumps would create another 250 jobs. Marine Engineers would address Carbon Foot Print of Fleet and Climate mitigation measures.

Both would address employment objectives or create bridges to future sustainable employment. These measures should be cost neutral when the requirement for data gathering is costed in.

An increase of the Sea:Shore Ratio from 1:1.5 to 1:2.5, under the Special Emergency Employment Scheme outlined below, would create another 2,500 jobs.

4.2.2. Special Emergency Employment Scheme

This scheme is designed to maintain employment, support employers, reduce the numbers of unemployed, keep money in circulation and raise the self-confidence of the public.

This plan could be offered to both existing employers and new start-ups. To register for the scheme an employer must declare how many employees he/she currently has (backed up by PRSI payments records). On condition that he/she agrees to continue to employ the registered number of employees for the duration of the scheme, the employer becomes entitled to employ new special scheme employees (SSEs).

These SSEs receive a pro-rata wage (satisfying trade union standards and watchdogs) which is sourced 50% from Government and 50% from the employer. A cap should be placed on the Government contribution in order to not exceed 75% of average un-employment contribution. This figure is then to be matched by employer and the pro-rata number of hours to be worked to be agreed.

Employer's PRSI arrangements for SSEs would be paid pro-rata.

The scheme is designed to offer an attractive, opportunity for employers to increase their workforces thus reducing numbers on the unemployment register. The scheme should be kept simple and user-friendly, introduced rapidly and reviewed after 18 months.

4.2.3. Jobs Guarantee Scheme

This scheme has the potential to take people off the live register, inject money into the economy, increase tax revenue and dramatically impact on social capital and environmental capital. It is initiated by the issuing of Jobs Bonds to kick start the scheme.

The Jobs Program is a targeted jobs program that offers jobs to the unemployed at a level of pay commensurate with the minimum wage. This allows Irish people access to income streams that will boost their spending power, help them make debt repayments and boost overall domestic demand. The Jobs Program will get the economy back on its feet again, after which the workers in the program can transition back into the private sector.

The 2012 Jobs Program will focus on green jobs in particular. These are not currently undertaken by either the public or the private sector, so if unemployed workers are channelled into this sector there will be no 'crowding out effect'. Green jobs are also important if we are to maintain our national ecological heritage.

4.2.4. Promoting Social Capital

In order to provide opportunities for people who are unemployed, and so that society can avail of the enormous wealth of talent that they possess, there is an urgent need to change the rules regarding those receiving social welfare so that they can engage in activities that both benefit society and at the same time enable

the individual to develop their skill sets and maintain their dignity as productive members of society. To this end, civil society not for profit bodies should be able to engage persons that are unemployed without any impact on that person's social welfare support, and with a bonus sufficient to cover additional costs to the individual. Further the civil society body should receive a nominal weekly payment to cover the costs to them of managing that engagement. This is also one way to *"promote broader participation by NGOs and relevant public organisations in the development and implementation of national and local development policies, programmes and projects."*¹⁹

Volunteering in Ireland is seriously underestimated, undervalued and disincentivised. Volunteerism by those in work or out of work should be encouraged and resourced. The development of community based cooperatives should be strongly supported. The negative impact of VAT on not for profit/community organisations should be removed.

4.2.5. Public Procurement

In Ireland, the total Government and public sector purchasing power is over €10 billion per year, which gives it great leverage to direct and affect the commercial marketplace. Each governmental department, in order to lead the way in sustainable development, should adopt green policies both within the departments and when tendering for commercial contracts. Because the purchasing power of the Irish government is so immense, green public procurement (GPP) can make a tremendous contribution in changing the public and commercial view towards a more sustainable method of production and consumption. Currently, procurement contracts are normally awarded to the bidder who scores the highest on certain variables set out by the governmental entity. Unfortunately, the environmental costs or savings are not calculated into this formula. The government must take a more sustainable position when putting out tender offers and consider the life cycle costs (LCC) of potential bidders. There is a misconception that green products and services are more expensive. However the results of the LCC analyses regarding price differences between green and non-green products illustrate that there is really no economic difference between the two approaches.

The production, energy consumption, packaging, transportation and disposal costs must be considered, among other environmental factors, when analysing all competing tender bids. To achieve this, the criteria developed for ecolabels (European and national) should be synchronised with the public procurement process. Where there is a product generated under an accredited certification scheme rather than an ecolabel, these should also be considered. An example of such a certification scheme would be the Forest Stewardship Council (FSC) Certification Scheme for timber and timber products. Given the large volumes of

¹⁹ OECD Environmental Performance Reviews- Ireland – Conclusions and Recommendations, Nov 2009, page 17.

stolen timber imported into Ireland it is essential that any timber or timber products used by local and national government is certified. The government has an incredible economic sway to 'move the market' towards more environmentally sound goods and services and towards a more sustainable commercial marketplace. Rigorous transparent and verifiable Due Diligence (DD) procedures must be set up by Irish timber traders/industry and supported by Government to ensure they do not feed in to the illegal-logging trade²⁰.

Tender scoring priority should be given to suppliers who have achieved ISO14001 or EMAS certification and who can demonstrate their implementation of effective Environmental Management Plans which lead to a measurable reduction in impacts.

The Green Procurement programme developed by the Swedish Government would be a good role model to start with²¹. The Environmental Pillar submission on the Draft public procurement programme is available.²²

4.2.6. Increasing Overseas Development Aid

The Government has committed to contributing 0.7% of GDP to overseas aid by 2015 however currently it is still a long way off this. Countries that are going through harder times than Ireland need the Government to keep its commitment and not cut aid spending at this time. Indeed this budget should make provisions for its extra contributions to Developing Countries who will need financial support from Developed Nations to help them deal effectively with the emerging calamities due to GHG emissions and climate change. As part of the global moves to prevent climate change Ireland must keep its aid promise to the world's poorest and help them deal with catastrophes not of their own making. This will require that an even higher target be delivered on.

Innovative use of decommissioned Irish fishing vessels as training resources for developing countries should be considered.

4.2.7. Public Private Partnerships (PPPs)

There is a great lack of transparency in these "partnerships" and this problem needs to be addressed now. On-balance-sheet accounting should be an essential part of this, and there should be no securitisation of debt. There should be no passing off of debt to the public purse. We have seen in recent times the way in which these contracts can burden the state in the long term with the claw back arrangements on toll roads and potentially on the proposed incinerator at Poolbeg. All PPPs must be reviewed to ascertain their value in producing public goods.

²⁰ The Central Point of Expertise on Timber Procurement <http://www.cpet.org.uk/> [accessed 18/10/2011]

²¹ http://www.msr.se/en/green_procurement/Swedish-National-Action-plan-for-GPP/ [accessed 18/10/2011]

²² <http://environmentalpillar.ie/2011/10/18/submission-on-the-draft-green-public-procurement-national-action-plan/> [accessed 18/10/2011]

4.2.8. Rationalisation of the National Development Plan (NDP)

An immediate stop should be put to the rush to sign contracts on all NDP projects. A moratorium for re-evaluation should also be put on all projects that are not already underway.

The Government should commit to re-casting the National Development Plan to comprise a 'Green New Deal' development plan in line with Comhar's report and recommendations for a Green New Deal for Ireland. This means ensuring that *all prospective investments* in infrastructure are tested to ensure that they make a real contribution to economic, social and environmental sustainability, and these aspects are monitored as implementation and then operation proceed.

It is proposed here that the NDP be reviewed and subjected to strenuous cost benefit analyses that include carbon accounting, and that rationalisation of the plan takes place based on a set of transparent sustainability criteria. These criteria should include:

- Transparent cost-benefit analyses including the carbon and ecological footprint
- Full compliance with:
 - environmental and planning law (including independent, rigorous and effective Environmental Impact Assessments, Appropriate Assessments and Strategic Environmental Assessments as appropriate) and
 - international conventions including the Convention on Biological Diversity and the Stockholm Persistent Organic Pollutants.
- All projects must be considered and implemented in accordance with the ecosystem management approach.
- All projects related to non-viable settlements should be abandoned.

Examples of where these criteria might result in substantial economic savings might include major road projects, incinerators, Metro North and the fishing fleet. In addition to meeting these above criteria, the NDP needs to be reprioritised to focus on the building of sustainable communities through investment in renewables, next-generation broadband, green infrastructure, sustainable planning.

4.2.9. End Water Fluoridation

Stopping water fluoridation would produce savings of €3million per year in import cost of fluoride chemical and an estimated €33 million per year savings in other operating and capital costs. These savings are contingent on ending fluoridation in 360 drinking-water treatment plants.

4.2.10. Making Travel and Subsistence Allowances Sustainable

Where feasible travel reimbursements should be at public transport rates, and where private vehicles have to be used the rates should decrease with increased

carbon emissions, the opposite to the current arrangements, with the current rate for the smallest car being the top rate of reimbursement.

Regarding travel and subsistence for both public servants and public representatives the following should be enforced:

- Private car travel and expenses (public transport and/or taxis obligatory unless not possible)
- Claimable travel on government business inside Ireland by plane and helicopter.
- Government or public representative make-up, hairdressing, clothing expenses, etc.
- Private use of vehicles provided for work - better enforcement of benefit-in-kind regulations.

The following should also be enforced: Agency-booked international air travel and accommodation for government representatives and civil servants i.e. internet booking at cheapest available rate only); Economy class allowed only.

4.2.11. Sustainable Food Procurement

The promotion of the Irish sustainable food sector is essential not only as an immediate economic stimulus, but also to act as a first step in addressing Ireland's very poor food security. Climate change and peak oil are growing challenges to our ability to feed ourselves.

4.2.12. Peat-fired Electricity Generation

The Public Service Obligation Levy should no longer be applied to electricity generation from peat.

4.2.13. Domestic Heat and Light

Fossil fuel subsidies for domestic heating and lighting purposes²³ should be consolidated and streamlined to ensure appropriate application. Any savings should be reinvested in SEAI's Warmer Homes Scheme that tackles domestic fuel poverty.

4.2.14. Air Travel

All subsidies for air travel should be ended immediately.

4.2.15. Rainwater Harvesting

Once off grants for rainwater harvesting grey-water systems would provide substantial long-term savings in the drive to find and treat potable water resources.

²³ Fuel Allowance, Smokeless Fuel Allowance and elements of the Household Benefits Package

4.2.16. National Biodiversity Plan

Adequate resources must be provided for the completion, publication and implementation of a National Biodiversity Plan²⁴, which defines the needs of our natural environment. The Plan must incorporate the different functions and value of ecosystem goods and services in the actions prescribed in it.

Biodiversity and climate change policies should be integrated within the National Climate Change Strategy²⁵.

There must financial support to assist in the inclusion of ecosystem services in policy planning and decision making. Work is needed on clarifying and quantifying the value of ecosystem services in Ireland, and developing a mechanism for ensuring inclusion in all cost benefit analysis and policy implementations.

There should be earmarked funding within sectoral budgets to address the cross sectoral responsibilities for delivering on biodiversity, resource efficiency and climate change policies, allowing for example, integration with national policy such as National Climate Change Strategy²⁶, National Climate Adaptation Strategy, National Reform Programme (indicators), Harvest 2020 as well as in Departmental and agency business planning.

²⁴ Along with other measures to define and achieve environmental objectives across all sectors, this plan is needed to address the ruling of the European Court of Justice of December 2007 against Ireland for failure to implement the Birds and Habitats Directives. Case no C418-04

²⁵ <http://www.environ.ie/en/Environment/Atmosphere/ClimateChange/NationalClimateChangeStrategy/> [accessed 18/10/2011]

²⁶ <http://www.environ.ie/en/Environment/Atmosphere/ClimateChange/NationalClimateChangeStrategy/> [accessed 18/10/2011]

4.3. Capital Expenditure

Capital expenditure over the coming years should have six main functions:

- Reducing Green House Gas emissions
- Building resilience to Climate Change
- Stimulating the economy
- Creating employment in the Smart Green Economy with a concentration on unemployment black spots
- Implementation of the Water Framework Directive
- Reinforcing our 'natural capital' as a basis for a new type of 'growth'

In the light of these complementary aims there should be no further government capital investment in roads, car scrappage schemes or airports.

The assumed price for CO₂e for the cost benefit analysis (CBA) of capital intensive projects has been set at €39 from 2015 onwards. By contrast, The Treasury in the UK²⁷ has laid out traded and non-traded prices up to 2100 with some prices as high as £527 (2011 £/tCO₂e). The Department of Finance should undertake a similar exercise in the proper evaluation of carbon prices to use in CBAs.

Capital Investment from Government should be focused on the following

4.3.1. Public Transport

The Government must be guided by its chief policy document: "Smarter Travel: A New Transport Policy for Ireland 2009 - 2020". Investment in quality bus corridors, inter-city rail, and massive improvement in the conditions for cycling (in line with the hierarchy of measures set out on pages 18 - 20 of the recently published National Cycle Policy Framework) should be the focus for transport expenditure over the coming years. Rural public transport should be supported and improved to reduce the reliance on the car, and to reduce social exclusion.

4.3.2. Massive Investment in retro fitting Home Insulation

It is estimated that some one million Houses in Ireland are in need of upgrading to reach the BER standard A rating. Following the outline below, retrofitting these houses would:

²⁷ http://www.decc.gov.uk/assets/decc/Statistics/analysis_group/81-iag-toolkit-tables-1-29.xls

- create employment in the depressed building industry,
- address one of the underlying issues of fuel poverty,
- dramatically reduce greenhouse gas emissions
- and increase tax receipts
- boost the wool industry, at present in dire straits, by promoting wool insulation as part of this package

UK figures estimate an average cost of £25,000 per house for a full retrofit. Assuming a similar figure for Ireland, we are looking at a total of €25 billion at today's prices.

The proposal is to establish a system of rolling finance based on interest free loans to house owners to enable them to carry out the necessary work. The procedure would be as follows:

The net financial effect being that the cost of the retrofit has no impact on the current expenditure of the house owner. Indeed as energy prices rise there will be a net saving. The occupier of the house will have a more comfortable home which has a much increased resale value.

It is suggested here that a target of 40,000 houses a year would be an achievable target at an overall cost of €1 billion a year. Approximately €120 million would return to the government as VAT and perhaps another €100 million as income tax.

4.3.3. Broadband

The promotion of high quality broadband is essential to the smart economy, to promoting home working, and to reducing isolation for the growing population of "silver surfers".

4.3.4. Water Services

The need for massive investment in the infrastructure for the provision of potable water and the treatment of waste water is quite clear when the following facts are taken into account: the recent decision of the European Court of Justice on the lack of an inspection regime for the 440,000 septic tanks; the failure to implement the Urban Waste Water Directive; the fact that approximately 40% of all potable water is unaccounted for; the number of recent serious drinking water pollution incidents; and the increasing likelihood of water shortages in Dublin.

4.3.5. Tree-Cover

The Forestry programme which needs to continue to expand at a rate of in excess of 10,000 hectare per annum, will require a stable funding structure, partly derived from returning to the Rural Development Programme (RDP) and partly by integrating Carbon Accounting as a credit to land owners, for up to 20% of the costs of the programme. This is because the EU offer in the RDP matches an exchequer maximum input of 40% with an EU 40% of cost, leaving 20% to be

derived from another source. This measure may cut the unit cost per hectare for the exchequer to half of what it is costing the taxpayer currently.

4.3.6. Eco Tourism

The development of community led eco-tourism destinations will provide alternatives for the Irish tourist and new dimensions for the overseas visitor. Many of these destinations can be built around existing activities, but many more can be used to highlight the importance of our biodiversity and heritage. These projects need to be based on real activities. Good examples include: nature Reserves run by the Irish Wildlife Trust; IPCC Bog of Allen Nature Centre.; the Irish Seal Sanctuary's National Marine Conservation and Education Centre; the Irish Seed Savers seed nursery and orchard; The Whale and Dolphin centre; The Greenhouse; The Centre for Ecological Living; The Sustainable Forestry Education Centre; Sonairte; Tailor's Hall; and so on.

The promotion of community involvement in eco-tourism resources such as -

- Ballycroy National Park
- The Burren National Park
- Connemara National Park
- Glenveagh National Park
- Killarney National Park
- Wicklow Mountains National Park
- State-designated nature reserves
- Natural features – Cliffs of Moher, West Coast Islands

Taking marine eco-tourism as an example: this has the potential to trace Ireland's relationship with the marine environment throughout history, exploring the marine environment (cetacean and seabird eco-tourism), physical places like the Martello towers and psychological spaces such as the role of the sea during the famine years. As an island nation, the sea is a rich resource for eco-tourism, combining conservation and education with the well-being of coastal communities. Eco-tourism has a social ethic as well as an environmental ethic, involving local people through volunteering, education, training and employment schemes while creating a tourism industry that will benefit the local and national economy.

Land-owners should be given indemnity by the state against claims by the public given access to their lands.

4.3.7. Education

All academic institutions should be retrofitted so that they at least reach the BER A standard. This standard should be compulsory for all new buildings. New buildings should also incorporate water conservation and rainwater harvesting. A ramped up programme of school building should commence as soon as possible.

Third level campuses must become the role models for the rest of society in terms of environmental governance and sustainable practice. Financial rewards should be put in place for this, as this will lead to long term savings.

4.3.8. Energy

The report of the International Energy Agency (IEA) World Energy Outlook 2009²⁸ estimates up to €7 trillion will have to be spent globally on low-carbon technology and energy efficiency by 2030 if we are to avoid climate disaster. However, it also predicts global transport, building and industry energy costs will drop dramatically by 2030 if this investment is made.

To achieve a situation where increases in global mean temperatures are limited to 2°C, cumulative incremental investment of \$10.5 trillion is needed in low-carbon energy technologies and energy efficiency by 2030. In addition to avoiding severe climate change, this cost is largely offset by economic, health and energy-security benefits. Energy bills in transport, buildings and industry alone are reduced by \$8.6 trillion globally over the period 2010-2030. In this scenario in OECD countries the carbon price reaches \$50 per tonne of CO₂ in 2020 and \$110 in 2030.

In this context the Government must plan, facilitate and provide support for decentralised small scale energy production as the most stable system using as wide a range of technologies as possible. Where fossil fuels are still being used to increase their efficiency in energy production from less than 30% to around 80% they should only be in Combined Heat and Power (CHP) plants. CHP should be the norm for all electricity production based on combustion. There is also a clear need to remove the barriers that prevent small-scale energy producers from connecting to the grid, whilst providing financial incentives.

Similarly the need to switch to electric powered vehicles should be reflected in the budget provisions.

Additional Supports for RES: A strong carbon price on its own will not guarantee the necessary investment in renewable energy and energy efficiency measures. Various market failures exist in the form of high entry costs for the energy market, a lack of access to capital and a lack of investment in R&D.

The introduction of a strong carbon price would still not guarantee sufficient investment and build out of renewable energy generation stock²⁹. Significant investment is needed now in order to ensure the future costs of these technologies are substantially lower. There is currently no REFIT market support scheme for renewables in Ireland, which seriously undermines investment in renewable generation. The now-lapsed REFIT scheme did not extend to the full range of renewable generation technologies, such as anaerobic digestion (AD) and other forms of waste-to-energy. The issue of curtailment reduces the capacity factor of Irish wind farms which further reduces investor confidence and future wind projects. The Environmental Pillar proposes:

²⁸ http://www.iea.org/index_info.asp?id=854 [Accessed 18/10/2011]]

²⁹ Philibert, C. "Interactions of Policies for Renewable Energy and Climate", OECD/IEA 2011

- REFIT should be reintroduced and extended to include renewable energy from AD;
- Operators of renewable energy installations should receive market price for energy generated during curtailment.

Fracking Whilst it is tempting for any government to look for the quick fix solution to providing indigenous energy resources, the technologies used to extract shale gases are unacceptable in their scale and their human health and environmental consequences. The short-term economic benefits that might accrue are very much overbalanced by the immediate and longer-term economic consequences. The industrialisation of large areas of rural Ireland, the damage to surface and ground waters, the destruction of burgeoning regional tourism products and a negative impact on the development of renewable energy technologies whilst allowing for profligacy in fossil fuel consumption.

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