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An Oifig Buiséid Pharlaiminteach Parliamentary Budget Office Climate Related Spending 2024

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Séanadh

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Is de chineál ginearálta í an Fhaisnéis. Baineann éiginnteacht le ráitis réamhbhreathnaitheacha agus d'fhéadfadh go dtiocfaidh nithe suntasacha chun cinn mar thoradh ar an bhFaisnéis. Ní sholáthraítear ráiteas cinntitheach leis an bhFaisnéis i ndáil le haon saincheist ar leith nó i ndáil le himthoisc phearsanta. Ní comhairle atá san Fhaisnéis. Ní mór a dheimhniú duit féin go bhfuil an Fhaisnéis a sholáthraímidne, an Oifig Buiséid Pharlaiminteach agus Coimisiún an Oireachtais (lena n-áirítear seirbhísigh, gníomhairí agus conraitheoirí na hOifige agus an Choimisiúin) oiriúnach agus iontaoifa. Ní ghlacaimid aon fhreagracht as cruinneas ná oiriúnacht, ná eile, na Faisnéise agus ní thugaimid aon ráthaíocht ná aon ghealltanais ná aon bharánta i leith an chéanna; ná go mbeidh ár leathanaigh ghréasáin nó an Fhaisnéis nó ábhar eile saor ó earráidí, saor ó víris nó saor ó shárú. Ní ghlacaimid aon dlíteanas (lena n-áirítear i leith éilimh maoine intleachtúla) a eascróidh as aon ábhar tríú páirtí nó aon suíomh gréasáin tríú páirtí a gcuirfimid nasc ar fáil chuige nó dá ndéanfaimid tagairt. Ní ghlactar le haon dlíteanas ar bith, a mhéid is mó a cheadaítear faoin dlí is infheidhme nó (i) as aon iontaoibh a chuirfear san Fhaisnéis nó san ábhar ar ár leathanaigh ghréasáin nó (ii) as aon chaillteanas nó damáiste a eascróidh as an úsáid a bhainfidh tú as na leathanaigh ghréasáin sin nó i dtaca leis an úsáid sin. Féach ár [bhFógra Séanta cuimsitheach anseo](#). I gcás aon easaontacht a bheith idir an Séanadh seo agus ár bhFógra Séanta cuimsitheach, is ag an gceann deireanach a bheidh an forlámhas.

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Key Messages

Context

- The [Climate Action and Low Carbon Development \(Amendment\) Act 2021](#) targets a reduction in total emissions of 51% by 2030 compared to 2018 levels (68.3 Mt CO₂ eq). Therefore the 2030 target is for emissions not to exceed c. 33.5 Mt CO₂ eq.
- Following a revision of data, the actual 2018 emissions were increased (70.2 Mt CO₂ eq). However, the 2030 emission target reductions of 33.5 Mt CO₂ eq was unchanged.
- Achieving this 2030 target will therefore require a real reduction of 52.4% on 2018 levels. This is higher than the initial 51% set out and represents a mismatch between the legislated target and the carbon budget target.
- Expenditure with a climate or environmental impact, favourable and unfavourable, is expected to reach €6.96 billion in 2024.
- Exchequer spending with a favourable climate impact will be 3.5 times greater than spending with unfavourable impacts.

Climate & Environmentally Favourable Expenditure

- Gross Voted spending (excluding the allocations for the Social Insurance Fund (SIF) and National Training Fund (NTF)) in 2024 is €82.68 billion. The climate and environmentally favourable related expenditure within this is expected to reach €5.42 billion (6.6%).
- Identifying environmentally favourable spending reflects a revised methodology used by the Department of Public Expenditure, National Development Plan Delivery and Reform (DPENDPR). Using the same methodology as the previous year, climate related 2024 spending would account for €3.94 billion (4.7% of the Gross).
- When capital carryover is included, total climate and environmentally favourable spending in 2024 totals €5.51 billion (6.6%) of gross spending of €83,216 million.
- Climate and environmentally favourable spending is disproportionately significant within the capital carryover from 2023, comprising 17.6% of all capital carryover into 2024.
- While including climate related spending as an appendix to the Revised Estimates is valuable, the publication of a standalone, detailed report [Green Budgeting in REV 2024](#) (December 2023) is a welcome addition and significant step for Green Budgeting in Ireland.

- The PBO commends the Courts Service (Vote 22) for its continued inclusion of climate related context and impact indicators since the *Revised Estimates for Public Services 2022*. The PBO suggests other Votes should adopt a similar approach to improve Green Budgeting across a wider range of departments and sectors.
- Measuring and reporting on energy usage and emissions are essential prerequisites to assess the environmental impact of public services and determine the impacts of the measures implemented to reduce emissions.

Climate and Environmentally Unfavourable Expenditure

- Information on spending which may have an unfavourable or negative impact on the climate or environment has been provided for the first time in REV 2024. An additional ancillary report has also been published.
- Climate and Environmentally Unfavourable Spending is estimated to reach €1.54 billion in 2024, or 1.9% of gross government spending (excluding the SIF and NTF).
- Capital carryover from 2023 accounts for 2.3% of unfavourable spending in 2024, which accounts for almost €35 million.

Carbon Tax Expenditure

- Carbon tax expenditures refer to how hypothecated carbon tax revenue is spent. They are not tax expenditures (forgone tax revenue).
- Carbon tax expenditures have grown steadily, from €90 million in 2020 to a projected €788 million in 2024.
- The relationship between carbon tax spending in the Revised Estimates for Public Services and the more detailed presentation in [Budget 2024: The Use of Carbon Tax Funds 2024](#) (2023) could be strengthened.
- The PBO notes the addition of a table with specific allocations, by subhead, within the 'The Use of Carbon Tax Funds' publications, would present a clear link between core budgetary allocations in the Revised Estimates for Public Services and the supplementary 'The Use of Carbon Tax Funds' publications.

Context

Ireland has committed to reducing its greenhouse gas emissions (Ghg) as part of international efforts to combat climate change. Ireland's target for 2030 is legislated for in the [Climate Action and Low Carbon Development \(Amendment\) Act 2021](#). This act provides for a reduction in annual greenhouse gas emissions to a level 51% lower than 2018 emissions, by 2030. The Act provides in part 1, section 6:

The first two carbon budgets proposed by the Advisory Council shall provide for a reduction in greenhouse gas emissions such that the total amount of annual greenhouse gas emissions in the year ending on 31 December 2030 is 51 per cent less than the annual greenhouse gas emissions reported for the year ending on 31 December 2018, as set out in the national greenhouse gas emissions inventory prepared by the Agency.

A carbon budget represents the total amount of emissions allowed to be released across the entire economy during an agreed five-year period. Emissions are measured in metric tonnes of carbon dioxide equivalent (Mt CO₂ eq). The Climate Change Advisory Council is responsible for proposing Ireland's carbon budgets for the periods 2021-2025, 2026-2030, and 2031-2035. The carbon budgets agreed set out targeted average levels of emissions for five-year periods from 2021 through to 2035. Where targets are not achieved in one budget, the excess emissions will be accounted for in the next, thereby requiring even lower targets. The primary constraint on carbon budgets over the course of the first two budget periods from 2021 to 2030 was a reduction of 51% by 2030 relative to 2018 levels (68.3 metric tonnes of carbon dioxide equivalent (Mt CO₂ eq)), informing a target of c.33.5 Mt CO₂ eq in 2030.¹ Total emissions in the first budget period are 295 Mt CO₂ eq (an annual average of 59 Mt CO₂ eq) falling to 200 Mt CO₂ eq by the second budget period (annual average of 40 Mt CO₂ eq).² Annual averages for the first budget are 13.6% lower than 2018 levels, while annual averages for the second budget are 41.4% lower than 2018 levels.

However, subsequent revisions to the emissions inventory resulted in an upward revision to 2018 emissions from 68.3 Mt CO₂ eq to 70.2 Mt CO₂ eq. However, this revision does not impact on the carbon budget automatically i.e., emissions still cannot exceed a total of 33.5 Mt CO₂ eq for the second carbon budget period.³ **Achieving emissions of 33.5 Mt CO₂ eq to comply with the 2030 carbon budget target would thus require a reduction of 52.4% on 2018 levels. This reflects a lack of congruence**

¹ For more detail please see the [Carbon Budget Technical Report](#) (October 2021).

² Climate Change Advisory Council, [Carbon Budget Technical Report](#) (October 2021) p.30.

³ Correspondence from the Environmental Protection Agency (30 January 2023).

between the legislated target (51% less than 2018 levels) and the carbon budget target (52.4% less than 2018 levels).

Figure 1 shows the 2030 target and the average annual output of Ghg emissions for each of the first two carbon budget periods (2021 to 2025, and 2025 to 2030) as set out in the [Carbon Budget Technical Report](#) (October 2021, p.5). The PBO has modified the figures for the remainder of the first budget period (reflecting that 2021 data has been published) to be consistent with total Ghg emissions of 295 Mt CO₂ eq for the period.⁴ Figure 1 shows:

- Greenhouse gas (Ghg) emissions for the period 1990 to 2021;
- The average output of Ghg in the first and second carbon budget periods;⁵ and
- The legislated targeted level of greenhouse gas emissions by 2030.

Figure 1: Greenhouse Gas Emissions (Ghg (1990-2022) and Carbon Budget (2023-2024)



Source: PBO based on Environmental Protection Agency, '[Summary by gas](#)' (July 2023); Environmental Protection Agency, '[Ireland's Provision Greenhouse Gas Emissions 1990-2022](#)' (July 2023); and [Climate Action and Low Carbon Development \(Amendment\) Act 2021](#); Climate Change Advisory Council, [Carbon Budget Technical Report](#) (October 2021).

⁴ Based on the Environmental Protection Agency, [Summary by gas](#) (July 2022); and the Environmental Protection Agency, [LULUCF](#) (July 2022).

⁵ The PBO has modified the annual average for the remainder of the first budget period reflecting emissions data for 2022. The 2023-2025 average emissions are (presumably) approximately 52.5 Mt CO₂ eq to meet the 295 Mt CO₂ eq emissions for the first carbon budget period.

Green Budgeting

Ireland's participation in the Paris Collaborative on Green Budgeting (launched by the OECD in 2017) and the progressive implementation of a series of green budgeting reforms were announced by Government as part of Budget 2019.⁶ Green Budgeting was introduced as part of the [*Revised Estimates for Public Services 2019*](#) in the form of an appendix.

Green Budgeting highlights the role of the budgetary system in improving environmental outcomes and is:⁷

[A]n explicit recognition that the budgetary process is not a neutral process, but reflects long standing societal choices about how resources are deployed.

The approach to Green Budgeting taken by the DPENDPR was precautionary in nature. It excluded certain spending in the Climate Related Expenditure Appendix to the Revised Estimates where its view was that including this spending overstated the actual climate-related spending undertaken. This precautionary approach excluded subheads which are partially climate-related i.e., where the spending has multiple objectives and outcomes, of which climate goals are only part.⁸ Accordingly, the approach taken “likely significantly underestimates the level of climate-related expenditure taking place across Government”.⁹

Climate Related Expenditure

The definitions of favourable and unfavourable expenditure, as used by the Department of Public Expenditure, NDP Delivery and Reform (DPENDPR) in their approach, is set out in box 1 below.

⁶ Minister for Finance (2018), [*Budget Speech 2019*](#).

⁷ Cremins, A. & Kevany, L. (2018), [*An Introduction to the Implementation of Green Budgeting in Ireland*](#), p.2.

⁸ Ibid., pp.15-16.

⁹ Ibid., p.16.

Box 1. Definitions of Climate and Environmentally Favourable & Unfavourable Expenditure¹⁰

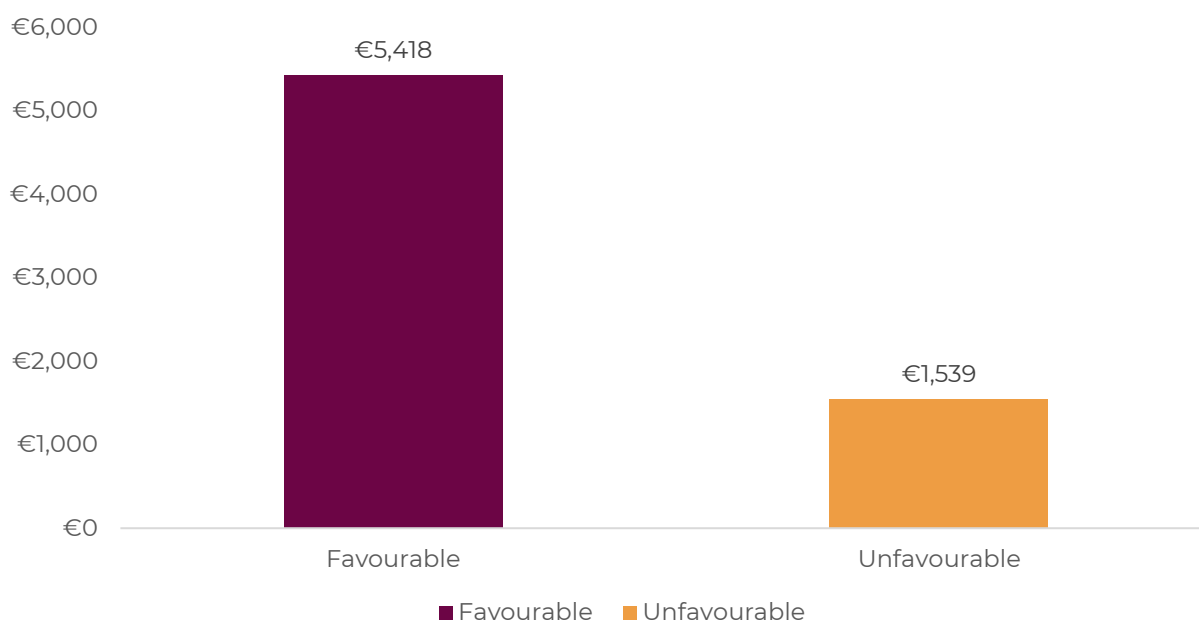
Climate & Environmentally Favour Expenditure is defined as any expenditure which promotes, in whole or in part and whether directly or indirectly, Ireland's transition to a low carbon, climate-resilient and environmentally sustainable economy, where it is evident that all, or at least the majority of expenditure on the programme in question, would likely support improved climate and environmental outcomes.

Climate & Environmentally Unfavourable Expenditure is defined as any expenditure which impedes, in whole or in part and whether directly or indirectly, Ireland's transition to a low carbon, climate-resilient and environmentally sustainable economy, where it is evident that all, or at least the majority of expenditure on the programme in question, would likely contribute to a deterioration or disimprovement in climate and environmental outcomes.

In 2024, an estimated €6.96 billion in spending has been identified as having an impact on the climate and environment.¹¹ This represents 8.4% of Gross Voted Expenditure (excluding the SIF and NTF). This figure consists of spending identified as having both a favourable and an unfavourable impact. Over €5.42 billion is estimated to have a favourable climate impact in 2024, with €1.54 billion having an unfavourable climate impact (Figure 2). Climate and environmentally favourable Exchequer spending is therefore expected to be over 3.5 times greater than unfavourable spending.

¹⁰ Department of Public Expenditure, NDP Delivery and Reform (2023), [Green Budgeting in REV 2024](#), p. 8.

¹¹ Department of Public Expenditure, NDP Delivery and Reform (2023), [Revised Estimates for Public Services 2024](#), pp. 287-289.

Figure 2: Climate and Environmental Spending 2024 (€ millions)

Source: PBO based on DPENDPR, [Revised Estimates for Public Services 2024](#) (December 2023).

DPENDPR has noted that these estimates likely understate the amount public expenditure identified as having a climate impact, as they exclude non-exchequer sources of funding and investments made by commercial State bodies.¹² Furthermore, the methodology applied to identify climate-related spending is subject to limitations. These include the reality that most policies and programmes do not have an explicit or direct objective related to climate, and therefore information on their relative impact is not collected in a systematic manner. This makes subsequent assessment of policies for climate impact difficult, and potentially results in knowledge gaps.

As also referred to by the Department, a programme of work is being undertaken to improve and refine this methodology which will be reflected in future iterations of the Department's commentary on Green Budgeting in the REV. This will occur over the coming years and aims to address the aforementioned limitations. While such refinement is welcome, ongoing methodological changes will also pose challenges to year-on-year comparisons until this programme of work is complete.

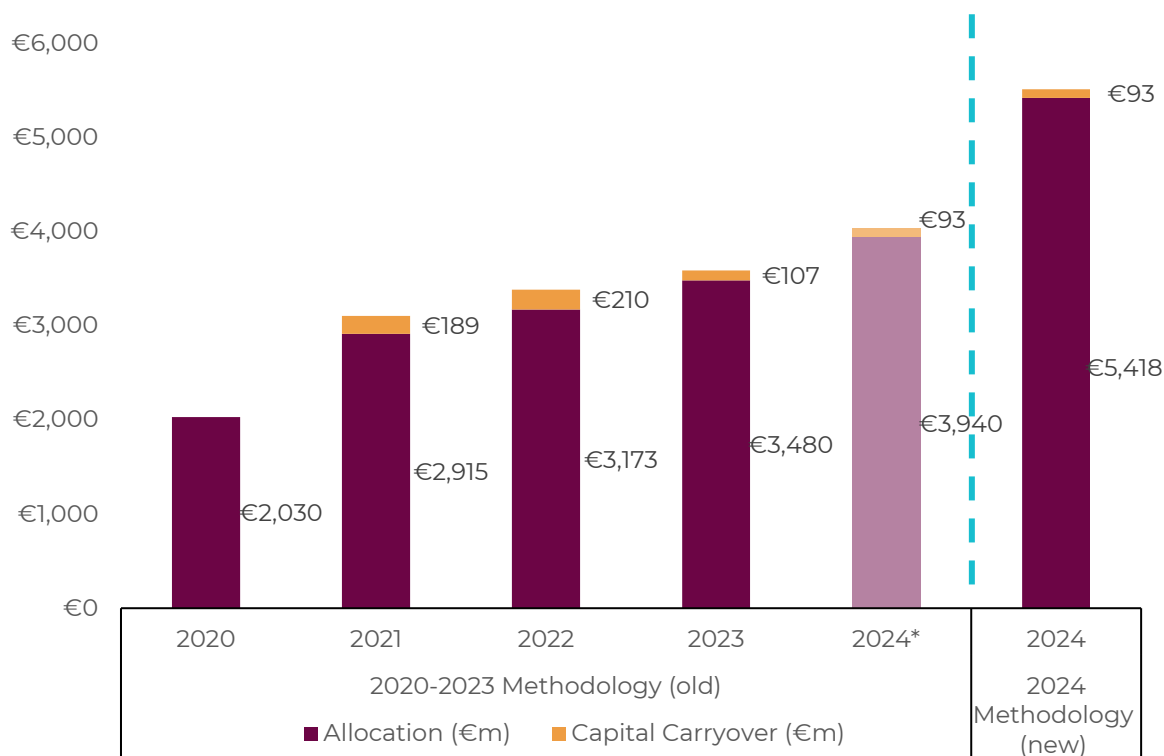
Climate and Environmentally Favourable Expenditure

Figure 3 shows gross climate and environmentally favourable related spending for the period 2020 to 2024 as per the *Revised Estimates for Public Services* of the given year, including capital carryover from the

¹² Department of Public Expenditure, NDP Delivery and Reform (2023), [Green Budgeting in REV 2024](#), p. 2

previous year. These figures can differ considerably from the end-year allocation to these Votes.

Figure 3: Climate and Environmentally Favourable Expenditure 2020-2024 (€ millions)



Source: PBO based on *Revised Estimates for Public Services 2020-2024*.

Note: 2024* illustrates spending levels based on previous year's methodology.

Total climate and environmentally favourable expenditure in 2024 is expected to reach €5.42 billion. This represents:

- 6.6% of Gross Voted spending in 2024 (€82.68 billion) (excluding the SIF and NTF).
- This rises to €5.51 billion (6.7%) of gross spending in 2024 of €83.22 billion (excluding SIF and NTF, but inclusive of capital carryover).

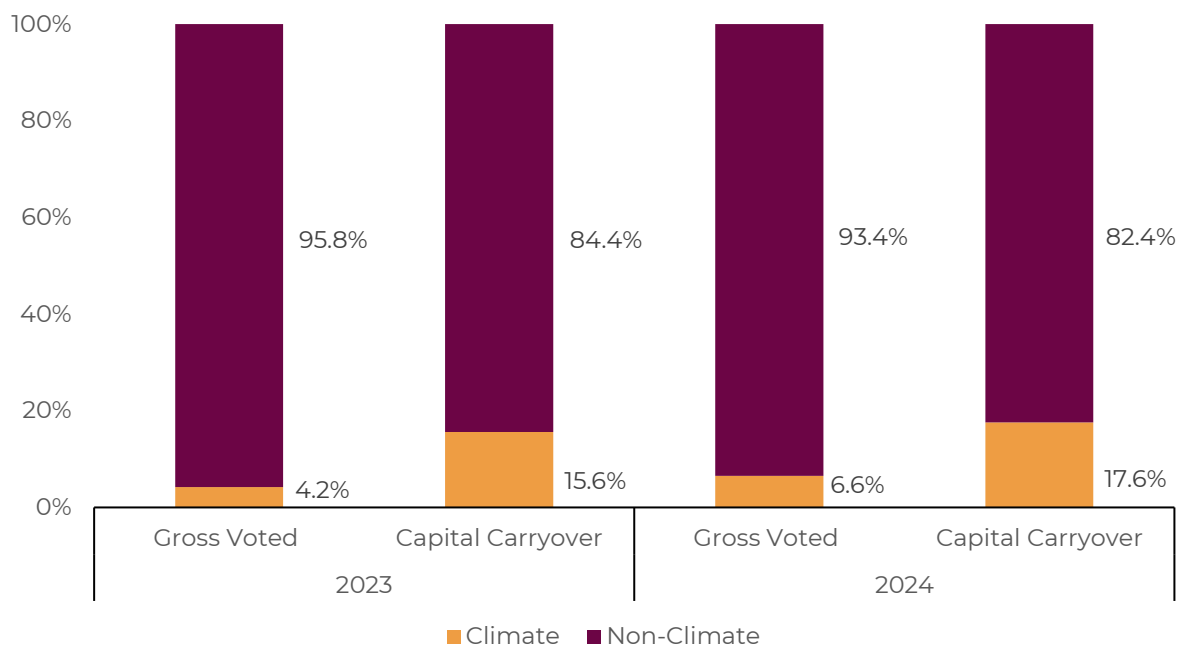
Expenditure on salaries, pensions and operating costs by Government Departments and Agencies are generally excluded from climate and environmental assessments.

Climate Related Spending allocations rose from €2 billion in 2020 to €5.42 billion in 2024, an increase of 170%. This significant increase partially reflects the revised methodology used by DPENDPR. Using the previous year's methodology to account for climate related spending, 2024 levels would total €3.94 billion. This represents an increase of 96.4% since 2020.

Figure 4 places the Climate and Environmentally Favourable related allocation in 2024 in context. Figure 4 shows that:

- Climate related expenditures are only a small proportion (6.6%) of the Voted Allocation (exclusive of the SIF and the NTF); and
- Climate related expenditures are disproportionately significant within the capital carryover from 2023 (17.6%).

Figure 4: Proportion of Climate and Environmentally Favourable Expenditure 2023-2024 (by Voted Allocation and Capital Carryover)



Source: PBO based on *Revised Estimates for Public Services 2023-2024*.

Note: These figures reflect the gross allocation in 2023 and 2024 exclusive of the SIF and the NTF.

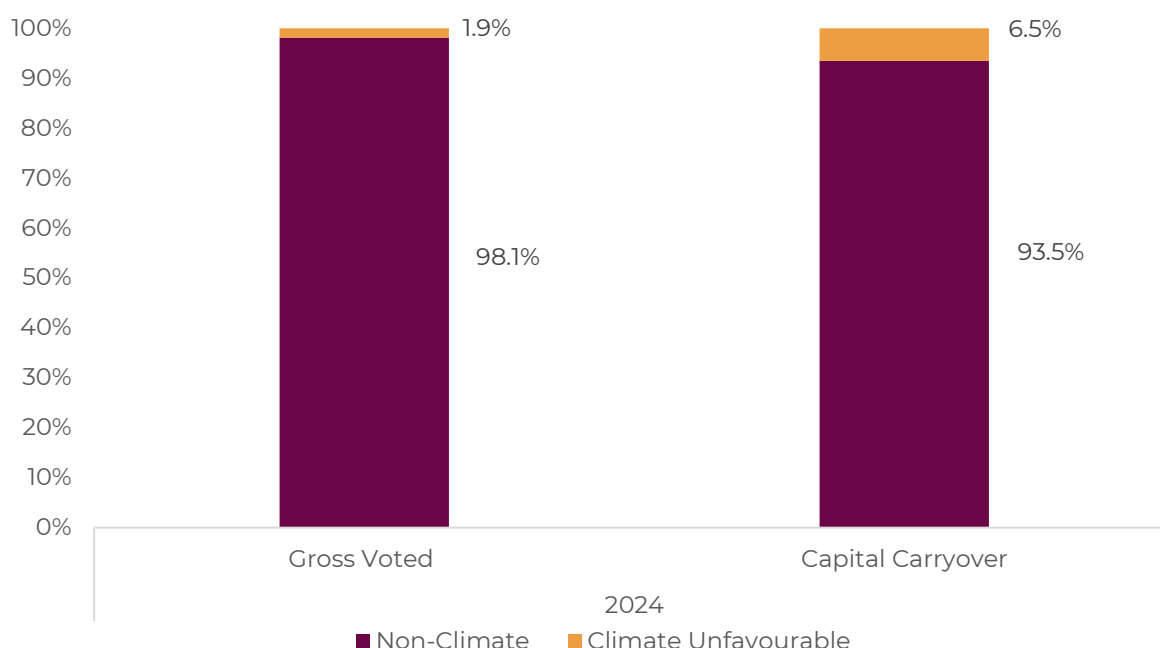
The continued disproportionate level of capital carryover of climate and environmentally favourable spending is a concern. This indicates difficulty in spending the resources being made available for favourable measures. While additional resourcing of such measures may yield benefits, and is desirable, consideration of how to overcome potential barriers to spending must be addressed to enable climate-favourable programmes to progress.

Climate and Environmentally Unfavourable Expenditure

Total climate and environmentally unfavourable spending in 2024 is expected to reach €1.54 billion. This represents:

- 1.9% of Gross Voted spending in 2024 (€82.68 billion) (excluding the non-Voted SIF and NTF).
- This rises to €1.57 billion of gross spending in 2024, inclusive of capital carryover.

Figure 5. Proportion of Climate and Environmentally Unfavourable Expenditure 2024 (by Voted Allocation and Capital Carryover)



Source: PBO based on DPENDPR, [Revised Estimates for Public Services 2024](#) (December 2023).

Note: These figures reflect the gross allocation in 2023 and 2024 exclusive of the SIF and the NTF.

Climate Related Spending and Performance

Climate related spending is outlined in Appendix 6 of the Revised Estimates for Public Services. This demonstrates the allocations of spending deemed to be explicitly climate related. This information, while helpful, is insufficient. Performance Budgeting in its simplest form requires information about resourcing (inputs) and results (outputs). While additional details such as rationale and broad aims, as outlined in [Green Budgeting in REV 2024](#) (December 2023), are welcome, essential performance budgeting data remains absent. As such data should be tracked on:

- Actual spending versus allocation to identify trends in real spending; and
- Tangible outputs associated with specific resources to link spending and performance.

At present, only allocated monies are tracked in Appendix 6 of the Revised Estimates for Public Services 2024.

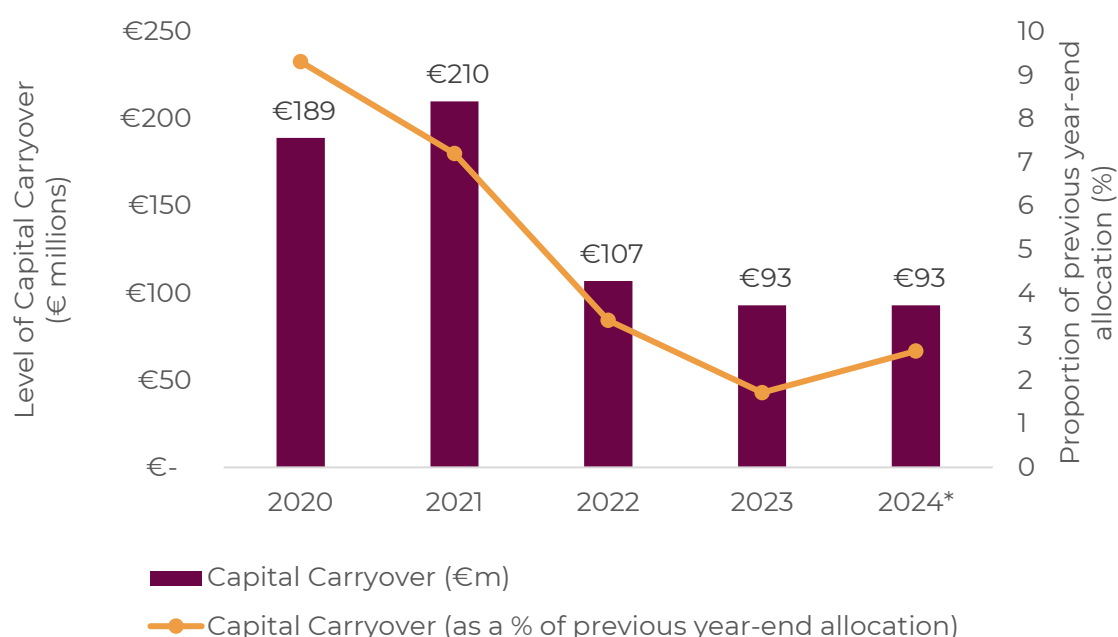
‘Capital carryover’ refers to unspent capital allocations from one year which may be spent in the following year, if permitted; up to 10% of a capital allocation may be carried over, subject to an order being made by the

appropriate Minister¹³. Capital carryover provides an indication of the level of underspend from a previous year, which can signal issues in administering programmes or projects, thereby leaving the allocated funds unspent in part or in full. Figure 6 outlines capital carryover as:

- The monetary amount carried into the named year; and
- The Capital carryover as a percentage of the end-year allocation of the preceding year.

Figure 6 shows capital carryover of over €93.8 million in 2024, which represents about 2.6% of the climate related spending allocation for 2023. This is a significant improvement on previous years – suggesting there may have been a pandemic-related impact on the ability to utilise climate related allocations. This capital carryover is applied across 9 subheads; four of which are in Vote 33 Tourism, Culture, Arts, Gaeltacht, Sport and Media (comprising c. €20 million);¹⁴ three are in Vote 31 Transport (totalling almost €70 million). The balance (€4.3 million) is associated with Vote 34 Housing, Local Government and Heritage.

Figure 6: Capital Carryover in Climate and Environmentally Favourable Spending (€ and % of previous year allocation)



Source: PBO based on *Revised Estimates for Public Services 2021-2024*.

Note: 2024 reflects the new methodology applied by DPENDPR.

It is important to note that allocation (at end-year) is not necessarily what will be spent. It is helpful that climate related spending is described at

¹³ Parliamentary Budget Office (2022), *Capital Carryover (Deferred Surrender) 2022*, p. 1.

¹⁴ As noted in REV 2024, a proportion of three of the four Vote 34 subheads has a probable favourable impact, but figures listed refer to total carryover amounts. Not all of the expenditure listed is expected to have a climate and environmental impact.

subhead level, as this will allow a historical analysis of spending by comparing the end-year allocations with actual spending.

Table 2 (Appendix 1) shows the final climate related allocations for 2023 (at year-end, inclusive of supplementary estimates) and compares these allocations to the outturn spending on the subheads in question. Due to changes in the structure of the Revised Estimates for Public Services at this time, the PBO has not recorded outturn spending for subheads unless it was certain the link was appropriate.

For the subheads where allocation can be directly compared to outturn spending, we show that spending of €4,297.26 million took place, compared to an allocation of €4,466.63 million. For the subheads where comparisons can be made with confidence, spending was 3.8% lower than the level allocated. However, it is important to note data used is provisional and subject to change.

Performance

To enable climate related spending to be meaningful, it must be associated with performance metrics. These metrics would measure the outputs produced by the spending. For example, an energy retrofit scheme could have metrics for the square meterage of solar panels installed or the associated estimated energy generation. Metrics are required to track the tangible outputs from spending of public monies, in this case on climate and environmental related areas.

In addition to metrics, context and impact indicators can be used to track important relevant information. In this regard, the PBO commends the Courts Service (Vote 22) for its inclusion of climate related context and impact indicators since the *Revised Estimates for Public Services 2022* (December 2021). These context and impact indicators track the energy usage of the Courts Service, specifically:

- Electricity consumption (kWh);
- Thermal fuel consumption (kWh);
- Total primary energy requirement (kWh); and
- Carbon emissions (kg CO₂).

If green budgeting is to be progressed in Ireland it is essential more Votes incorporate similar measures of their energy use and climate impact urgently. Performance metrics must also be developed for climate related spending. The provision of hot water and heating to the public service are a significant contributor to Ireland's total greenhouse gas emissions as noted in the [*Review of Fossil Fuel Subsidies and Other Potentially Climate Harmful Supports*](#) (February 2023). Measuring and reporting on energy usage and emission are thus essential prerequisites to measuring the

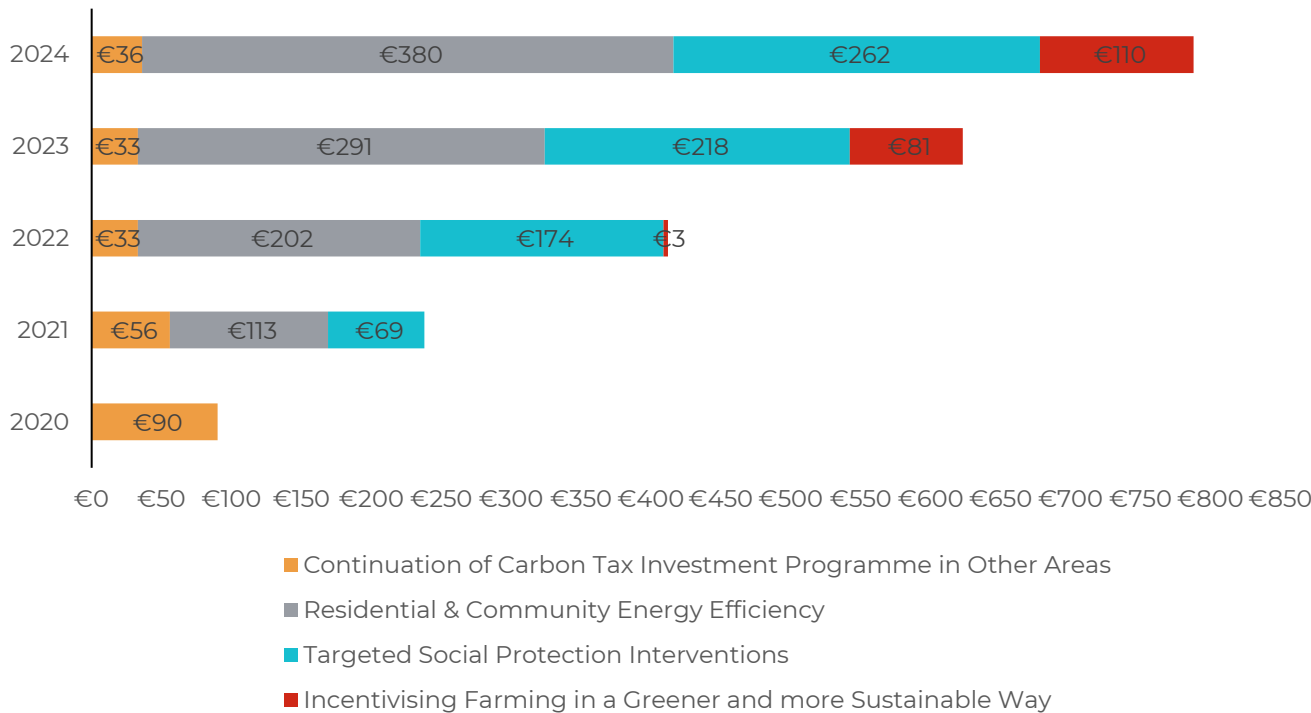
environmental impact of public services and of the measures implemented to reduce or offset that impact.

Expenditure of Carbon Tax Revenue

Details on the spending of certain carbon tax revenue are set out in Appendix 7 of the *Revised Estimates for Public Services 2024*. Carbon tax expenditures refers to use of the hypothecated carbon tax revenue for spending in certain areas.¹⁵ Carbon tax expenditures are not tax expenditures (forgone tax revenue).¹⁶

Figure 7 shows carbon tax expenditures have grown steadily, from €90 million in 2020 to a projected €788 million in 2024. The details of how this allocation is to be spent in 2024 is set out in the publication: [Budget 2024: the use of Carbon Tax Funds](#).

Figure 7: Carbon Tax Expenditures 2020-2024



Source: PBO based on Appendix 7: Carbon Tax Expenditures 2024, [Revised Estimates for Public Services 2024](#) (December 2023).

Carbon tax spending had been categorised under 10 areas, which are set out in Table 1 below. Previously, carbon tax spending had been identified

¹⁵ Tax hypothecation is the dedication of the revenue from a specific tax for a particular expenditure purpose. This approach differs from the usual method of funding government spending from a central fund.¹ The primary aim of tax hypothecation is for the government to gain additional revenue through which it can fund its policy goals. PBO (2022) [Tax Hypothecation](#).

¹⁶ PBO (2018) [Tax Expenditure in Ireland: Key Issues for Consideration](#), p.4.

under just four categories representing 10 measures. The categories listed in Table 1 reflect efforts to separate out these measures.

Table 1: Carbon Tax Expenditure 2024, by Programme/Scheme (€millions)

Programme/Scheme	Dept.	2023	2024	Change (%)
Residential & Community Energy Efficiency	DECC (Vote 29)	291	380	30.6
Green Climate Fund*	DECC (Vote 29)	2	2	0.0
Just Transition Fund*	DECC (Vote 29)	6	6	0.0
Targeted Social Protection Interventions	DPS (Vote 37)	218	262	20.2
Incentivising Green and Sustainable Farming	DAFM (Vote 30)	78	110	41.0
Green Agricultural Pilots*	DAFM (Vote 30)	3	3	0.0
Greenways/Urban Cycling*	Transport (Vote 31)	9	9	0.0
EV Charging Infrastructure*	Transport (Vote 31)	3	3	0.0
EV Grants*	Transport (Vote 31)	8	8	0.0
Peatlands Rehabilitation*	DHLGH (Vote 34)	5	5	0.0
Total		623	788	26.5

Source: Revised Estimates 2024.

Note: * indicates this scheme was categorised under “Continuation of 2020, 2021 and 2022 Carbon Tax Investment Programme in Other Departments” in previous REVs.

Table 3 (Appendix 2) presents the various Carbon Tax spending over the period 2020 to 2024. The figures shown are the allocation to these measures and do not necessarily reflect the end-year spend on same. Carbon Tax spending has seen significant annual increases compared to the 2020 levels.

The carbon tax funding allocated to Votes is not distinct from the ordinary Voted allocation to these Votes. It is unclear if this funding is used to provide additionality i.e., it is not possible to determine if these subheads would be funded to a lesser extent in the absence of carbon tax hypothecation.

Presentation of Carbon Tax Expenditures

Carbon tax expenditures of €90 million were initially categorised under three headings in the *Revised Estimates for Public Services 2020*:

- Protecting the vulnerable (€34 million);

- A Just Transition (€31 million); and
- Investing in the low carbon transition (€25 million).

All 2020 measures, with the exception of the 'Aggregated Housing Upgrade Scheme' (€20 million) have been continued with their allocations unchanged. After 2020, various new measures were introduced, but these headings are no longer used. A simplified presentation of the data is provided in the Revised Estimates for Public Services, with supplementary detail provided earlier in a separate publication alongside the Budget. Table 3 (Appendix 2) reconciles the different presentations of this information for the period 2020 to 2024.

The PBO notes it is complex, even with reference to [*Budget 2024: The Use of Carbon Tax Funds*](#) (2023), to easily understand and track carbon tax expenditures over the period since 2020.

The PBO welcomes the proactive approach of the Department in trying to streamline and simplify the presentation of this information within the Revised Estimates. The addition of greater data on allocations from the carbon tax revenue to various measures in the [*Budget 2024: The Use of Carbon Tax Funds*](#) (2023) publication, strengthens the link between the detailed allocations set out in the Revised Estimates and the detailed supplementary information published in the 'The Use of Carbon Tax Funds' publications.¹⁷

¹⁷ Further information on Green Budgeting is available from the Parliamentary Budget Office's [*An Approach to Better Incorporate Climate-related Considerations into the Budget Process*](#) (September 2018); and [*An Overview of the Green Budgeting Initiative*](#) (November 2018).

Acknowledgement

The PBO wishes to acknowledge the publication of an ancillary report, [Green Budgeting in REV 2024](#) (December 2023) by the DPENDPR. This document improves our understanding of the climate impact of voted spending and outlines whether these are favourable or unfavourable. This is a significant and welcome development in enhancing the Green Budgeting framework.

Appendix 1: Climate Related Spending 2023

Table 2: Climate Related Spend 2023 (€ millions)

Vote (subhead)	Impact	Allocation (at end-year)	Actual Spend	Variance (€)	Variance (%)
7. Department of Finance					
A.5	Unfavourable	11	10.66	-0.34	-3.1
13. Office of Public Works					
A.5	Favourable	57.52	59.242	1.72	3%
B.12	Favourable	14.5	19.099	4.60	32%
20. An Garda Síochána					
A.5	Favourable & Unfavourable	32.303			
A.7	Unfavourable	23.1	22.821	-0.279	-1.2%
26. Education					
A.9	Favourable	381.943	382.028	0.085	0.0%
27. International Cooperation					
A.3	Favourable	618.290			
A.4	Favourable	30.487			
A.5	Favourable	46.875			
29. Department of Environment, Climate and Communications					
A.3	Favourable	43.761	44.43	0.669	2%
A.4	Favourable	16.65	16.172	-0.478	-2.9%
A.6	Favourable	26.5	26.408	-0.092	0%
A.7	Favourable	10.931	9.131	-1.8	-16%
A.8	Favourable	9.32	5.119	-4.201	-45.1%
A.9	Favourable	1.8	0	-1.8	-100%
B.3	Favourable	27.971	25.171	-2.8	-10%
B.4	Favourable	327.565	320.442	-7.123	-2.2%
B.5	Favourable	94.765	93.386	-1.379	-1.5%
B.7	Favourable	19.75	18.114	-1.636	-8.3%
B.8	Unfavourable	0.45	0.45	0	0.0%
B.14	Favourable	0.689	0.235	-0.454	-66%
B.15	Favourable	2.48	1.591	-0.889	-35.8%
C.3	Unfavourable	3.264	0.762	-2.502	-76.7%
C.6	Favourable	32.09	22.848	-9.242	-28.8%
C.8	Favourable	0.5	0	-0.5	-100%
30. Department of Agriculture, Food and Marine					
B.3	Favourable	133.627	122.154	-11.473	-9%
B.4	Favourable and Unfavourable	249			
B.14	Favourable	146	94.143	-51.857	-35.5%
B.15	Favourable	12.684	13.332	0.648	5.1%
B.10	Favourable	98.932	73.746	-25.186	-25.5%
B.13	Favourable	6.65	2.905	-3.745	-56.3%
C.4	Unfavourable	14.366	15.816	1.45	10.1%

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C.6	Unfavourable	56.29	55.486	-0.80	-1.4%
D.4	Favourable	41.421	41.405	-0.016	0.0%
31. Department of Transport					
A.3	Favourable	408.665	401.24	-7.425	-2%
A.4	Favourable	60	49.982	-10.018	-17%
B.4	Favourable	624.674	607.683	-16.991	-3%
B.5	Favourable	807.904	833.577	25.673	3%
C.3	Unfavourable	678.168			
C.4	Unfavourable	625.916			
C.7	Favourable	114.772	114.315	-0.457	0%
D.3	Unfavourable	27.648	20.121	-7.527	-27%
E.3	Unfavourable	83.688	81.973	-1.715	-2%
32. Department of Enterprise, Trade and Employment					
A.5	Favourable and Unfavourable	242.001			
A.7	Favourable and Unfavourable	184.527			
B.5	Favourable	23.351			
33. Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media					
A.5	Unfavourable	63.173			
A.6	Unfavourable	25			
A.8	Favourable	4.5	4.5	0	0%
B.7	Favourable	30.192			
C.8	Favourable	14.454			
D.3	Favourable	43.535			
D.7	Favourable and Unfavourable	13.6			
D.8	Unfavourable	6.395			
34. Department of Housing, Local Government & Heritage					
A.15	Favourable	40			
A.16	Favourable	87	76.921	-10.079	-12%
A.36	Favourable	6.09			
B.3	Favourable	29.687	24.952	-4.735	-16%
B.4	Favourable	57.65	61.553	3.903	7%
B.5	Favourable	1554.7			
B.7	Favourable	8	8	0	0%
B.8	Favourable	4.355	0.413	-3.942	-91%
D.9	Favourable	108.01	123.939	15.929	15%
E.2	Favourable	23.062	12.614	-10.448	-45%
E.4	Favourable	7.205	1.311	-5.894	-82%
F.5	Favourable	63.582	62.921	-0.661	-1%
F.8	Favourable	10.28	5.83	-4.45	-43%
F.11	Favourable	0.2	0.114	-0.086	-43%
36. Department of Defence					
A.8	Unfavourable	112			
A.9	Unfavourable	24.47			
A.10	Unfavourable	24.645	26.266	1.621	7%

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A.11	Unfavourable	14.5			
A.12	Unfavourable	17.77			
37. Department of Social Protection					
A.39	Unfavourable	88.124			
A.41	Unfavourable	294.586	286.434	-8.152	-3%
42. Department of Rural Affairs and Community Development					
A.6	Favourable	70.525			

Source: PBO based on Provisional Outturn 2023 (Gross) data provided by DPENDPR 13 February 2024.

Note: Where spending under a sub-head comprises both favourable and unfavourable elements, or where 100% of spending is not relevant, no data regarding 'actual spend' and 'variance' is reported in the table above.

Note: Data on 'actual spend' is provisional and subject to change following audit.

Appendix 2: Carbon Tax Spending 2020-2024

Table 3: Carbon Tax Spending 2020-2024 (€ millions)

<i>Post-2020 Categorisation</i>	<i>Categorisation in 2020</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
A Just Transition						
Other	Aggregated Housing Upgrade Scheme	€20	€0	€0	€0	€0
Other	Peatland Rehabilitation	€5	€5	€5	€5	€5
Other	Just Transition Fund	€6	€6	€6	€6	€6
Investing in the Low Carbon Transition						
Other	Greenways/Urban Cycling	€9	€9	€9	€9	€9
Other	Continuation of Electric Vehicle Grants	€8	€8	€8	€8	€8
Other	Further Investment in EV Charging Infrastructure	€3	€3	€3	€3	€3
Other	ODA – Green Climate Fund	€2	€2	€2	€2	€2
Incentivising Farming in a Greener and More Sustainable Way	Green Agricultural Pilots	€3	€3	€3	€3	€3
New Measures						
Other	Pilot Environmental Programmes in Agriculture		€20	€0	€0	€0
Targeted Social Protection Interventions	Targeted Social Protection Interventions		€48	€153	€218	€262
Total Investment in Residential Energy Efficiency	Investment in Residential & Community Energy Efficiency		€100	€189	€291	€380
Incentivising Farming in a Greener and More Sustainable Way	ACRES				€78	€110
Total		€90	€238	€412	€623	€788

Source: PBO based on PBO, [Climate Related Spending 2023](#) (2023); and DPENDPR, [Budget 2024: The Use of Carbon Tax Funds 2024](#) (2024).

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