

Six tests for the Government's Climate Change Bill

Friends of the Earth, 20 February 2013

In their latest communication to members of the public who expressed concern about media reports that the forthcoming Climate Change Bill would contain no targets, Government ministers have criticised "ill-informed, inaccurate and misleading statements from some who have not yet seen the draft heads of the proposed climate bill".

So, as we wait for the Bill to be finalised and published, this document sets out the elements of legislation that various stakeholders have identified over the last six years as being key to its effectiveness.

These then will be the six tests of the strength of a Climate Change Bill

1. Is there a 2050 target? Is it 80%?
2. Are there interim targets? Are they "Carbon Budgets"?
3. Is there an independent expert advisory council?
4. Does the Bill place overall responsibility for climate policy on the Taoiseach? (Or move climate from the Dept of Env. to Dept of Energy?)
5. Does the Bill provide for a limit on the use of carbon credits (offsets)?
6. Does the Bill cover emissions from the whole economy (including ETS)?

1. Is there a 2050 target? Is it 80%?

- All 4 Bills that have been initiated in the Oireachtas since 2009 have an 80% emissions reduction target for 2050.
- The European Council of Heads of Government has made it an "EU objective" to cut European emissions by 80-95% by 2050.
- So, an 80% reduction is the least Ireland is going to have to do and doesn't cut across any future "effort-sharing" negotiations inside the EU.

The Bill could also include the ability to revise the target based on developments in science or EU or international agreements. The Labour Party Bill from 2009 contained this provision.

Key reasons for targets

- It changes the nature of the debate from *whether* we cut emissions to *where* we cut emissions. Vested interests have a tendency to say "not here, not yet". In the past this has led to one policy measure after another being abandoned with no substitute measures being adopted, and emissions continuing to rise. Under the binding cap provided by a legally enshrined target, the framing of the debate changes to "if not this measure, then what measure". If we don't want to cut emissions in sector X then which sector will cut emissions by even more?
- Targets drive the innovation we need in the public service, private enterprise and even personal behaviour.

- Targets provide the certainty needed by investors, both businesses and householders, to invest now in low-carbon technology knowing that the payback will come as emissions fall and the cost of polluting rises.

Only a quantified target can deliver the required impetus. Imprecise and contested concepts such as “carbon neutrality” will not have the same impact.

Supported by:

Friends of the Earth Stop Climate Chaos Environmental Pillar Irish Corporate Leaders on Climate Change Labour Party Bill 2009 All-Party Bill 2010* FF/Green Bill 2010

* The Sinn Fein Climate Change Bill 2013 is identical in substance to the 2010 all-party Bill

2. Are there interim targets? Are they "Carbon Budgets"?

One of the key purposes of climate legislation is to make action on climate change more relevant to the political and electoral cycle. Targets that are 10 years away or more lack political immediacy. We saw that with the Kyoto target Ireland adopted in 1998 for 2010. Those who agreed to it didn't even expect to still be in office in 2010.

It is essential therefore that effective climate legislation provide for interim targets, and therefore accountability, on a more politically relevant timescale of 3 to 5 years.

The actual Bill does not set those interim targets. It provides for them to be adopted by the Dáil and Seanad (as secondary legislation). The most commonly proposed form is the 5-year Carbon Budget (the Environmental Pillar favours 3-yr). It is a budget in the simple sense of a number indicating a limit, in this case on the total amount of greenhouse gas emissions.

Our Kyoto target was expressed as a 5-year Carbon Budget (a limit on total allowable emissions) of 314Mt CO₂e from 2008-2012. It was also expressed as a percentage target: emissions would be no more than 13% higher over the years 2008-2012 than they were in 1990.

Supported by:

Friends of the Earth Stop Climate Chaos Environmental Pillar Corporate Leaders Labour Party Bill All-Party Bill

3. Is there an independent expert advisory council?

Along with targets an independent expert advisory council is the other cornerstone of effective climate legislation.

This body of experts, not stakeholders, would produce public advice to Government in advance of Government decisions on carbon budgets and policy plans, in the same manner as the Irish Fiscal Advisory Council does.

If the Government does not accept its advice it must explain why in a statement to the Dáil.

It would also produce annual progress reports which would provide the basis for Oireachtas scrutiny of Government performance in a manner analogous to the way the PAC works from the reports of the C&AG.

Supported by:

Friends of the Earth Stop Climate Chaos Environmental Pillar Corporate Leaders
Labour Party Bill All-Party Bill FF/Green Bill*

** the expert body was watered down in this Bill, not having powers to publish its reports.*

4. Does the Bill place overall responsibility for climate policy on the Taoiseach? (Or move climate from the Dept of Env. to Dept of Energy?)

The policies and measures required to reduce emissions cross many Departments. Most of the policies fall outside the remit of the Department of Environment, which does not have the cross-Government authority to drive them through.

The Corporate Leaders and Labour in particular have promoted the proposal to give the Taoiseach overall responsibility for climate policy, and make him or her accountable to the Dáil. The example of the Northern Peace Process was used.

It has also been argued that you need a champion at Cabinet (other than the Taoiseach) and that the Department of Energy is a better fit for that role than Environment. Labour proposed this back in 2007 before preferring the Dept of the Taoiseach. The two are not necessarily mutually exclusive. Until recently DFA had lead responsibility for both the EU and Northern Ireland but there were also Assistant Secretaries for these areas in the Department of the Taoiseach, as the Taoiseach played a central role in both areas.

Supported by:

Labour Party Bill Corporate Leaders All-Party Bill Friends of the Earth

5. Does the Bill provide for a limit on the use of carbon credits (offsets)?

Back when we signed the Kyoto Protocol in 1997, Minister Dempsey was calling for a "concrete ceiling" on the use of purchased carbon credits to "offset" any overshoot in our Kyoto target. By the time the Carbon Tax was ditched in 2004 buying offset credits had become the central plank of Government policy. Estimates of the eventual cost ranged from €300m - €700m. In the end only the economic crash saved us from a huge bill for offsets.

Supporters of legislation have urged the Government to varying degrees to limit or exclude offset credits from the actions allowed to meet targets. The case has been made on a number of grounds:

- The need for clarity about what national targets mean. That clarity is undermined if delaying action and purchasing an entirely unknown amount of overseas offset credits at the last minute remains an option.
- The fact that there will be no credits available to buy in the long run (by 2050 or long before every country will need all their own allowances) and that the economic

analysis (in the Stern report and elsewhere) is that delaying action only makes it more expensive in the long run.

- That the projects that produce the “credits” are often of poor quality and do not reliably reduce emissions over time. Moreover many of them in less-developed countries of the global south have negative social consequences locally and do not accord with Ireland’s long-standing commitment to aid and development.

The Corporate Leaders have asked for the Bill to provide clarity. The Environmental Pillar wants the Government to set a limit on offsets, under the law. Stop Climate Chaos and Friends of the Earth want offsets to be excluded completely. The Labour Bill and the all-party Bill put a limit of 40% on the use of credits. And the FF/Green Bill did not provide for the use of offsets at all.

Supported by:

Friends of the Earth Stop Climate Chaos Environmental Pillar Corporate Leaders
Labour Party Bill All-Party Bill FF/Green Bill

6. Does the Bill cover emissions from the whole economy (including ETS)?

One third of Irish emissions - power stations, cement factories and other large polluters – are covered by the EU Emissions Trading Scheme (ETS), which is increasingly administered from Brussels.

This does not mean they should not be covered by national targets set under the Bill however, for the following reasons:

- For clarity and public legitimacy – the targets should mean what they say. Not “we will reduce by this much, but it doesn’t include this sector (and we could just but offsets in the end”).
- We want to drive decarbonisation of the electricity sector, for example, faster than the ETS will. Partly because we want to use low-carbon electricity for transport and heating and therefore lower our emissions in non-ETS sectors.
- We have already set a national target ourselves for electricity from renewable sources by 2020 of 40%. We have huge potential in this sector. We should include that sector in overall national targets (i.e. the 5-year Carbon Budgets) to ensure both that we realise that potential and then to take credit for it.
- We don’t know how the ETS will evolve in the coming years, especially after 2020, so when it comes to our own national 2050 target, a reduction of 80% can only refer to the whole of our economy and society.

The proposal that the 2050 target cover the whole economy is supported by:

Friends of the Earth Stop Climate Chaos Environmental Pillar Corporate Leaders
Labour Party Bill All-Party Bill FF/Green Bill

That this should also apply to interim targets is emphasised by

Friends of the Earth Environmental Pillar FF/Green Bill