



# Better Lives, Better Business

An Ibec campaign

## Building a low carbon economy

A roadmap for a  
sustainable Ireland  
in 2050



# Our greatest challenge

Climate change is the single greatest challenge faced by humankind today.

Global temperatures are increasing, our environment is changing, and human-made greenhouse gas (GHG) emissions are responsible. Ireland must take decisive action to decouple emissions from population and economic growth and transition to a competitive low carbon economy.

For Irish business, such a transition presents a unique opportunity to build a better Ireland. If we focus on smart, cost-effective and evidence-based policies, we can use the transition to enhance our energy security, boost competitiveness, improve quality of life and create thousands of sustainable jobs across the country.

Ibec's vision is for Ireland to achieve a competitive low carbon economy in 2050 by pursuing a well-planned roadmap for businesses and citizens.

## Ireland's low carbon economy in 2050



Electricity system to reduce emissions by

84-92%



Transport system to reduce emissions by

72-92%



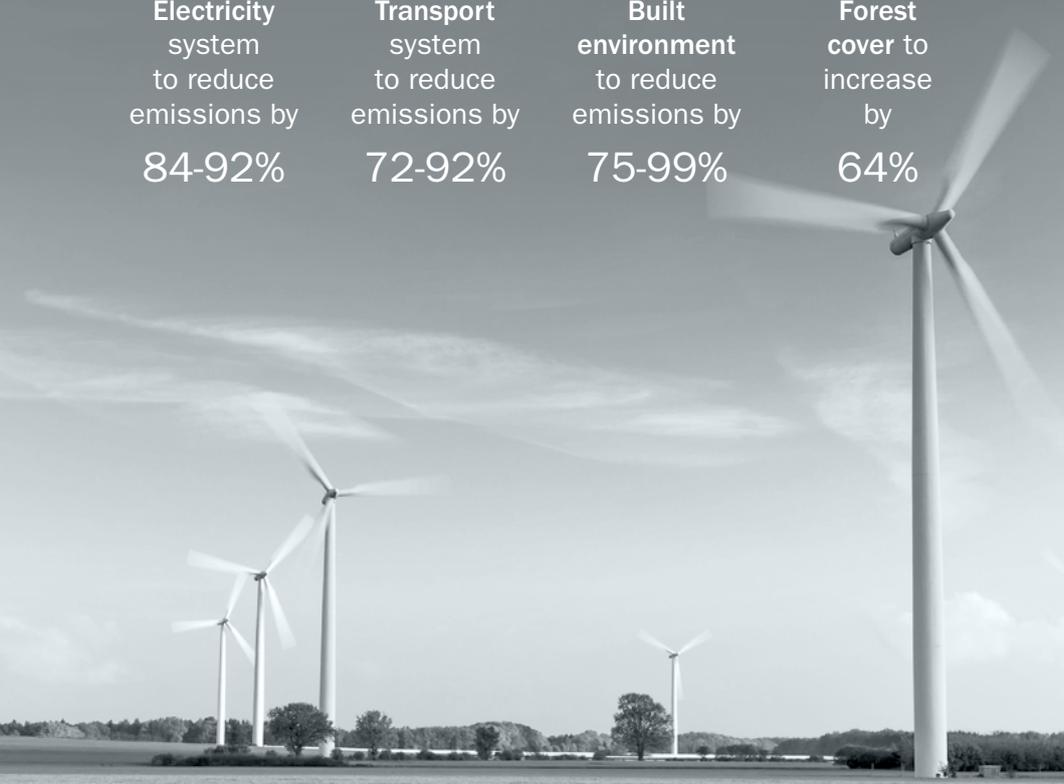
Built environment to reduce emissions by

75-99%



Forest cover to increase by

64%



# Six steps towards a competitive and sustainable Ireland

## 1. Introduce short-term carbon budgets

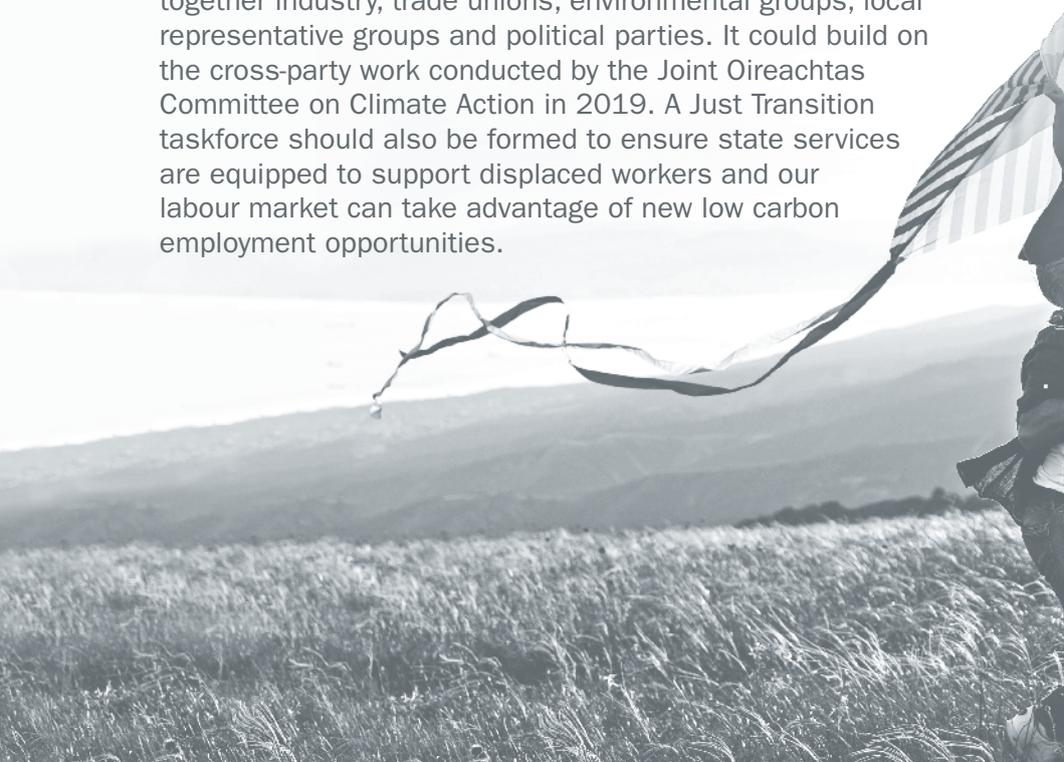
The introduction of continually reducing carbon budgets for sectors outside the Emissions Trading System (ETS) is required. These budgets would restrict the amount of greenhouse gas (GHG) emissions Ireland could emit over a specified period of years. This would bring greater visibility to Ireland's emissions targets and obligations. It would give more certainty to investors and promote greater policy discipline across government departments.

## 2. Redesign the carbon tax

The introduction of an upward carbon tax with gradual, predictable increases will give much needed investment certainty. But the revenue must be ringfenced to support investment in emissions reduction, energy efficiency and low to zero carbon technologies. A portion of the revenue should also be used to support fuel poor households and vulnerable business sectors with no practical alternatives to fossil fuels. The tax should be set at €30 per tonne in 2020 and increase by €5 per tonne annually until it reaches €80 in 2030.

## 3. Establish a social dialogue on climate action

A broad national consensus on climate action is vital to ensuring effective policy delivery and outcomes. A national social dialogue on climate action is needed to bring together industry, trade unions, environmental groups, local representative groups and political parties. It could build on the cross-party work conducted by the Joint Oireachtas Committee on Climate Action in 2019. A Just Transition taskforce should also be formed to ensure state services are equipped to support displaced workers and our labour market can take advantage of new low carbon employment opportunities.



#### **4. Promote climate smart planning and development**

Climate action should be fully integrated into the planning system as set out in the National Planning Framework. The planning system must enable a low carbon transition by better supporting the roll-out of strategic energy infrastructure, the development of public transport, afforestation and carbon sequestration. The planning system must also ensure future development is compact and promotes walking, cycling and public transport use.

#### **5. Undertake a review of security of supply to 2035**

Government must undertake a comprehensive study into security of supply out to 2035. Secure access to energy underpins economic development. The transition to a low carbon economy should in time boost Ireland's energy resilience as we take advantage of indigenous renewable resources and as energy efficiency improvements reduce total demand. Decarbonisation should happen in phases to ensure a smooth transition and continued access to affordable energy.

#### **6. Support private investment**

The transition will require in excess of €40 billion of new capital investment by 2030. Most of this will be private investment. Mobilising low carbon investment has proven extremely challenging. Targeted supports and incentives will be required to help businesses and households overcome the high capital costs and long payback periods. Strong government signals are also needed to drive investor certainty and gradually replace state subvention with market-led decarbonisation.



# An Ibec vision for 2050

Ireland will have a smart low carbon economy – known for its sustainable enterprise-base, industrial competitiveness, energy resilience, skilled workforce and high quality of life.

## A low carbon energy system

Ireland's energy system will be secure, sustainable and competitive. Supply will be built on wind, solar, renewable gas and biofuels with natural gas and carbon capture technology providing stability and security. Peat and coal will be completely removed from the energy mix, with some oil used for sectors with no alternatives. Energy efficiency improvements, the use of indigenous resources and new links with Europe will boost energy resilience.



## A low carbon economy

Ireland's economy will be competitive, productive and innovative. It will benefit from an entrepreneurial culture and a secure supply of low carbon energy. Ireland's green reputation will drive export growth and attract talent and investment, while a dynamic renewable bioeconomy will provide sustainable employment across the country.

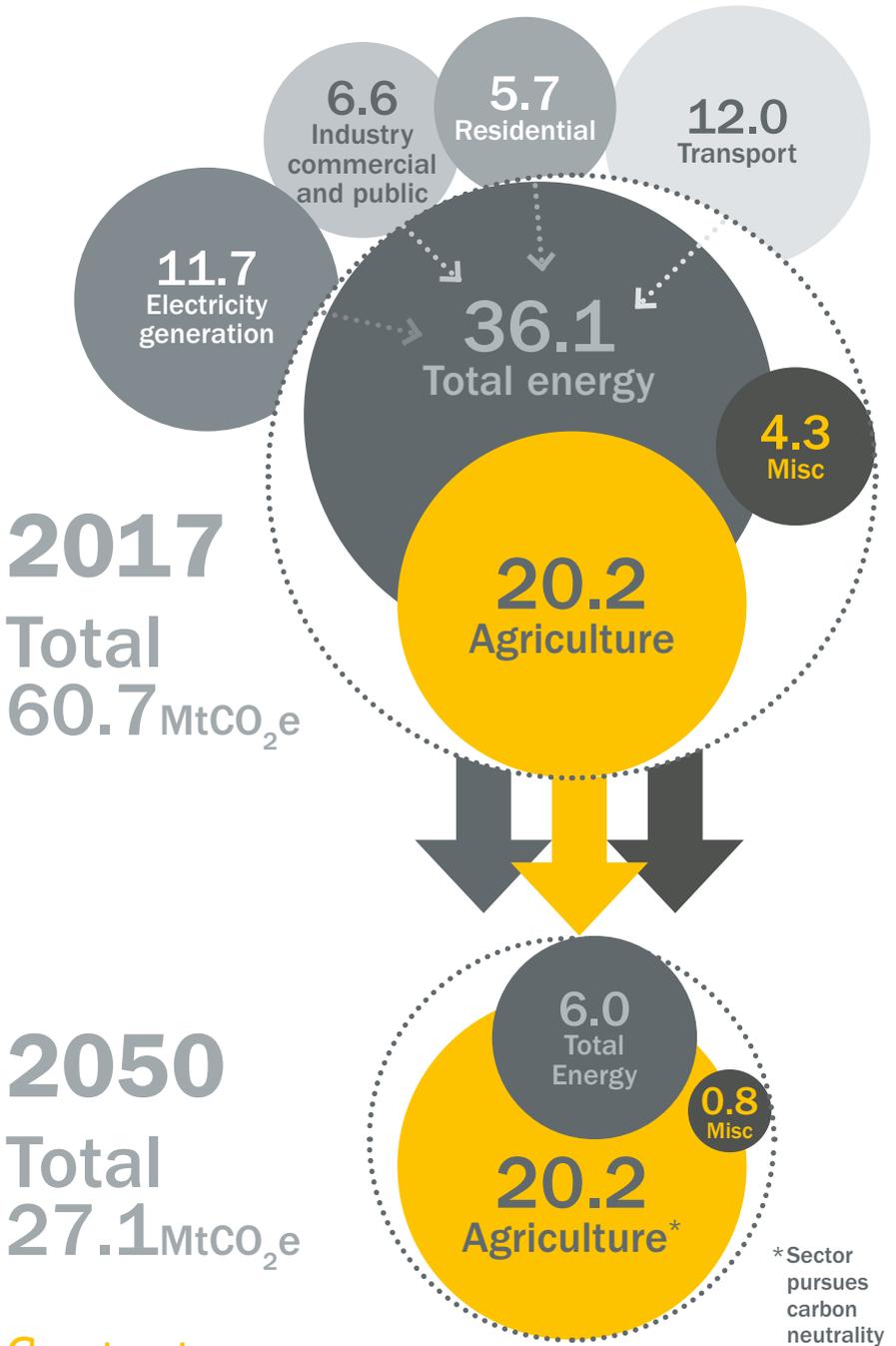


## A low carbon society

Ireland will be a cleaner, healthier and greener place to live and work. Citizens and businesses will play a greater role in managing scarce resources. Buildings will be smarter, warmer, and more comfortable. Cars will be electrified and a low carbon public transport system and cycling network will connect communities, reduce commute times and improve air quality. More green space and woodland will provide new recreational areas and boost biodiversity.



# GHG emissions today and in 2050



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This report has been developed in consultation with Ibec member companies across a wide range of business sectors and with guidance from the SFI MaREI Centre's Energy Policy and Modelling team at UCC.

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