

# Four questions on the Sectoral Emissions Targets

Friends of the Earth briefing  
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Friends of the Earth has laid out 4 questions that Ministers need to answer as the Government agrees the Sectoral Emission Ceilings in order to meet the 2030 target in the climate law and the binding carbon budgets passed by the Dáil in April.

1. Will the sectoral ceilings add up to no more than the national carbon budget passed by the Dáil?
2. Will the sectoral ceilings align with Ireland's 51% emissions reduction target for 2030?
3. Will every sector of the economy do its fair share to reduce emissions or are other sectors being penalised for Agriculture dragging its feet?
4. Will Government ensure that any "contingency fund" of unallocated emissions budget is only used for sectors that are doing everything possible to cut emissions?

## **1. Will the sectoral ceilings add up to no more than the national carbon budget passed by the Dáil?**

The sum of the sectoral emissions ceilings for each carbon budget period cannot add up to more than the national emissions ceiling in the carbon budget itself, i.e. 295MtCO<sub>2</sub>e for 2021-2025 and 200MtCO<sub>2</sub>e for 2026-2030, see Figure 1.

	2021-2025 CB1	2026-2030 CB2	2031- 2035 (Provisional) CB3
	<b>All Gases</b>		
<b>Carbon Budget (Mt CO<sub>2</sub>-eq)</b>	<b>295</b>	<b>200</b>	<b>151</b>
<b>Annual Average Percentage Change in Emissions</b>	<b>-4.8%</b>	<b>-8.3%</b>	<b>-3.5%</b>
The figures are consistent with emissions in 2018 of 68.3Mt CO <sub>2</sub> -eq reducing to 33.5Mt CO <sub>2</sub> -eq in 2030 thus allowing compliance with the 51% emission reduction target.			

Figure 1: The carbon budgets approved by the Dail with annual average percentage reduction as calculated by the Climate Change Advisory Council.

Figure 2 below makes clear the levels of emission reductions that need to be achieved across the Irish economy and society to live within the limits of both carbon budgets. It shows that the sum of GHG emissions across all sectors during the first 5-year budget period (2021-2025) must be 13.3% lower than the total amount actually emitted in the 5-year period between 2016 to 2020. Another way to think about it is that the 'bank' of carbon we have available to 'spend' between 2021-2025 is 13.3% smaller than what we actually spent between 2016-2020.

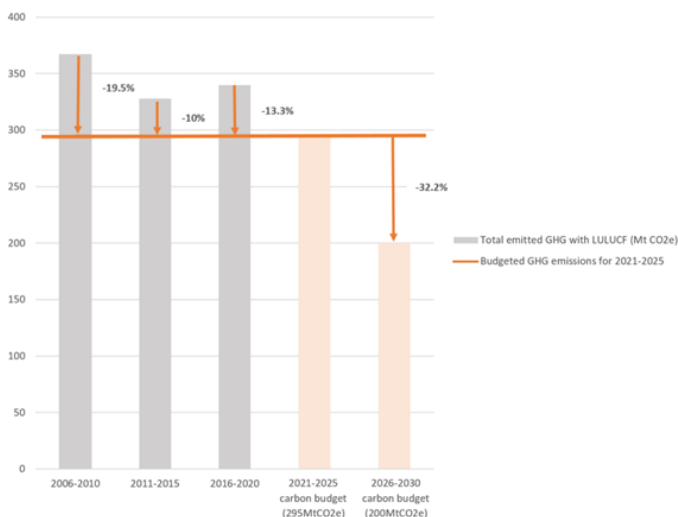


Figure 2. This figure prepared by Friends of the Earth shows the amount of CO<sub>2</sub>e emitted in Ireland during three 5-year periods (2006-2010; 2011-2015; 2016-2020) as compared to the amount of CO<sub>2</sub>e that can be emitted as per the carbon budgets between 2021-2025 (represented as an orange line) and 2026-2030. Data sourced from the [EPA Common Reporting Format Tables 2022](#)

## 2. Do the Sectoral Ceilings align with the 51% emissions reduction target for 2030?

To meet the 2030 target in the climate law of a 51% reduction in polluting emissions, every sector will have to achieve the more ambitious end of the “indicative sectoral emissions reduction ranges” published last November in the 2021 Climate Action Plan. See Table 1 below for the 2030 target emissions ranges for each sector.

It is therefore imperative that the Government sets the sectoral targets at the more ambitious end of the target range (i.e. 50% for transport, 30% for agriculture, and 81% for electricity). This is not an abstract or merely technical consideration - a lower range means leaving more abrupt and disruptive emission cuts in later years, and only achieving the lower range in one sector means the slack must be picked up by the other sectors. It risks repeating the same kick-to-touch approach that dogged previous Governments, resulted in missed targets and Ireland’s international reputation as a ‘climate laggard’.

If all sectors only achieved the less ambitious end of their reduction target range, this would only deliver a 37% cut in emissions compared to the 51% target in the climate law.

Sector <sup>3</sup>	2018 emissions (MtCO <sub>2</sub> eq.)	2030 target emissions (MtCO <sub>2</sub> eq.)	% reduction relative to 2018 <sup>4</sup>
Electricity	10.5	2-4	62-81%
Transport	12	6-7	42-50%
Buildings	9	4-5	44-56%
Industry	8.5	5-6	29-41%
Agriculture	23 <sup>5</sup>	16-18	22-30%
LULUCF	4.8	2-3	37-58%
Unallocated Savings	N/A	4 <sup>6</sup>	N/A

Table 1. Proposed emissions reduction ranges per sector as set by the Climate Action Plan 2021.

## 3. Will every sector of the economy do its fair share to reduce emissions or are other sectors being penalised for Agriculture dragging its feet?

Not every sector will be asked to cut emissions at the same rate, given it is technically and financially easier to reduce emissions faster in some sectors than others. Special consideration has already been made for the particular challenges in agriculture. That is already reflected in the indicative sectoral ranges published last year (See Table 1 above), with electricity’s maximum decarbonisation reaching 81% compared to 56% for buildings, 50% for transport, 41% for industry and 30% for agriculture.

Given that we will only meet the national 51% reduction target in the climate law if every sector makes their maximum emissions cut there is no room for further

concessions to agriculture. Their maximum cut of 30% compares to an average of 57% for the other sectors.

The coalition leaders and the Cabinet must hold the line and insist that agriculture accepts that 30% target. Given that the Government is now operating under a legally binding national emissions cap, any pandering to special pleading from lobbyists for one sector, whether agri-business or data centres, would mean householders, businesses or drivers would face steeper cuts still. For example, if agriculture were allowed to only make its minimum cut of 22% the rest of the economy and society would have to cut its emissions by three times that, 66%, to meet the overall target. That is neither feasible nor fair.

#### **4. Will Government ensure that any “unallocated emissions savings” are only used for sectors that are doing everything possible to cut emissions?**

The 2021 Climate Action Plan includes “unallocated savings” of 4MtCO<sub>2</sub>e in 2030 (Table 1, Table 3.1 in the Plan itself). This is understandable for a single-year target that is 8 years away and simply reflects the need for additional measures to be identified and achieved as climate action accelerates, new possibilities for emission cuts emerge, and it becomes clear what works best. This imperative to do this work was also highlighted by the fact the recent EPA report found that current policies and measures only deliver 28% emissions savings by 2030 as opposed to 51%.

But how that flexibility for a single year 2030 target is translated into the five-year sectoral emissions ceilings under the carbon budgets is critical to the whole credibility of our strengthened governance regime.

An acceptable way would be to take the mid-point of the indicative 2030 emissions range for each sector and extrapolate an indicative 5-year ceiling from that, the resulting sectoral ceilings add up to 195MtCO<sub>2</sub>eq out of the total 200MtCO<sub>2</sub>eq carbon budget, leaving 5MtCO<sub>2</sub>eq of *unallocated budget* that could be distributed later by government to sectors that despite their best efforts, are struggling to live within their budgets. This is the prudent and effective way to translate the indicative sectoral ranges in the 2021 Action Plan into sectoral emissions ceilings.

On the other hand, if the government were to take the 4MtCO<sub>2</sub>eq unallocated savings from the indicative 2030 target and extrapolate that to the 5-year sectoral ceilings that would mean the sum of the sectoral emissions would be 215MtCO<sub>2</sub>eq, 15Mt more than the overall 5-year carbon budget!

In the first way of proceeding the sectoral ceilings would be compatible with the carbon budget and they would maintain the incentive for sectors to reduce emissions in line with the statutory targets, while reserving 5Mt of the overall budget to allow for contingencies. The second way would undermine the relationship between sectoral ceilings and the national ceiling and reduce the incentive for sectors to reduce emissions in line with the statutory targets. It would effectively be planning for emissions to overshoot the second carbon budget, it would be planning for failure.

Moreover, it would be a clear violation of the intention of the climate law if the sectoral ceilings added up to more than the overall national budget they are part of.