

## Irish Green Building Council's submission to National Recovery and Resilience Plan Public Consultation

### About the Irish Green Building Council

The Irish Green Building Council (IGBC) provides leadership for a sustainable built environment. IGBC is a registered charity with nearly 200 corporate [members](#) drawn from all parts of the value chain, from occupiers, design professionals, contractors, suppliers, academics and public authorities and affiliated with a global network of 70 national councils within the [World Green Building Council](#). This allows us to create workable solutions and tools to deliver transformative change towards a sustainable built environment. The Irish Green Building Council also is the national partner of the [Renovate Europe](#) campaign in Ireland.

### Summary

- The IGBC urge the Government to **prioritise energy renovation** in the National Recovery and Resilience Plan to fight climate change and to create sustainable jobs across the country.
- More specifically, at least **8.2% of the Recovery and Resilience Facility** to be received by Ireland should be **allocated to energy renovation**<sup>1</sup>.
- Rationale for investing in energy renovation:
  - The Covid-19 pandemic has had severe impacts on our economy and has severely impacted certain sectors and those living in rural Ireland.
  - Boosting energy renovation is critical in reaching our climate targets, but it can also deliver significant social and economic benefits across Ireland, particularly in terms of health - and health costs, energy poverty and jobs.
  - Renovation is a labour-intensive industry. The Renovate Europe Campaign recently published a study that showed that on average 18 jobs are created in the European Union for every €1m invested in renovation<sup>2</sup>. As buildings must be retrofitted across Ireland, any ambitious renovation programme will provide local jobs for local businesses (mostly SMEs) across the country.
  - Reaching the 500,000 homes retrofit target over 10 years set in the Programme for Government will require significant actions to address the barriers to renovation, including stimulating supply and demand. The Government should seize this opportunity to build strong foundations for an Irish renovation wave.
- The **IGBC support the recommendation included in Appendix 1 to increase the provision of social and affordable housing**. But highlight **this must comply with the 'do no harm' principle** i.e. not undermining environmental objectives. This could for instance be achieved through the use of the [Home Performance Index \(HPI\), Ireland's first national certification for quality and sustainable residential developments](#)<sup>3</sup>.

---

<sup>1</sup> This is based on the recommendations of the "[Why the EU Recovery and Resilience Facility must prioritise investments in building renovation](#)" report (2020) commissioned by the European Climate Foundation and Rockwool group.

<sup>2</sup> Renovate Europe, 2020, "Building Renovation- A kick-starter for the EU recovery". Study prepared by BPIE.

<sup>3</sup> Home Building Finance Ireland (HBFI) has recently launched a green loan product offering a discount of up to 0.5% on loans to homebuilders for developments certified with the Home Performance Index certification. [The HBFI Green Funding Product is the](#)

Further comments are set out below as per the different sections.

### **1. Taking into account the guidance provided by the European Commission, what are the areas Ireland should prioritise for 1) investments and 2) reforms for inclusion in our National Recovery and Resilience Plan?**

Taking into account the guidance provided by the European Commission and based on the IGBC's areas of expertise (built environment), investment in energy renovation should be prioritised.

In its recent Communication 'A Renovation Wave for Europe- greening our buildings, creating jobs, improving lives', the European Commission identifies building renovation as a key priority to achieve the European Green Deal, and an essential contributor to climate neutrality and economic recovery.

Retrofitting stands at the intersection of the EU's green priorities and growth objectives. Energy renovation is a labour-intensive sector that will deliver immediate tangible results (quality local jobs across the country) whilst yielding a long-term sustainable perspective (reducing CO2 emissions and improving citizens health). It is therefore a perfect candidate to be included in Ireland's National Recovery and Resilience Plan.

Delivering the programme for government's commitment to retrofit 500,000 homes will require significant investment. It will also require significant actions to address the barriers to renovation, including stimulating supply and demand. The National Recovery and Resilience Plan provides a unique opportunity to invest in energy renovation now, and to build solid foundations for a successful renovation programme, while delivering a strong job led recovery.

More specifically, in Ireland, **at least 8.2% of the Recovery and Resilience Facility should be allocated to energy renovation**<sup>4</sup>.

Including energy renovation in Ireland's National Recovery and Resilience Plan falls in line with the European Semester requirements and has the added advantage of also being able to qualify for DG REFORM's Structural Reform Support. The new [DG for Structural Reform and Support](#) was created with the objective of helping EU countries to design and carry out structural reforms as part of their efforts to support the job creation and sustainable growth objectives enshrined in the National Recovery and Resilience Plans as well as in the Territorial Just Transition Plans.

Given that energy renovation stands at the intersection of the EU's green priorities and growth objectives post-COVID-19, Ireland's national renovation programme would certainly qualify for Structural Reform Support. Applying for such support for Ireland's National Renovation Program would mean that DG REFORM would finance the overall planning and policy development, help develop financial best practices, look into the workforce situation, etc. Staff from DG REFORM would cover the overall support while a network of consultants and experts would be sent to provide implementation assistance on the ground. Using DG REFORM's Structural Reform Support will provide additional assurance to the Commission about the capacity and appropriate means to effectively put in place the planned reforms enshrined in the National Recovery and Resilience Plan, thereby facilitating approval.

Identifying certain segments of the building stock (e.g., schools and social housing) and aggregating them to bring to the highest energy performance class would be exactly the type of investment priority which could include structural reforms and thereby warrant support from DG REFORM. Focusing on social housing aggregation for the next 5 years would allow the industry to learn and would show public sector leadership. This would also allow the industry to develop more robust and cost-effective solutions.

---

[first Irish green financial product fully aligned to the Paris Agreement and EU taxonomy regulations](#). The Home Performance Index was five-star rated for good practice and transferability by the [European Construction Sector Observatory](#).

<sup>4</sup> This is based on the recommendations of the "[Why the EU Recovery and Resilience Facility must prioritise investments in building renovation](#)" report (2020) commissioned by the European Climate Foundation and Rockwool group.

Including energy renovation in Ireland's National Recovery and Resilience Plan would therefore qualify for funding from the EU Recovery Facility but also for support from DG REFORM thereby guaranteeing impactful results and real benefits for citizens.

## **2. Of the Country Specific Recommendations received by Ireland in 2019 and 2020, which are considered the most relevant for reflection upon in Ireland's National Recovery and Resilience Plan?**

Based on the IGBC's area of expertise (built environment), the following recommendations are considered the most relevant for reflection upon in Ireland's National Recovery and Resilience Plan:

- **Focus investment-related economic policy on low carbon and energy transition, the reduction of greenhouse gas emissions, sustainable transport, water, digital infrastructure and affordable and social housing, taking into account regional disparities.**

As highlighted in Q1, the IGBC believe that energy renovation should be prioritised in Ireland's National Recovery and Resilience Plan. Boosting energy renovation is critical in reaching our climate targets, but it can also deliver significant social and economic benefits across Ireland, particularly in terms of health - and health costs, energy poverty and jobs.

To address the housing crisis and plan for significant population growth till 2040, Ireland must increase the provision of social and affordable housing. However, to support the low carbon transition, including sustainable transport and water infrastructure, and to improve people's quality of life, these high quality social and affordable housing must be built in accordance with the "do no harm" principle. This could for instance be achieved through the use of the [Home Performance Index \(HPI\), Ireland's first national certification for quality and sustainable residential developments](#). Home Building Finance Ireland (HBFi) has recently launched a green loan product offering a discount of up to 0.5% on loans to homebuilders for developments certified with the Home Performance Index certification. [The HBFi Green Funding Product is the first Irish green financial product fully aligned to the Paris Agreement and EU taxonomy regulations](#). The Home Performance Index was also five-star rated for good practice and transferability by the [European Construction Sector Observatory](#).

- **Support employment through developing skills and Facilitate upskilling, in particular for vulnerable groups**

The construction sector is facing labour and skills shortages, and does not currently have the capacity to retrofit 50,000 homes annually. Furthermore, the Covid-19 crisis has had a significant negative impact on the labour market, and more specifically on young people and those living outside major population centres. Given buildings are fixed assets tied to their location and present in all corners of Ireland and given the scale of the retrofit task, energy renovation programmes could provide quality local jobs for local businesses (mostly SMEs) across the country for the next 20 years.