



**Friends of  
the Earth**

# **The role of legislation in tackling climate change**

## **Why Ireland needs a climate change law now and how it would work**

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Friends of the Earth believes that a climate change law can be a cornerstone of a low-carbon recovery that is economically, socially and environmentally sustainable. Putting our long-term emissions targets into law will give certainty to businesses and households. A law is the best way to make sure all departments across government and all governments across time take climate change seriously and take action consistently.

Ireland was not rich in the natural resources of the fossil-fuel age. We are rich in the natural resources of the post-carbon age. A climate law would send a strong signal that we are building the institutional framework to support a green enterprise economy and make Ireland a leading location for green technology, and jobs that will last rather than being the product another boom and bust economic cycle.

### **Why a law?**

#### **Cross-party approach**

Containing climate change will require the commitment of every party in every government for the next 40 years. The 2007 Programme for Government commits the Fianna Fáil / Green Party coalition to “agree an all-party approach to climate change targets”. Speakers from all parties welcomed the principle of legislation when Senator Ivana Bacik’s Climate Protection Bill was debated in the Seanad in October 2007. The Labour Party has drafted a climate change bill that is ready for debate in the Dáil. In the course of the recent election campaign Fine Gael indicated that they support the principle of introducing climate change legislation. The Green Party have indicated they will seek a commitment to a climate law in the revised Programme for Government now being discussed. The Joint Oireachtas Committee on Climate Change and Energy Security, which is regarded as the arena to forge an all-party approach, has now decided to produce a report on climate legislation by the early Autumn. Friends of the Earth believes there could be no stronger or better expression of a cross-party approach to climate change than an Act of the Oireachtas. It hardwires action and accountability on climate change into the political system.

#### **Certainty over time**

The pathway to a low-carbon economy and society will require a whole series of changes by the state, businesses and households. Investment decisions will be central, for example in public transport by the state, in energy-efficient plant and processes by business, in energy-conservation by households. Putting our long-term emissions targets into law and mapping out the pathway to get there gives decision makers in government, business and society the certainty that the rules of the game have changed for good. That certainty inspires the confidence to make investments and decisions that have upfront costs but which bring savings, returns and security as society moves down the emissions curve towards a safe level of emissions.

That certainty will drive innovation in public policy, private enterprise and personal behaviour as economic and status advantages open up for first movers and early adopters. The law will be a catalyst for decision making. If our Kyoto targets had been given the force of law we would have been much quicker to implement the policies identified to help us meet those targets. It would not have taken seven years for the proposals for VRT reform to make it from the National Climate Change Strategy in November 2000 to the Budget in December 2007. A carbon tax would have

been implemented in 2002 that would have initiated a shift away from fossil-fuel dependency before the price of oil headed over the \$100 a barrel level and towards \$150.

### **Attracting international investment**

The certainty the law gives to investors about the long-term direction of Irish policy could also act as a spur to foreign direct investment looking for opportunities to invest in green R&D and enterprise. Ireland can become a testbed for the development of green technology in areas such as wind and wave power and the use of electric vehicles. The climate change law would be a powerful signal that Ireland is intent on becoming a leading location for the development of a green enterprise economy.

### **Whole-of-government approach**

Climate change is a complex threat. It may be the environment minister who signs up to international treaties like the Kyoto Protocol but the mitigation and adaptation measures needed require significant decisions and initiatives by almost all Departments. One lesson of Ireland's Kyoto experience is that the Minister of the Environment may be given the mandate to make an international commitment but without the full cooperation and engagement of his cabinet colleagues he does not have the capacity to meet that commitment. A whole-of-government approach is essential. Having the next climate treaty signed by heads of government and not just a sectoral minister would be no harm. At home the establishment of the Cabinet Committee on Climate Change and Energy Security and the Senior Officials Group that works to it is a positive step. The most effective framework to continue developing and institutionalizing a whole-of-government approach, however, is a statutory one.

### **International credibility**

Ireland's credibility on climate change is low. We are the sixth most climate polluting country per person in the rich world, and second highest in the EU. Under Kyoto we committed to limit the rise in our greenhouse gas emissions to 13% above 1990 levels. By 2005 they the rise was already 26%, twice our Kyoto target. When we signed Kyoto the Government supported a concrete ceiling of 50% on how much of a national commitment could be met by purchasing carbon credits overseas. By 2007 it was the central plank of our Kyoto strategy. If the Oireachtas enacted a strong climate change law it would demonstrate that Ireland is serious about playing its part in containing climate change and is gearing-up to do its fair share in a Copenhagen deal. It would restore our international credibility on the issue and make a significant and timely contribution to the international negotiations.

### **Engaging the public**

Much of the time climate change most people in Ireland as a somewhat remote and abstract threat, with events like Hurricane Katrina in the US and severe flooding at home bring the risks into sharper focus. Moreover, they experience government actions on climate change as piecemeal with some attractive initiatives such as the greener home grants schemes and some negative prospects such as the carbon levy. They see a number of pieces of the jigsaw and the media often tend to popularize, and sometimes trivialize, random pieces such as lightbulbs or bicycles. What people don't yet have is a sense of the big picture of where we are going and why, the picture on the front of the jigsaw box if you will. The process of developing and debating a climate change bill would engage the public in visualizing that picture and the law itself would provide the framework for all the individual policy pieces that will be required to realize it.

### **Why now?**

#### **Learning the lessons of the current crisis**

The financial crash of 2008 was the result of poorly understood risk, weak regulation and a focus on the short-term. The same factors are inhibiting action to contain climate change. We cannot afford to make the same mistakes again. When Lehman Brothers crashed, governments still had the time and the capability to take drastic action to stabilise the financial system, albeit not

without significant social, economic and political upheaval. But if we wait for the equivalent moment in the climate crisis before we act, for example when the melting of Greenland ice-sheet becomes irreversible, it will be too late and there will be no bailout big enough to save us. If we let the climate crisis become a climate crash there will be no way back. Right now, when fundamental reform of our economic system is on the agenda, is the time to introduce the regulatory framework and carbon management system that will drive the step-by-step reductions in our emissions and our exposure to climate risk. Moreover, the global economy will begin to grow again in the next year or two and the Irish economy will follow. The climate change law will drive public policy to ensure that we decouple increasing economic activity from greenhouse gas emissions in a way we have so far failed to do.

### **Copenhagen is coming**

Ireland can make a significant positive contribution to the international negotiations by putting this framework legislation in place before the Copenhagen summit in December. Developing countries, with whom more generally Ireland has a good relationship, are watching closely to see if the rich world is ready to meet its historic responsibilities for causing climate change and lead the way in preventing it from running out of control. As the sixth most generous aid-donor per person, it would be a powerful signal if Ireland makes it clear that it no longer intends to be the sixth most climate polluting as well. All the more powerful if that signal comes for an act of the Oireachtas passed with cross-party support

### **Emerging as best practice**

The UK became the first country to adopt national framework legislation on climate change in November 2008. President Obama has expressed his support for legislation that would put an 80% reduction target into US law and various bills, mostly notably the Waxman-Markey bill are now being developed in Congress. The Austrian coalition has included a climate law in its programme for government. The Belgium minister for climate and energy has announced that work will begin on a climate law. On 22 June the Hungarian parliament passed a cross-party resolution mandating the national sustainable development council to prepare a climate bill and submit it to the parliament by February 2010. The Swedish government will bring a climate change bill to parliament this summer. If Ireland acts now we still have the opportunity to be seen as an early-adopter and position ourselves as a development hub for the green economy.

### **How a law would work?**

#### **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, facilitating transparency and accountability. 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.

#### **Emissions reductions targets**

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 advice from the Intergovernmental Panel on Climate Change in its 2007 report is that developed countries will need to achieve emissions reductions in the range of 25 to 40% by 2020 and 80 – 95% by 2050. The scientific findings since then would indicate the only reductions at the top end of that range give us a reasonable chance of keeping global warming to 2C above pre-industrial levels, the agreed threshold for dangerous climate change that could spiral out of control.

## **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.

## **Location of coordinating ministerial responsibility**

Overall ministerial responsibility for coordinating policy, delivering the required emissions reductions and reporting to the Oireachtas could be assigned in a number of ways. The responsibility could be given to the Taoiseach, the Minister for Finance, the Minister for the Environment or some combination. The Department of the Environment is the current location of the relevant expertise. The Department of Finance is the only department that has ever had the sort of cross-government authority required. All departments are already used to reporting to the Department of Finance on fiscal budgets and expenditure. It would not require much of a cultural shift to also report to Finance on carbon budgets and emissions. It would require a bigger shift for other line ministries to regard the Department of the Environment as having that cross-governmental authority. The UK Act addresses this by making the Carbon Budget the joint responsibility of the Chancellor and the Secretary of State for Climate and Energy.

## **Inclusion of aviation and shipping**

At the moment emissions from international aviation and shipping are not included in our commitments under Kyoto. Neither are they counted in the EPA figures or in the “carbon budgets” currently published by the Department of the Environment. They will have to be counted in future. The UK Act makes provision for their inclusion, for example. As has been said before trying to move to a low-carbon future while not counting emissions from aviation and shipping is like going to a diet and not counting any calories from cakes or chocolate.

## **Use of international credits (offsetting).**

The law would deal with the issue of the purchase of international carbon credits to offset failure to keep to domestic emissions targets. [A new study of the evidence](#) published by Friends of the Earth in the UK concluded offsetting is a dangerous distraction which does not deliver the promised reductions, delays the transformation required in developed economies and fails to promote sustainable development in developing countries. We believe Ireland should reject such offsetting, while continuing to participate in the EU ETS.

## **Compliance**

The purpose of a climate law is to ensure all departments across government and all governments across time take climate change seriously and take action consistently to keep Ireland on an emissions reduction pathway in line with the best available science. It provides for independent advice, transparent budgeting and reporting, and parliamentary accountability in order to build institutional capacity and momentum to take the decisions we need in a timely manner.