



Towards 2050: Time for a Sustainable Reset

June 2020

Introduction

Dublin Chamber is the representative body for businesses in the Greater Dublin Area. Our crosssectoral membership base spans the spectrum from small start-ups to major multinationals. Dublin Chamber has a strong history in driving the green agenda among the business community and has long advocated for a more sustainable and resilient capital city that is planned for greater urban density with improved public transport infrastructure, cycling and pedestrian infrastructure, and as a home to innovative enterprise.

The Covid-19 crisis has resulted in an unprecedented shock to the economy, but climate change could incur an even greater shock. Just as Covid-19 has impacted on our way of life, the viability of otherwise thriving businesses, and increased our unemployment to unprecedented levels, the impacts of continued climate change would be the same or likely much greater. Climate change resulting in rising sea levels will impact on city infrastructure. A changed climate will impact agriculture and subsequently our supply chains. Increased energy and water supply issues will impede daily business, and so will increased incidents of extreme weather like snow storms and droughts. Internationally, the impact of climate change on important economies like the US will in turn be bad for Ireland. Government needs to view climate change as an immediate threat and include accelerated and ambitious measures for sustainability and resilience in the post-Covid-19 crisis reset.

In the last recession, the environment and sustainability was viewed as non-essential and put on the back burner, both by Government and by most businesses. Government, and society, cannot afford for this to happen again. Despite the pressures that the crisis has now put on the economy, it remains the case that the years to 2030 are critical in the fight to reduce greenhouse gas emissions. Moreover, societal complacency in recent years has only served to compound the issue and the scale of the difficulties to be addressed.

The post-Covid-19 reset must include a campaign to communicate to the public not just the ethical imperative of reducing carbon emissions, but also that it is a requirement to prevent the economic and social disaster that climate change could incur. In the post-Covid-19 reset, given the newfound understanding of the fragility of our systems and the clear ability and necessity for society to adapt when facing a threat, this message for changing behaviours in pursuit of sustainability and resilience may be received and comprehended at a new level. Similarly, the message that making changes for energy efficiency will improve overall resilience for businesses in the event of external shock will be well placed.

International Context

Despite the economic shock of the Covid-19 pandemic, the international political community remains committed to achieving reduced greenhouse gas (GHG) emissions. European Commission President Ursula von der Leyen clearly outlined what the direction of the EU would be under her leadership with the announcement of the European Green Deal in December 2019. This €1 trillion deal was announced just a couple of months before the coronavirus would completely alter the economic landscape of Europe. Now, with an economic reset on the horizon, the European Green Deal will strengthen both the ability and necessity to forge ahead with bold policy decisions.

The European Green Deal's stated objectives of reaching net zero emissions by 2050 and a 50-55% reduction in emissions from 1990 levels by 2030 remain in place.¹ The European Green Deal Investment Plan (EGDIP) will mobilise approximately €1 trillion over the next decade in sustainable investments, as well as in Just Transition measures.² At the time of its announcement, the sum was viewed as considerable, in the context of the economic impact of Covid-19, perhaps even more so. The European Green Deal encouraged an expectation of change to come in how business, innovation, and infrastructure investment would be aligned.

Covid-19 has now completely changed Europe's economic, and in some ways its social, landscape. The required stimulus package from the EU will need to be sufficient to counteract the largest shock to the EU possibly ever experienced. As Europe looks to rebuild economically, it is very likely that the efforts to resurrect the economy will be combined with the transition to a net-zero carbon bloc.³ At the World Economic Forum in May 2020, just when lockdown restrictions across Europe had slowly begun to be eased, the European Commission and top level CEOs were brought together to consider the postCovid-19 crisis European recovery and the role to be played by the European Green Deal. The recovery was recognised by the international business community as a way in which to accelerate industry innovation and as a means through which Governments can kick-start new industries or new industry subsets through targeted investment.³

This approach to return to growth as a low carbon economy needs to be replicated in the Irish context. The opportunities that this reset can afford in relation to investment for sustainability needs to be aligned with infrastructure, innovation, and job creation goals. The opportunity for investment from Europe in the necessary capital infrastructure to make Dublin, and Ireland, more environmentally sustainable must be taken by Irish policymakers. The business community also needs to become accustomed to aligning strategy with the direction of EU priorities in this space. In fact, green investment from businesses in the EU is largely encouraged by the European Commission through the offer of European Investment Bank

¹ World Economic Forum, <https://www.weforum.org/agenda/2020/05/the-european-green-dealmustbe-at-the-heart-of-the-covid-19-recovery/>

² European Commission, https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_24 ³ Euractiv,

<https://www.euractiv.com/section/energy/opinion/green-deal-and-electrification-shouldbethe-backbone-of-eu-recovery-plan/>

³ Modern Diplomacy, <https://moderndiplomacy.eu/2020/05/16/ceo-action-group-will-supporteuropeancommission-on-advancing-european-green-deal/>

(EIB) loan guarantees.⁴ By year end 2020, the EIB will be aligning all financing with the goals of the Paris Agreement, focusing its lending on a new climate strategy and Energy Lending Policy.

Sustainable Dublin

A more sustainable Dublin can be achieved, but only through a holistic approach. Sustainable mobility, flexible working practices, a focus on renewable energy, circular economy adoption by business, and urban density are all key to this.

Social distancing during the Covid-19 pandemic was a difficult but very necessary public health measure to flatten the curve of the virus. Public health management and contingency planning will now likely need to be incorporated into city planning. It remains the case that cities with a compact growth trajectory and a higher population density are in a far greater position to become sustainable. Promoting these features remains one of the most cost effective ways of achieving GHG emissions reduction targets for the country. This is because of the intensity of use of vital infrastructure and the higher returns on such investment. Sustainable mobility policy, in particular, is more impactful in a dense urban centre because of the greater population present to make use of light rail, metro, bus networks, cycling infrastructure, etc.

The UN Sustainable Development Goals remain as the touchstone for all its signatories, and UN Secretary General Antonio Guterres has encouraged for the SDGs to be used as a roadmap for Covid19 world recovery. Dublin Chamber is guided by UN Sustainable Development Goals, particularly those that align with the urban environment. These include Goal 11, Sustainable Cities and Communities; Goal 8, Decent Work and Economic Growth; and Goal 13, Climate Action. As a signatory to the UN SDGs, Ireland must remain committed in the coming months and years, despite fiscal difficulty. This is not only essential to ensuring that Dublin is a sustainable and resilient city and to reducing GHG emissions and waste, but also to maintaining Dublin and Ireland's international reputation. Investment in capital infrastructure will be particularly vital to the sustainable development of Dublin.

The idea of a '15 Minute City' is one which aptly brings together the benefits of urban density and a sustainable city. The 15 Minute City concept for urban planning is based on a number of international examples, including those developed in both Paris and Barcelona, that encourage the development of communities, or 'Superblocks' that each include within a 15 minute walk the amenities, public transport, cycling and pedestrian infrastructure, green space, and public realm that is required in day-to-day life.⁵ City planning in this manner aids overall city sustainability and resilience.

Dublin Chamber urges policymakers to improve the environmental sustainability of Ireland's urban areas, and of Dublin in particular, through their planning decisions. A number of strategic Government plans incorporate urban density objectives, and the Dublin Metropolitan Area Strategic Plan (MASP)

⁴ EIB, <https://www.eib.org/en/press/all/2019-313-eu-bank-launches-ambitious-new-climatestrategyand-energy-lending-policy>

⁵ Dublin Chamber, *Dublin: The 15 Minute City*

specifically addresses this for the capital. Policymakers must remain committed to the goals around urban density as set in the National Development Plan and National Planning Framework, despite the altered economic context, and Dublin Chamber recommends that existing plans, including MASP, are implemented.

Access to the City

The sustainable reset post-Covid-19 needs to not only focus on achieving long-term carbon emissions reduction targets, but also on more immediate sustainability measures which can be progressed cohesively along with longer term plans. The reset also needs to factor in the requirement for the functionality of the Greater Dublin Area and its urban core. Plans need to enable commuters to travel as lockdown is slowly eased, and encourage consumer confidence so that the city can again become a vibrant and thriving place for citizens, visitors, and businesses.

Over the next few months, and years, it is important that policymakers implement changes that will have an immediate impact of improving access through a low carbon transport option. These should include the incorporation of micro-mobility options for both full commute or last mile journeys, and park and ride facilities positioned at key public transport hubs with access to bus, DART or Luas, and also bike parking or Dublinbikes stations. Integrated tickets for any follow-on public transport use from a park and ride should be introduced as a cost efficiency measure, thus making it more attractive. These interchange hubs should include charging facilities for electric vehicles.

The Business Community

In February 2020 Dublin Chamber launched its *Sustainability Academy* in response to the evident need among the business community for guidance, training, and thought leadership to aid businesses on their sustainability journey. Despite the difficulties being faced by businesses due to the economic impact of Covid-19, there remains a strong interest in this *Sustainability Academy* offering. In the years to come, it will be imperative for businesses to make significant changes to the way they do business, from supply chains to waste management to financial reporting. In order to ready the business community for a zero carbon, circular economy, a greater process of communication, training, and support for energy efficiency must be established through a series of Government policies.

While enterprise contributes to the problem of GHG emissions, it is also a major part of the solution as society will rely on businesses and entrepreneurs for innovative solutions. Thus an environment conducive to innovation and the adoption of new technologies needs to be cultivated. For example, scooters are a form of micro-mobility and are an ideal addition as a low cost, zero emissions form of urban transport. E-scooter technology is also an area of opportunity for Dublin based entrepreneurs. Currently, there is a consortium of Irish businesses working together on e-scooter technology in the

DCU Alpha campus.⁶ Unfortunately, the move to make e-scooters legal on Irish roads has been extremely slow.

Furthermore, a tax environment conducive to the success of SMEs and start-ups is more important than ever in this context. Dublin Chamber recommends that Government boost R&D for start-ups and SMEs and increase the R&D tax credit for medium sized companies to 30%. We also recommend an increase in the lifetime cap on qualifying gains for Entrepreneur Relief to €15 million.

Achieving a Sustainable Reset and a Sustainable Dublin

In order to achieve a more sustainable reset, Government needs to capitalise on the clear ability for behavioural change that has been exhibited in the crisis and continue to make bold changes. Dublin Chamber encourages policymakers, where possible, to consider the recommendations below in the context of a five year implementation period so as to fully optimise the post-Covid-19 reset for sustainability.

Maintain and Accelerate Essential Current Policy

In order to accelerate the sustainability reset post-Covid-19, Government should, at a minimum, remain committed to and accelerate key policies:

- **Carbon Tax**

Continue with plans to increase Carbon Tax and accelerate its timeline to get to €80 per tonne by 2025, recognising that Ireland needs greater ambition in transitioning to a low carbon economy and that this will require a goal earlier than 2030.⁷ Revenue raised by the Carbon Tax should be ring-fenced for spend on the vital infrastructure projects required in the transition away from fossil fuel use.

- **Green Public Procurement**

Significantly accelerate the implementation of Green Public Procurement, the use of life-cycle costing, and circular economy principles. Dublin Chamber has been lobbying for an acceleration of Green Public Procurement since late 2019 and made a submission to the relevant Government departments highlighting its importance.⁸ Successful GPP practices will encourage a widespread shift towards environmentally sustainable supply chains. Achieving a shift toward using life-cycle costing in procurement across sectors will considerably move the dial in favour of the circular economy.

- **Energy Efficiency Grants**

⁶ DCU Alpha, <https://www.dcualpha.ie/2019/12/dcu-part-of-pilot-project-for-nextgenerationtechnologies-for-e-scooters/>

⁷ Dublin Chamber, *Principles for an Impactful Carbon Tax*, <https://www.dublinchamber.ie/DublinChamberofCommerce/media/banners/Dublin-Chamber-PolicyonCarbon-Tax-Increase-28-06-19.pdf>

⁸ Dublin Chamber, *Recommendations to support Green Public Procurement*, https://www.dublinchamber.ie/DublinChamberofCommerce/media/banners/DublinChamber_GreenPublic-Procurement_Feb-2020.pdf

Make access to energy efficiency grants for businesses less onerous and the application process more transparent to increase certainty.

- **Innovation**

Embrace the opportunities that new technologies and innovations can make to the transition to a low carbon economy and remove barriers to their use. For example, the use of e-scooters remains illegal, despite the many benefits they offer as a low cost and energy efficient form of urban transport.¹⁰

- **Capital Infrastructure**

Deliver planned infrastructure and public transport projects, including Metrolink, DART Expansion and Underground, and BusConnects.

- **Cycling Infrastructure**

Be more ambitious to vastly increase and improve cycling infrastructure in urban areas. Sustainable mobility in urban settings can only be achieved by enabling active travel with more cycling and pedestrian space.¹¹

- **Green Public Transport**

Re-commit to clean energy solutions for our bus network. As it is unlikely that a ‘silver bullet’ for greener urban busses will be achieved, it is essential that our urban bus networks continue to make provision for a carbon neutral system through largescale trials of alternative fuels. This should include bio-methane (Compressed Natural Gas), hydrogen, electric, and electric hybrid.

- **Remote Working**

Support flexible and remote working practices by creating clear guidelines for employers and employees on remote working, and ensuring there is clarity around employer liability for when an employee is working remotely.

Implement Bold Changes and Initiatives

Dublin Chamber urges Government to work with real ambition in the post-Covid-19 reset toward a vision for a carbon neutral economy and sustainable Dublin in 2050 by implementing the policies below:

- **Remove Barriers to SEAI Grants**

The SEAI offers a number of grants to businesses to enable them to retrofit for greater energy efficiency. These grants need to be more easily accessible as currently the process is too onerous and lacks transparency. Dublin Chamber recommends that a Facilitator be instated, either at the SEAI or through a neutral organisation, to aid businesses to access the grant money so that its intended purpose can be realised.

¹⁰ Dublin Chamber Submission on Personal Powered Transporters https://www.dublinchamber.ie/DublinChamberofCommerce/media/banners/Dublin-Chamber_-_Submission-to-DTTS_PPT_November-1st-2019.pdf ¹¹ Dublin Chamber Submission on Sustainable Mobility https://www.dublinchamber.ie/DublinChamberofCommerce/media/banners/Dublin-Chamber_Submission-on-Sustainable-Mobility-2020-02-27_FINAL.pdf

- **Education and Skills for a new, Sustainable Business Environment**

The change to a low carbon economy will mean that businesses will have to incorporate a whole new skillset and knowledge base within their workforce and at top management level. This will be necessary to ensure they can implement the necessary strategic changes required to take advantage of the opportunities that a more circular economy represents, and, to ensure that the necessary compliance, energy efficiency, and waste management practices are implemented. In order to accommodate this, Dublin Chamber recommends that principles for Third Level/Higher Level education be created so that new or evolving business or commerce courses must include sustainability modules/criteria. This should be linked to approval for funding streams. In addition there needs to be a focus on development of completely new areas of skills training, for example in the application of hydrogen as a fuel.

- **Extend Bike to Work Scheme to a 'Micro Mobility to Work' Scheme**

The Bike to Work Scheme has been a hugely successful Government scheme, encouraging and enabling many to take up an entirely carbon neutral commute. However, due to distance and other factors, fully manual cycling is not suitable for everyone. In light of this, Dublin Chamber recommends that the Bike to Work Scheme be updated to include other forms of carbon neutral micro-mobility options, namely e-bikes and e-scooters to begin with.

- **Increase Availability of Re-training and Upskilling for Home Retrofitting**

Covid-19 saw an unprecedented drop in employment numbers. Meanwhile, the task of retrofitting Ireland's housing stock requires significantly increased numbers of those with the necessary skills to carry it out. By re-skilling a cohort of those made unemployed by the crisis, the unemployment numbers can be reduced, the cost of doing a retro-fit can be reduced, and the energy efficiency of Irish housing stock will be improved.

- **Develop Hubs/Business Eco-Systems In City Communities**

Creation of Hubs/Ecosystems in areas outside the city centre as a remote work alternative to home working would be a positive step towards a '15 Minute City', while supporting the remote working movement as well as SMEs and start-ups. These would be bought into by businesses but incentivised and guided by Government. This could be achieved by developing a parallel, or combined, initiative to re-purpose existing buildings that are within city communities but outside of the commercial centre for mixed commercial use. This should include shared office space and retail. These Hubs/Ecosystems should be similarly applicable to commuter towns that feed into Dublin.

- **Link Home Retrofits to Remote Working**

Tax incentives for home retrofitting should be introduced that will tie in with remote working. Dublin Chamber surveying shows that there will be a significant uptick in businesses facilitating remote working in some way, with 40% of businesses that previously did not offer remote working options prior to the Covid-19 lockdown saying that they will do so post-crisis. This increase in the number of people remote working will result in an increase in home energy consumption, meaning that the term for return on investment becomes shorter. This should be

capitalised on by incentivising retrofitting among those remote working from home by introducing a new SEAI grant for this cohort.

- **Sustainable Business Register**

A permanent VAT reduction should be introduced for businesses that complete three items to improve sustainability/significantly reduce GHG emissions from a select Government list or *Sustainable Business Register*. Items on the register could for example include: facilitation of remote and flexible working; retrofit and energy efficiency measures; green supply chain guarantees; effective waste management practices; and adoption of ultra-low emissions transport.

Summary & Conclusion

Returning the Irish economy to growth post-Covid-19 will undoubtedly require significant investment. Dublin Chamber argues that this investment should be aligned with low carbon and sustainability goals. Mistakes of the past saw the climate change agenda dropped entirely during the recession of 2008, a time when financial constraints also resulted in sacrificing essential infrastructure projects. It is imperative that this does not happen again.

Government needs to take advantage of the demonstrated ability for behavioural change and bold policy change to achieve a post-crisis reset to an economy that is more suited to a low carbon future. The newfound understanding of the economic and societal vulnerability to shock should be a catalyst for moving decisively toward a low carbon future for Irish cities, industry, and citizens. Dublin Chamber recommends that central Government take its cue from Europe and the EU's continued commitment to the European Green Deal by aligning its fiscal decision-making with achieving a low carbon economy.

In summary, Dublin Chamber encourages Government to maintain focus on achieving climate action targets of net zero by 2050 and of reducing GHG emissions by 2030. In order to achieve this, Government needs to:

- Execute a communications campaign around the immediate threat of climate change and the risk of shock to the economy that it poses;
- Focus on development of sustainable cities, including completion of essential capital infrastructure projects such as Metrolink, DART Underground, and renewable energy use;
- Accelerate existing policy, including Carbon Tax increases and cross departmental commitment to green public procurement;
- Create a tax environment and agile regulatory environment to encourage the innovation and entrepreneurship that will contribute to sustainability; and
- Introduce bold policy changes and initiatives to improve sustainability that will coincide with measures to increase employment and re-ignite the economy.