



Briefing on the contents of an environmentally sound climate law December 2009

A robust and watertight climate law needs to be strong, straightforward and must not contain loopholes.

The key variables in the Bill will be the 2020 and 2050 targets, the limits on off-setting and the treatment of emissions from the ETS sector. For the reasons elaborated in this briefing Friends of the Earth believes that without the inclusion of emissions from the ETS sector and the exclusion of offsets, the targets become meaningless.

Emissions reduction targets based on IPCC figures

The law would set emission reduction targets for 2020 and 2050 and provide for their updating in line with the best available science, on the advice of the Commission. The intergovernmental panel on climate change has stated that developed countries need to make emissions reductions in the range of 25%-40% by 2020 and 80%-95% by 2050. The scientific findings since then would indicate that only reductions at the top end of that range give us a 50/50 chance of staying within a limit of 2 degrees. It is worth noting that scientists do not regard 2 degrees as “safe” as it will involve substantial climate change impacts.

Early action is what is needed to drive Ireland on the correct trajectory to a low carbon economy. Any act must contain a clear legally binding target for 2020, preferably at the higher end of the 25-40% reduction range. This will be extremely important for putting us on the right path. There are benefits in driving change early, such as early mover advantages for business. Also the next 15 years are the most crucial in terms of atmospheric concentrations that are pushing us towards catastrophic climate change.

A ban on offsetting

The reduction targets should be real **reductions** in emissions. Use of offsets means that there will not be a reduction in Irish emissions, instead we will pay to make a theoretical reduction elsewhere. There are also major problems with the environmental integrity of the entire process of offsetting. Current proposals on the table in Copenhagen include nuclear projects being counted in the Clean Development Mechanism.

The central problem is that offsetting is intended as a swap of an emissions cut in a developed country for a cut in a developing country when, as the International Panel on Climate Change has stated, action in both developed and developing countries is required, not one instead of the other. Offsetting creates a space delaying action on a move away from our polluting infrastructure, when what we need is more action.. Buying offsets is a sure way to lock our economy into an expensive and ultimately

redundant high carbon infrastructure. Offsets weaken the economic incentive to make real domestic emissions. What we need is to drive real change in the carbon intensity of our economy and offsets are an expensive way to put off this process.

Inclusion of emissions from the ETS sector

The climate law should cover all emissions in Ireland, including the industrial and power generation sectors that participate in the EU ETS. The targets should apply to the state's total emissions. This has the advantage of simplicity when communicating about the law to the public and of fairness across all sectors of the economy. These emissions will be counted anyway as we must report all our emissions under the UNFCCC. They should then be included in the carbon budget and as part of the reduction target. Including a sector as part of the target does not mean that emissions from that sector must reduce by exactly what the target is (say 35% by 2020). It means that the traded sector emissions form part of the overall envelope that must be reduced. Just because some sectors are part of the EU Emissions Trading Scheme does not mean Ireland can ignore them.

The state is free to use complementary policy instruments to support the low-carbon transition in these sectors and indeed has a responsibility to do so. For example, in the UK there is a Climate Change Levy, and all manner of active industrial policies which affect emissions in these sectors. Setting medium and long term national targets which include these sectors will help drive the whole economy along a low-carbon path.

In the words of the UK climate change committee

“We cannot be confident that the EU ETS will deliver the required low-carbon investments for decarbonisation of the traded sector through the 2020s. Given this risk, the Committee recommends that a range of options for intervention in carbon and electricity markets should be seriously considered.”

Inclusion of aviation and shipping

Emissions from international aviation and shipping are much too large to ignore. A framework to reduce emissions that doesn't include aviation and shipping is like a diet that allows cake and crisps. The UK Climate Change act stipulates that the UK Government must regulate to include international aviation and shipping emissions in UK carbon budgets by 2012 or explain why not. The act also instructs the Secretary of State to take account of these emissions when UK budgets are set. The sale of bunker fuels from Ireland can be used as a reflection of fuel used by flights departing from Ireland.

International shipping is slightly more complex and research is needed into how to include these emissions. Work to provide an estimate for these emissions is urgently needed. It is better however to include an estimate that can be adjusted at a later date rather than to ignore them completely.

Independent expert advice

The law would establish a Climate Change Commission as promised in the 2007 Programme for Government. The Commission would provide independent, expert advice to the Government on setting and meeting emissions targets and carbon budgets (the [Committee established under the UK Act](#) has eight members who are mostly scientists and economists, chaired by Adair Turner, former head of the CBI). The Commission would make an annual report to the Oireachtas on progress to which

the Government would have to respond. The workings and publications of this commission must be transparent and publicly available. The Oireachtas climate and energy committee is the obvious and appropriate forum for the presentation of that report and response. This would be analogous with the way the Comptroller and Auditor General and the public accounts committee work.

Carbon budgets and annual milestones

The law would oblige the government to publish legally binding five-year carbon budgets to be announced in conjunction with the fiscal budget. The carbon budget would set the total greenhouse gas emissions envelope for the coming five years and allocate it between sectors. Relevant ministers would have responsibility for delivering the policies to ensure their sector stays within budget. The budget would also set out indicative annual emissions milestones. Each year at the same time as the fiscal budget the government would report on progress to the Dáil and in the event of emissions overshooting would set out the corrective action planned. The UK Act requires the Government to set out three five-year budgets at a time, currently 2008-2012, 2013-2017 and 2018 to 2022.

Role of the Taoiseach

Overall responsibility for coordinating policy, delivering the required emissions reductions and reporting to the Oireachtas should be assigned to the Taoiseach. The Taoiseach is the one to whom all ministers are used to answering. The current Taoiseach already plays a key role in the climate picture, chairing the Cabinet Committee on climate change. The need for coordination and authority means that overall responsibility is best held by the Taoiseach.

Appendix 1: Proposed Legislative and Procedural Timeline for Climate Law

2009

December

Framework Document on the Climate Change Law is published. Environment Minister and Taoiseach go to Copenhagen without a legally binding agreement at home.

2010

January - March

Climate Change Commission is named and starts to operate in shadow form (6 – 8 expert members using the EPA as the secretariat).

Heads of Bill published and consultation takes place.

April (22nd is Earth day)

Full Climate Change Bill published and begins progress through the Oireachtas.

June (5th is World Environment Day)

Climate Change Law passes all stage and comes into force.

Climate Change Commission publishes its advice for the first five-year carbon budget, on the same day.

October

Climate Change Commission presents its annual progress report for previous year and its advice for the following year to the Dáil.

October/November

Oireachtas Climate Change Committee (acting as a carbon accounts committee in the style of the Public Accounts Committee) considers the Commission's report and holds hearings as appropriate.

Inter-departmental and ministerial negotiations about allocations and measures for the following year.

December

Government publishes its first 3 five-year legally binding carbon budgets: 2011-2015, 2016-2020 and 2021-2025. The carbon budget contains both the total legally binding national emissions budget and cabinet approved, sectoral allocations within that total budget.

Annual Carbon Budget: Taoiseach reports to Dáil on progress, responds to Commission's advice, sets-out indicative budget for coming year. Ministers set out related measures.

2011

The October – December part repeats as above.

2012

This year the Commission is setting out its advice for the five-year legally binding carbon budgets for 2013-2017, 2018-2022 and 2023-2027. The December Carbon Budget sets these carbon budgets.

Appendix 2 : Analysis of what the new PfG means for Irish GHG emissions

Year	Total Gross Emissions (CO ₂ e million tonnes)	per cent increase in emissions from 1990 (Kyoto target= 13%)	Irish national offsetting: forest sinks (MT)	Ireland's Kyoto target (MT)	Ireland's Kyoto Overshoot: = Gross - sinks - target (MT)	PfG 2009 commitment to avg of 3% year-on-year cuts in law (MT)
1990	55.38					
2000	68.95	24.0		62.84		
2001	70.65	27.1		62.84		
2002	68.76	23.7		62.84		
2003	68.57	23.3		62.84		
2004	68.60	23.4		62.84		
2005	70.26	26.3		62.84		
2006	69.68	25.3		62.84		
2007	69.21	24.5	1.36	62.84	5.01	
2008						
2009						
2010	60.60	9.0	2.20	62.84	-2.43	60.60
2011						58.78
2012						57.02
2013						55.31
2014						53.65
2015						52.04
2016						50.48
2017						48.96
2018						47.49
2019						46.07
2020						44.69
Total gross Irish emissions in 2020 as a percentage of 1990					80%	
EU unilateral commitment						80%
EU offer in context of global deal						70%
IPCC scientific recommendation for rich countries						60-75%
2030						32.95
2040						24.30
2050						17.92
Total gross Irish emissions in 2050 as a percentage of 1990					32.2%	
EU commitment						20 - 40%
UK commitment in law						20%
IPCC scientific recommendation for rich countries						5 - 20%

Notes

- 1.** The gross emissions for 1990 to 2007 are from the EPA's inventory report published in April 2009
- 2.** The estimated gross figure for 2010 is calculated from the EPA's projections published in March 2009. It is the "with additional measures" scenario as affected by the *Economic Shock* analysis (average of 58.4mt in 2008-12, net of sinks according to figure 5), with the national carbon sinks added back in (2.2mt according to Table 1 in the Appendix) to get the gross figure.
- 3.** The Renewed Programme for Government commitment of average annual emissions cuts of 3% a year will bring Ireland's total gross emissions to 20% below 1990 levels by 2020, not including any national or international offsetting. This still does not satisfy the IPCC recommendation that rich countries need to cut their emissions by 25-40% by 2020.
- 4.** The new PfG is more inadequate when you look out to 2050 and see that cuts of 3% a year only get Ireland to 68% below 1990 levels when the IPCC say that rich countries will need to cut to 80 to 95% below 1990. The UK has already put the 80% target into their climate law.