

An Roinn Caiteachais Phoiblí agus Athchóirithe Department of Public Expenditure and Reform

# InfraNet

## The Network of Public Infrastructure Professionals

"Capital for Climate"

Event Précis

WebEx, Friday, January 29th @ 9.45 am

Contents Introduction2
InfraNet Background and Rationale2
Participation2
Outcomes and Results2
Context2
Welcome and Opening Address
Michael McGrath TD, Minister for Public Expenditure and Reform
Address
Eamon Ryan, TD, Minster for the Environment, Climate and Communications
Panel Discussion2
Mark Griffin, Secretary General, Department of the Environment, Climate and Communications.
John Fitzgerald, Adjunct Professor of the Department of Economics, TCD
Dr Brian Caulfield, Associate Professor, Civil, Structural and Environmental Engineering, TCD
Dr Eimear Cotter, Director at Environmental Protection Agency
Questions and Answers3
Reflections and Conference Close7
Appendix 1: Clár   Agenda
Appendix 2: Cainteoirí   Speakers Error! Bookmark not defined.9

#### Introduction

This report summarises the *InfraNet* – a seminar for infrastructure professionals convened by the National Investment Office within the Department of Public Expenditure and Reform and held via Webex on Friday, 29<sup>th</sup> January, 2021.

#### InfraNet Background and Rationale

Following on from the successful international conference 'Infrastructure in an Era of Uncertainty', and the Government's commitment to continued investment under Project Ireland 2040, the InfraNet was brought together to:

- Provide a forum for experts to critically examine public investment governance, reforms and innovations.
- Engage with experts in public sector and delivery bodies to share best practice, issues and solutions.

#### Participation

The January 2021 InfraNet was attended by over 170 participants from 70 organisations.

#### **Outcomes and Results**

The ultimate objectives of InfraNet are to share experiences, build networks and take action on improving project delivery. The event is a platform for sharing experiences at different levels, from central government and line departments to local delivery agencies. Along with the holding of an annual conference focused on the most relevant sectoral issues, the InfraNet is to be reconvened at intervals throughout the year.

#### Context

On Friday 29<sup>th</sup> January 2021, the National Investment Office (NIO) in the Department of Public Expenditure and Reform (DPER) welcomed colleagues to a strategic information webinar of the public sector infrastructure network called InfraNet.

The theme of the webinar was '*Capital for Climate*'. The session was a fruitful exchange between policy-makers and experts, and will inform the <u>review of the National Development Plan</u> which is currently underway.

Minister for Public Expenditure and Reform, Michael McGrath TD gave the opening address at the webinar. He outlined the importance afforded and progress made regarding climate action and infrastructure investment by the Government. He also highlighted the ongoing Review of the National Development Plan and the importance of embedding climate into the Review and the opportunities for participation in the public consultation.

Minister for the Environment, Climate and Communications, Eamon Ryan then addressed the Network, highlighting the interconnectedness and solutions of climate to the other key public policy challenges of housing and health. He also highlighted the role of the National Planning Framework and development of regional cities as key to aiding the climate challenge, creating sustainable communities. The Minister also discussed some potential solutions.

#### **Panel Discussion**

The panel discussed in further detail the relationship between infrastructure and climate. Chaired by Dr Tara Shine, Environment and Development Consultant and Director of Change by Degrees, the

panel included Mark Griffin, Secretary General, Department of the Environment, Climate and Communications, John Fitzgerald, Adjunct Professor of the Department of Economics, TCD, Dr Brian Caulfield, Associate Professor, Civil, Structural and Environmental Engineering, TCD, and Dr Eimear Cotter, Director at Environmental Protection Agency.

#### **Questions and Answers**

A number of questions were put to the speakers which are set out below:

#### Q. How can tackling climate change be central to the National Development Plan?

A. Mark Griffin – It is important to move focus from targets to delivering a better future, achieving green jobs and a green recovery. Significant investment in retrofitting and other areas ongoing. From my perspective, all ten National Strategic Outcomes should have climate integrated into every single investment that the State makes. The Climate Action Plan 2019 sets out how we were to achieve these targets but the Action Plan is now being updated. What we need to do is ensure that it is fully reflected in the NDP. In terms of transport, agriculture and compact growth, there are tensions between investment priorities. It's a job for us as administrators to identify and to discuss widely with the public how these tensions will be resolved. The delivery of climate action is not just about investment. It's less about state investment but also ensuring the appropriate legal and regulatory framework and direction of travel around the grid to market. It needs to be lock stock with the review that is happening. I am comfortable that we have structures in place, and that the reframing of the NDP permeates every NSO and every decision made.

#### Q. How can you ensure that every decision being made is future proofed?

A. Professor John Fitzgerald – We require billions of investment in retrofitting, energy and transport which amounts to about 4% of national income every year. Most is required by the private sector. We need to replace dirty investment with new investment. Some will come at a cost, some will happen anyway, and only a minority role is for the State. Where we build new dwellings will have an impact on transport needs and housing needs.

Public Expenditure guidelines need to be redrafted. We need to look at appropriate damage done by carbon, and whether discount rates should be used? Public Expenditure guidelines don't do justice to the problems caused by carbon. Only some of the investment role is for State. State has responsibility for Social Housing stock.

Transport – the State cannot fund the purchase of electric cars. We have to use more tax and less subsidy. Adaptation is not taken into account. Biden is using funds to deal with wind farms and coastal floods. We don't have a budget to deal with flooding. We need to plan now for Dublin, Cork and Limerick being flooded after 2050. It's not just about investment but about building in the right places.

The chair remarked that public expenditure is not yet adequate and that there is a role for public money. Additionally, the chair agreed that adaptation is not taken into account and requires a societal response.

#### Q. What for you is front and centre on how climate change can be a vehicle?

A. Dr Brian Caulfield – It needs to be more a green national plan. Some projects won't see reductions in a decade. Expenditure Management tools estimate that it would cost €1000 per tonne before it makes any benefits. We need to look at capacity issues around construction. It is very ambitious but it needs to be very ambitious. The NDP is at a very opportune moment. There is a lot of political and social buy in. For it to be green, we need people to come with plan, be ambitious and be urgent.

#### Q. What for you is front of mind for climate proofing a NDP?

A. Dr Eimear Cotter – It's really about alignment with our climate goals. If we are to reduce emissions by 50% in the next ten years, it's really about a transformative change and clear ambition and having goals across all of the sectors and that we don't just focus on some sectors but all for systematic change. We need to look at underlying things that could bring change and getting all actors working together. It's easy to say and hard to do in practice. Only 6% reduction in emissions in 2020 given the Covid situation. We need to move beyond finding ways in the medium term and long term. Broad policy making, regulatory framework, planning framework and innovation all need to be mutually supportive.

The chair viewed economic leadership as not being the route to climate change but that it's about a transformed model with potential. The chair also reflected on the need for coordination and collaboration across all actors, ways to implement change, and conjectured whether the Government needs to ask for help.

#### Q. How do we make a national call to action to support this process with the private sector?

A. Dr Brian Caulfield – It requires a transformative shift around what is important. Private sector leading the way, Trinity and other universities - €2.5m research from Microsoft. Innovation eg in transport looking at the development of car sharing in communities built around the idea of the '15 minute city'.
 Companies and private sector realise that this is huge. There is a lot of innovation happening around transport, big tech companies involved. The State needs to use this.

### Q. For Professor Fitzgerald, could you expand a little more on what measures might be needed to reduce private sector demand?

A. Professor John Fitzgerald – If there is too much demand, prices just go up. If you want to prioritise retrofitting, you need to take demand out of the construction sector and housing area. In terms of retrofitting, you can do this with less resources. Kilkenny is an example of doing things of scale in a more efficient way. State Regulation. In forestry, you need licences, look at other state policies and levers to make things better. Difficult politically given housing in short term. Reducing problems – ways of doing, don't apply for licences – too many layers stopping investment.

### Q. For Secretary General Griffin – If we don't set targets for emissions are we at risk of investing in projects with less impact?

A. Mark Griffin – The communication piece is essential and needs to be done at a number of different levels. In terms of getting private sector engaged, Minister Harris is putting in place a number of programmes, including a new aggregated programme on retrofitting. Regulating is essential and we need to consider what regulatory landscape looks like. In terms of level of investment, the worst thing we could do would be increase levels of funding without understanding the consequences. We need to look at economy wide basis, need to look at sectoral basis, the measures that will have the greatest outcomes, and how to pump and prime different sectors. The commitment to 2030 will cost billions so we need to look at how to secure private sector.

We need to consider private sector and homeowner investment too, and state funding joint ventures. Looking for appropriate investments.

The chair viewed both public and private sectors as relevant. In terms of citizens, the chair remarked on the need to make retrofitting easier and more affordable as currently it isn't easy and convenient enough and hard to get someone competent into homes. The chair is also of the view that business is ready to do more.

#### Q. For Dr Eimear Cotter – How can we make it easier for people to help in the transition?

A. In broader context of behavioural change, not everyone is at the same stage. What are we trying to understand is broad cohorts of people, what they need in terms of getting the information, and designing communications that will help them move. Building on work of USA of Six Americas, we are working to define what sorts of information is required and what helps them to move. The public needs to be broken down. Engagement needs to be more refined, sophisticated and nuanced. We don't want to shove information at people but communicate that it's about reducing your bills and making yourself more comfortable.

The chair pointed to the importance of understanding the audience, making the process easy and not having much bureaucracy.

### Q. Outside of Transport and Water, what other big ticket items are required for funding in tackling climate change?

A. Dr Brian Caulfield – Energy and Retrofitting are a huge part. I don't know enough about agriculture. Transport has a very hefty target. An awful lot is about behavioural change, that it's costly but will be beneficial. High speed broadband would take pressure off the cities. The mega projects will not give us targets. It's not a ten year plan but a one hundred year plan.

When you are insulating your loft you need also to take account of the waste incurred eg skips etc. National Broadband Plan potential. Public transport not going to make a change in short term.

The chair commented on the long-termness of the plan and that the targets provoke people in thinking that way. The chair also referenced Professor Fitzgerald's earlier comments on using tax and incentives and disincentives.

### Q. For Professor Fitzgerald – with the changes to UK with Brexit – is this likely to provide a challenge to sustainable energy in Ireland?

A. Professor John Fitzgerald – The UK are a problem. It's cheaper to build interconnect with France than the UK. Great Britain didn't pay toward interconnector. Muireann Lynch from the ESRI has an important paper - using waste electricity to produce hydrogen is a good option. The transaction fund is a good idea. We need to do a number of experiments, consider behavioural change and the Kilkenny example in terms of retrofitting. The agriculture area is really important - major things that all make it work. We need to experiment and push boat out.

*Offshore wind - wave energy perhaps more. Behaviour change key e.g. retrofitting, farmer and emissions- need to see a farm where it does work and communicate it out.* 

The Chair commented that the power of peer to peer is underused and regarded a future with hydrogen as very exciting in terms of heating and how we use freight.

#### Other key areas and points for focus

Mark Griffin – On the question about areas we need to back, residential retrofits need major scale up retrofitting, renewables, grid, Nora levy (Minister make further calls on that – how you stimulate community support). Climate action fund – stimulate behavioural change and community involvement. Hydrogen shift is interesting, as is offshore grid described by the Minister. We have huge opportunity to export wind. We need to consider the bit about making it easy, have one stop shops for single point of contact for home upgrade, one contractor can do whole lot of it. Myself and my counterpart in the Department of Agriculture met dairy processors who get it.

The chair commented that business is not holding government back anymore.

#### Q. What one area would you cut funding to?

A. Mark Griffin – We are getting out of coal and we need to get out of fossil fuel plants.

#### Q. What in transport?

A. Dr Brian Caulfield – One thing that will give us reductions is electric vehicles but they are very expensive just now. Fund rail and mega projects. There is an opportunity for cost analysis to be done. I have never known of road projects that didn't bring extra traffic.

*Metro* – how much carbon could have been saved if that was built on the original time scale. *Road projects cut* – why would we make it harder for ourselves.

The chair noted that we need to learn from what we haven't done and remarked that electric Vehicles are short term solutions and that consideration needs to be given as to how to protect consumers.

Dr Brian Caulfield – We need to change model of owning cars and have community electric cars – shared mobility. There has never not have cars and we need to be as green as possible. The chair noted that shared mobility requires a real transformation change.

### Q. What is the key thing that you would prioritise and what would you immediately deprioritise?

A. Dr Eimear Cotter – Alignment of spatial development is a long term transformational change. Whole NDP presents opportunity for green procurement, make it mandatory to include green. Stop funding high carbon fossil fuels and road funding but need to invest in roads for safety so some need for conditionality. We need to look at active modes, cycling and electric vehicles.

Professor John Fitzgerald – Continue to invest in social housing, timber frame not cement as cement decarbonizes. Stop subsidies to heavy loads vehicles. Introduce incentives to reduce emissions, not just on cars.

#### **Reflections and Conference Close**

The conference was closed by Ronnie Downes, Assistant Secretary of the Department of Public Expenditure and Reform, who thanked the panel for their contributions, thanked the audience for their attendance and attention and advised again of the ongoing NDP Review with consultation process open to the public.

#### Appendix 1: Clár | Agenda

#### 09:45 Welcome and Opening Address

Michael McGrath, TD, Minister for Public Expenditure and Reform

#### 10:00 Address

Eamon Ryan, TD, Minster for the Environment, Climate and Communications

#### 10:15 Panel Discussion chaired by Dr Tara Shine, Environment and Development Consultant and Director of Change by Degrees Mark Griffin, Secretary General, Department of the Environment, Climate and Communications John Fitzgerald, Adjunct Professor of the Department of Economics, TCD

Dr Brian Caulfield, Associate Professor, Civil, Structural and Environmental Engineering, TCD Dr Eimear Cotter, Director at Environmental Protection Agency

#### 11:20 Reflection and close

Ronnie Downes, Assistant Secretary, Department of Public Expenditure and Reform Master of Ceremonies: Áine Griffin, Head of Communications, Project Ireland 2040

#### Michael McGrath, TD



#### Minister for Public Expenditure and Reform

Michael is currently a TD for Cork South Central and is the Minister for Public Expenditure and Reform. As Minister for Public Expenditure and Reform, Michael is responsible for delivering wellmanaged and well-targeted public spending, through modernised, effective and accountable public services. The department oversees the implementation of the National Development Plan, drives the programme of public service reform, and has a key role in decisions made across government.

#### Eamon Ryan, TD

Minister for Environment, Climate, Communications and Transport

Eamon is Minister for the Environment, Climate and Communications and Minister for Transport, and Leader of the Green Party. He began his political career as a Dublin City Councillor for the Rathgar – Rathmines ward. He then went on to serve both as a TD for Dublin Bay South and as a Government Minister for Communications, Energy and Natural Resources. In recent years, Eamon has worked for a European climate organisation and chaired the digital policy group in the Institute of International and European Affairs.

#### Dr Tara Shine



### Environment and Development Consultant and Director of Change by Degrees

Tara is an expert with over 20 years' experience in the fields of climate change, environment and sustainable development. Her clients include the Mary Robinson Foundation – Climate Justice, The Elders, governments, multilateral agencies and civil society organisations. Tara has negotiated for the EU in at the United Nations, informed climate and environment policy at national and international level and advocated for equity and justice in global agreements. She is co-founder of the community initiative Plastic Free Kinsale and Director of the social enterprise, Change by Degrees which promotes convenient sustainability for communities and businesses. Tara also presents wildlife and nature documentaries for the BBC and RTE.

#### Mark Griffin

### Secretary General, Department of Environment, Climate and Communications



Mark commenced duty as Secretary General of the Department of the Environment, Climate and Communications in September 2013. Prior to his appointment, Mark was the Assistant Secretary for Water at the Department of Environment, Community and Local Government. He also led the Planning Division in the department for much of that time. Prior to that he served in the Department of Foreign Affairs as Environment Counsellor at the Irish Representation to the European Union in Brussels where he led negotiations on key environmental dossiers during the 2004 Irish Presidency. He has also worked in the Department of Finance. Mark is a graduate of Trinity College, Dublin.

#### John Fitzgerald



Adjunct Professor of the Department of Economics, TCD

John Fitzgerald is an adjunct professor in Economics at Trinity College Dublin and an adjunct professor of Electrical and Electronic Engineering UCD. He is a former research professor and currently a research affiliate at the Economic and Social Research Institute and former Chair of the Climate Change Advisory Council. Professor FitzGerald is also a member of the Commission of the Central Bank of Ireland, and is a member of the governance board of both the UCD Energy Institute and UCD iCRAG.

#### Dr Brian Caulfield

### Associate Professor, Civil, Structural and Environmental Engineering, TCD



Dr Caulfield joined the Department of Civil, Structural and Environmental Engineering in TCD in 2008. Since joining the Department he has embarked on an intensive research program addressing global issues, such as the environmental impacts of transport and methods to reduce the carbon impacts of transport Dr Caulfield is also a member of a number of National and International research groups and is the former Chair of the Irish Transportation Research Network and was a member of the executive committee of the Universities Transport Studies Group, as well as several committees at the Transportation Research Board in Washington D.C. He is a Senior Editor of Renewable and Sustainable Energy Reviews and is a member of the International Editorial Board of Transportation.

#### **Dr Eimear Cotter**



Dr Eimear Cotter was appointed in 2017 as Director of the EPA's Office of Environmental Sustainability commencing in September 2017. Eimear was previously the Head of Low Carbon Technologies in the Sustainable Energy Authority of Ireland (SEAI) where she led the organisation's policy advisory and research functions. Eimear Cotter holds a BA from Trinity College Dublin, a PhD from Oxford University and an MBA from University Collect Dublin's Smurfit Business School.

Director at Environmental Protection Agency

#### Ronnie Downes



## Assistant Secretary, Department of Public Expenditure and Reform

Ronnie is Assistant Secretary at the Department of Public Expenditure and Reform (DPER) in charge of overall Expenditure Policy. Ronnie's responsibilities include managing the annual Estimates, overseeing national infrastructure investment strategy, promoting budgetary reforms (including budget transparency and gender-responsive budgeting) as well as public financial reporting and accounting. Ronnie was previously Deputy Head of the Budgeting and Public Expenditures Division at the OECD, where he led country-specific reviews and developed global standards in the area of public financial management and investment. He holds an M.Sc. (Economics) from Trinity College Dublin, as well as graduate diplomas in law, accounting and corporate governance.

### Áine Griffin



#### Head of Communications, Project Ireland 2040

Áine is responsible for developing and implementing the Government's Communications Strategy for Project Ireland 2040. This involves leading colleagues and peers from departments and delivery agencies in a coordinated, cross-Governmental approach. A career public servant, after a decade of policy development in a variety of Government departments and offices, Áine served as Press Officer in the Department of Public Expenditure and Reform following its establishment, Head of Communications in the Data Protection Commission and returned to the Department following two years as the first Outreach and Engagement Manager at the Central Bank of Ireland.