Minister Eamon Ryan, TD
Department of Environment, Climate and Communications
29-31 Adelaide Rd
Dublin D02 X285

Stop Climate Chaos Coalition
Mount Street
Dublin 2

18 May 2022

Dear Minister Ryan,

Congratulations on the recent adoption of the binding carbon budgets for 2021-2025 and 2026-2030 by the Oireachtas on a cross-party basis. It is a significant milestone in the development of a robust governance for climate policy and action, and one that the Stop Climate Chaos coalition has been working towards for 15 years.

I write now in relation to your consideration and preparation of the sectoral emissions ceilings for relevant sectors of the economy. The division of the national carbon budget into sectoral allocations is a critical step and the sectoral ceilings will be a key driver of climate action across all government departments and all parts of the economy and society.

The sectoral ceilings are crucial for meeting our obligations under the Climate Act. It is imperative therefore that the government ensures the following:

1. **The sum of the sectoral ceilings must not exceed the carbon budgets**

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_2eq for 2021-2025 and 200MtCO_2eq for 2026-2030. This may seem so self-evident as to not need mentioning. It is the essence of the exercise and the clear intention of the law. We are stating it because of how the indicative sectoral emissions reduction ranges are presented in the 2021 Climate Action Plan, and to avoid any confusion.

Table 3.1 *Proposed Emissions Reductions by Sector*

Sector[3]	2018 emissions (MtCO_2eq.)	2030 target emissions (MtCO_2eq.)	% reduction relative to 2018[4]
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[5]	16-18	22-30%
LULUCF	4.8	2-3	37-58%
Unallocated Savings	N/A	4[6]	N/A

Table 3.1 of the 2021 Climate Action Plan presents target emissions ranges for each sector for 2030. However, if every sector achieved the lowest emissions target the total would exceed the legally binding 51% emissions reduction target. So the table includes 4MtCO_2eq of "unallocated savings", that is to say savings that will be identified and achieved as climate

action accelerates, new possibilities for emission cuts emerge, and we see what works best. So far, so good.

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

Two paths present themselves, but only one is acceptable.

If we 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_2eq out of the total 200MtCO_2eq carbon budget, leaving 5MtCO_2eq of *unallocated budget* that could be distributed later by government to sectors that are struggling, despite their best efforts, 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_2eq 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_2eq, 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 5MtCO_2eq 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, in our view 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.

2. **The sectoral ceilings must align with the 51% reduction target for 2030**

As was pointed out by multiple analysts on the publication of the 2021 Action Plan, we will only meet the overall binding 51% emissions target for 2030 if all sectors achieve the upper range of their reduction target. It is essential that this is factored into the preparation of the 2022 Climate Action Plan and the conversion of the indicative reduction ranges into specific sectoral emissions ceilings under the law.

3. **Every sector of society and the economy must do its fair share to reduce emissions**

Some sectors will move faster than others, but every sector will have to reduce its emissions drastically, starting now, and get to zero or close to zero, as fast as possible. As the IPCC states: limiting global warming to 1.5°C will "*require rapid, far-reaching and unprecedented* *changes in all aspects of society"* across land, energy, industry, buildings, transport, and cities.

In the sectoral reduction ranges published in the 2021 Action Plan, special consideration is given to agriculture and the sector is given a less onerous reduction range that any other sector, with a maximum cut of 30% compared to an average of 57% for the other sectors. Given that special treatment and the reality outlined in point 2 above that only if every sector makes the maximum cut will we meet the 51% target, there simply is no room for further concessions to agriculture.

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.

Finally, it is important to recognise that our 2030 target of halving emissions still does not amount to our fair share of the effort required to fulfil the Paris Agreement. Ireland will continue to use more than our fair share of the remaining global carbon budget consistent with the 1.5°C goal for the rest of this decade. Therefore, the 51% reduction target in the Climate Act and the carbon budgets recently adopted by the Oireachtas are the least we are obliged to achieve. There is no legal or moral room to resolve the tensions between sectors in the manner so easily resorted to in the past, by deciding to miss our national targets. As the IPCC put it with their most recent report, it's "now or never" if we mean to limit warming to 1.5C.

We would welcome the opportunity to meet with you to discuss these points further in advance of the adoption of the sectoral emissions ceilings by the government.

Yours Sincerely,

Dr. Bríd Walsh
Policy Coordinator
Stop Climate Chaos Coalition

Email for correspondence: brid@stopclimatechaos.ie