Environmental Pillar

2027 Pre-Budget Submission

The Environmental Pillar has consistently emphasised the urgency of addressing the climate and nature emergency in its annual pre-budget submissions. This year, that urgency is impossible to ignore. Extreme heat, drought and wildfires across Western Europe and absolute drought conditions recorded by Met Éireann in twenty stations in Ireland show that the climate crisis is no longer a distant threat, but it is upon us. The water restrictions, heightened wildfire risk and impacts on farming experienced in Ireland this summer are at risk of becoming more frequent occurrences. Wintertime may offer no respite with the EPA's National Climate Change Risk Assessment projecting wetter winters, heavier rainfall and rising coastal hazards, increasing the frequency and severity of river, surface-water, groundwater and coastal flooding.[1]

At the same time, the biodiversity crisis, exacerbated by climate change, is undermining the ecosystems on which our health, livelihoods, food security and resilience to flooding, drought and other extreme weather depend. The latest national assessment finds that 90% of Ireland's protected habitats are in unfavourable conservation status and that 51% continue to decline.[2] Our natural heritage, such as peatlands, wetlands, rivers, coasts, woodlands and marine ecosystems, is not only of huge cultural and social importance, it also provides vital ecosystem services and climate infrastructure.

Once again, the Environmental Pillar is calling for a Budget that matches Ireland's climate and nature commitments with the scale of investment, reform and delivery that is required. Budget 2027 is an opportunity to direct public resources towards measures that protect people and ecosystems, restore nature, provide warm homes, deliver clean energy and enable sustainable transport.

1. Funding Nature for People and the Planet

Ireland is in the midst of a well-documented biodiversity crisis, as evidenced by the latest Article 17 report produced by the NPWS, which found that 90% of Ireland's protected habitats are in unfavourable conservation status and that 51% continue to decline.[3] We also know that the Birds of Conservation Concern in Ireland 2020-2026 assessment shows that 63% of Ireland's 212 wild bird species are Red or Amber Listed, meaning that they are in serious trouble and reflecting the poor

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[1] https://www.epa.ie/media/epa-2020/monitoring-amp-assessment/climate-change/climate-ireland/EPA_NCCRA_Main-Report_Published_June_2025.pdf

[2] https://www.npws.ie/publications/article-17-reports

[3] https://www.npws.ie/publications/article-17-reports

state of habitats. Reversing these declines and restoring nature requires nothing short of sustained long-term public investment. The European Commission has previously reported (2025) that Ireland maintains a significant gap in its investment in nature, estimating an annual need for biodiversity-and-ecosystem investment of €1.1bn, compared to current finance of approximately €419m, leaving an annual gap of €699m.[4] The Independent Advisory Committee on Nature Restoration has cited the need to invest between €450m and €700m per annum to implement the EU Nature Restoration Regulation.[5]

Given the scale and urgency of the crisis, Budget 2027 must establish a credible multi-annual plan for restoring nature, encompassing public and private land and sea.

The Environmental Pillar calls on Government to:

- **Establish a dedicated, ring-fenced, long-term national budget for the implementation of the National Nature Restoration Plan**, with adequate, predictable funding to deliver restoration targets to 2050.
- **Budget 2027 should commit to a multiannual pathway to closing Ireland's €699 million annual biodiversity-and-ecosystems financing gap**, beginning with at least €463.5 million in additional, ring-fenced annual public funding for nature restoration in Budget 2027.[6]
- **Reinstate nature as a substantial, named and ring-fenced component of the Infrastructure, Climate and Nature Fund,** contributing to the multiannual pathway to close Ireland's €699 million annual biodiversity-and-ecosystems financing gap.[7]
- **Continue to increase funding for the National Parks and Wildlife Service** to ensure it has the capacity to meet current and upcoming challenges including sufficient staffing, scientific expertise, monitoring, enforcement, site management and restoration-delivery capacity.
- **Ringfence a proportion of the annual dividends of Coillte and Bord na Móna** for reinvestment in nature restoration for public lands.

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[4] https://environment.ec.europa.eu/publications/2025-environmental-implementation-review-country-report-ireland_en

[5] https://www.gov.ie/en/department-of-housing-local-government-and-heritage/press-releases/minister-osullivan-launches-independent-advisory-committee-iac-recommendations-report-on-irelands-nature-restoration-plan/

[6] European Commission, *Environmental Implementation Review 2025: Ireland*, SWD(2025) 313 final, pp. 44–46 (estimates an annual biodiversity-and-ecosystems investment need of €1.1bn, current finance of €419m and a resulting €699m annual investment gap); Climate Change Advisory Council, *Biodiversity Annual Review 2025*, pp. 3–4 (citing a financial-needs assessment that estimates €463.5m in additional annual expenditure to achieve the initial 2030 targets under the EU Nature Restoration Regulation); Independent Advisory Committee on Nature Restoration, *Recommendations of the Independent Advisory Committee on Nature Restoration* (April 2026), pp. 9–10 (states an estimated €450–700m annual cost to implement the Nature Restoration Regulation).

[7] The removal of the previously proposed €630m nature allocation from the ICNF was a serious regression. Its reinstatement should be an initial contribution to—not a substitute for—the annual public funding required to meet restoration obligations and close the broader nature-finance gap.

- **Allocate 25% of the Maritime Area Consents (MAC) Levy to** nature restoration projects in the marine environment (including seabird colonies).
- **Provide new, additional funding outside CAP for farmers, fishers, foresters and other landowners who voluntarily undertake restoration measures**, ensuring that restored land remains eligible for relevant agricultural payments.
- **Provide sustained multiannual funding** for civil society groups environmental NGOs, community groups, citizen science, ecological research, habitat mapping, monitoring and restoration skills.

2. Ending fossil-fuel dependence

Over the past number of years, successive wars have shown how vulnerable Ireland is to unpredictable global fuel costs due to our reliance on imported fossil fuels, particularly gas. While there has been growth in the contribution of renewable energy in our consumption, according to SEAI in 2025 imported fossil fuels met over 78% of Ireland's energy requirements.[8] This dependence leaves households and businesses exposed to volatile international fuel prices and has a negative impact on energy security and our emissions, which leaves Ireland at risk of future climate costs. As things currently stand, Ireland is projected to miss its 2030 emissions targets by a large margin.[9]

There is thus a dual reason to bring an end to Ireland's fossil-fuel dependency.

Furthermore, the Government should not legislate for, or allow Gas Networks Ireland to progress, a Strategic Gas Emergency Reserve in the form of a floating LNG terminal given that its costs, benefits and cost allocation have not been established. Government previously confirmed that the cost-recovery model would inform the final investment decision. Gas security questions do not justify committing to an FSRU (floating storage and regasification unit) when these issues are not resolved, particularly given that such a terminal would take years to deliver and depend on LNG shipments being available when needed. Proceeding now risks creating a de facto commitment to a project whose value for money and costs to consumers have yet to be established. In addition, developing significant gas infrastructure to accommodate rising data centre demand risks exposing households to unfair costs.[4]

[8] https://www.seai.ie/data-and-insights/seai-statistics/key-publications/energy-supply-security

[9] https://www.epa.ie/our-services/monitoring--assessment/climate-change/ghg/latest-emissions-data/#

The Environmental Pillar calls on Government to:

- **Legislate to prohibit the development of LNG terminals and imports of fracked gas and** reject public investment in new fossil-fuel infrastructure for large energy users such as data centres.
- **Ensure that legislation for any Strategic Gas Emergency Reserve is not enacted**, particularly given that the full costs and cost allocation have not been determined, and ensure households are not required to finance the incremental costs of any gas reserve, given increased gas demand and security of supply requirements are being driven by new data centre development.
- **Provide a timetable for the phasing out fossil-fuel subsidies (as recommended by the European Commission[10])**, which goes beyond carbon taxation, with safeguards to ensure that low-income households and communities are protected and associated revenues redirected towards energy-poverty measures, retrofitting, and climate and nature restoration.
- **Maintain the carbon-tax trajectory and ring-fence revenues** for social protection, energy-poverty reduction, retrofit, clean heat, sustainable agriculture and climate action. Ensure complete transparency on the allocation of all carbon tax revenues (total receipts and the share arising from each rate increase) and require the Minister of Finance to make a statement on the matter at the budget and the measurable climate, environmental and social outcomes.
- **Prioritise investment in renewable-energy deployment** and the infrastructure needed to enable it, including grid reinforcement, electricity interconnection, energy storage and smart grids and supporting demand reduction and providing dedicated funding and guaranteed grid access for community-energy projects.
- **Provide sustained, increased funding for planning, ecological survey and environmental assessment capacity** across local authorities, An Coimisiún Pleanála, NPWS, MARA and other relevant public bodies to speed up robust, legally sound decisions on renewable-energy and grid projects. Funding should support clearer guidance, improved methodologies, sufficient specialist staffing and predictable timelines for habitat and species assessments, while maintaining strong environmental protection. Government must also ensure that the National DMAP for offshore wind pinpoints locations for wind farms in areas of low sensitivity to birds.

[10] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202401029

3. Just transition: homes, heat and energy poverty

Addressing inequality, poverty and marginalisation is vital, not only as a matter of social justice, but as a condition for effective environmental policy. Lower-income households are often most exposed to the impacts of climate change, biodiversity loss and rising energy costs, while having the least resources to adapt or invest in change. A fair transition must therefore prioritise those most in need, protecting vulnerable households from high energy costs and ensuring they can fully benefit from warmer homes, clean energy and a more sustainable future. The challenge is particularly acute because oil and gas remain the main sources of central heating for a large share of households.

Budget 2027 should prioritise public investment on those households that need it most and focus on energy and heat poverty reduction, social housing retrofit, low-income owner-occupiers, renters, rural homes dependent on oil or solid fuel. It should recognise the barrier that lower incomes pose not only to the quality of life of the households themselves, but also to climate action, as they are not in a position to make investments in their homes without significant Government support. Adequate income supports help protect vulnerable households from the rising cost of living and increased energy prices.

The Environmental Pillar calls on Government to:

- **Establish a government-subsidised social energy tariff for** households in or at risk of energy poverty, funded from carbon-tax revenue.
- **Develop a system of benchmarking and indexing social protection payments** to average wages.
- **Extend fuel allowance** for an additional four weeks.
- **Guarantee access to retrofit finance for low-income households**, including up to 100% grants and zero- or very-low-interest loans.
- **Deliver a publicly led National Retrofit Mission** that prioritises social housing, low-income households and rural homes reliant on oil or solid fuel.
- **Scale up public investment** in district heating, community heat networks, geothermal energy, waste-heat recovery and local heating-and-cooling plans.
- **Introduce a time-limited windfall-profits levy** on exceptional energy-sector profits in the absence of an EU-wide agreement, with revenues ring-fenced for energy-poverty measures, home retrofit, clean heat, public transport and nature restoration; and advocate for a coordinated EU-wide approach.

4. Building Connected Communities

Ireland's dispersed population provides a challenge for the delivery of public services and infrastructure such as public transport. It has also led to high private car dependency, rural social isolation and punishing commutes. This should be tackled in two ways. First, rural public transport must be a priority area, second, new development must be sustainable. To incentivise sustainable development, Budget 2027 should announce a working group to examine the introduction of a Site Value Tax.

The Environmental Pillar calls on Government to:

- **Rebalance transport investment to achieve at least a 5:1 ratio of public transport and active-travel investment to new road building**, with at least 20% of transport capital expenditure allocated to walking and cycling.
- **Convene a working group to examine the introduction of a Site Value Tax (SVT)** to discourage land hoarding and under-use of serviced sites, directing development back into towns and cities. SVT revenues should fund local public transport and public-realm improvements.
- **Introduce congestion and parking charges beginning in Dublin by 2027 and expanding to other cities by 2030.** Revenues must be ring-fenced for public transport and active travel, exemptions for people with accessibility or mobility needs who rely on private vehicles, and essential vehicles.[11]
- **Enable local authorities to levy workplace-parking charges on large employers,** coupled with mandatory staff mobility plans that incentivise sustainable commuting options.
- **Reform vehicle taxation on a weight basis**, discourage large and heavy vehicles, and support equitable access to low-emission mobility.
- **Redirect subsidies for Electric Vehicles** to rural households.
- **Increase funding for rural public transport.**

5. Funding a Fair and Democratic Transition

Environmentally harmful subsidies, particularly those that support fossil fuel consumption, continue to undermine the State's climate commitments and must be removed. Aviation is a clear example of climate inequality: it serves a wealthy minority while contributing disproportionately to global emissions. By applying the Polluter Pays Principle through targeted taxation, Ireland can generate much-needed revenue for climate and nature initiatives while promoting fairness and accountability.

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[11] Congestion charging in Dublin city to be accompanied by actions to increase road space for public transport and active travel modes only and decrease road space for private cars and car parking.

Other EU countries and the UK have introduced a range of charges to plug the gap left caused by the under taxation of aviation fuel. Ireland should do the same. Measures such as a Passenger tax or a Frequent Flyer Levy and higher charges on business fares are not only fair, they are essential.

Public perception of fairness is crucial in determining support for climate policies, especially those involving taxation or restrictions. People are more likely to accept environmental measures when they believe costs and responsibilities are distributed justly.

Among all factors influencing public opinion, distributional fairness (who pays and who benefits) is often more important than the policy's cost or effectiveness.[12] Policies targeting high-emission, high-income behaviours, such as frequent flying, are generally seen as fairer than those that raise the cost of necessities like heating or food.

CSO figures show that fossil-fuel subsidies reached €4.978bn in 2023, an increase of 74.2% since 2021. At the same time, the European Commission estimates that Ireland faces a €3.327bn annual investment gap across core environmental objectives, including biodiversity and ecosystems, water, air pollution, waste and the circular economy. The Commission has specifically identified environmental taxation, the removal of environmentally harmful subsidies and better use of public and private finance as necessary to close these gaps. The Climate Advisory Council has also repeatedly called for the removal of fossil fuel subsidies.

Construction & Demolition (C&D) waste is Ireland's largest waste stream, accounting for about half of all national waste. Crushing/sorting/processing capacity is the key barrier to turning recoverable waste into recyclate. The Environmental Pillar advocates for Budget 2027 to fund C&D recovery infrastructure, financing pre-demolition audits on public capital projects to identify re-usable materials before demolition.

The Circular Economy Fund has allocated €29 million annually in recent years, funded through environmental levies (plastic bag, landfill, waste recovery). Given the Circular Economy Strategy 2026–2028 has now attached specific, dated actions to sectors, (e.g. Repair Voucher Scheme, textiles EPR, construction roadmap) annual, single-year allocations create planning uncertainty for the community and NGO groups delivering this work. The Environmental Pillar calls for a move to multi-annual funding commitments to enable civil society organisations to move beyond ad hoc planning, thereby facilitating greater support to reach our climate, biodiversity and circular economy goals.

The Environmental Pillar believes that strengthening social dialogue would support the political system in navigating the complex policy decisions required to address the climate and biodiversity crises. While the annual National Economic Dialogue (NED) serves as a useful platform to raise sectoral concerns, its current one-day format does not allow for meaningful or in-depth engagement among participants. To enhance its value, the Pillar recommends expanding the NED into a series of

[12] A Friends of the Irish Environment poll (2023) showed that 55% of respondents believed that 'Airplane fuel should be taxed as much as fuel for any other mode of transport' with just 9% 'strongly disagreeing'. Support for heavily taxing private jets was "overwhelming at 79% with only 5% disagreeing".

thematic dialogues held over several days. This would enable more substantive exchanges, not only between Ministers and stakeholders, but also among the sectoral representatives themselves thus addressing a critical gap in the current structure.

The Environmental Pillar calls on Government to:

- **Identify, publish and phase out environmentally harmful subsidies**, including fossil-fuel and biodiversity-damaging supports, and redirect the resulting resources to restoration, nature-friendly agriculture and ecosystem repair.
- **Introduce an aviation passenger tax or a frequent-flyer levy**, with higher charges for business and more expensive fares. Revenues should be directed to climate and nature action.
- **Introduce a virgin-plastic tax, an aggregates levy, higher landfill tax and an incineration levy**, and reform VAT to incentivise repair, reuse, leasing and refurbished goods. C&D recovery infrastructure and recycling targets must also be adequately funded.
- **Provide sustained multiannual funding for civil-society organisations, environmental NGOs and community climate-and-nature initiatives**, alongside stronger public participation and social dialogue.
- **Transform the National Economic Dialogue** from a one-day consultation into a multi-day thematic forum held twice annually.