



[By email to minister.naughten@dccae.gov.ie]

Minister Denis Naughten, TD
Department of Communications, Climate action and Environment,
29-31 Adelaide Road
Dublin
D02 X285

11 October 2017

**Re: Ireland's position on proposed EU Regulations on Effort Sharing and Land Use,
Land Use Change and Forestry (Environment Council - 13 October 2017)**

Dear Minister Naughten,

I am writing to you on behalf of the Stop Climate Chaos Coalition*. We recently submitted a letter to you concerning the EU's approach to proposed climate legislation in view of the upcoming Environmental Council meeting on the 13th of October. We would now like to take the opportunity to specifically address Ireland's position in relation to the negotiation of Regulations on Effort Sharing (ESR) and on Land Use, Land Use Change and Forestry (LULUCF).

As noted in our letter of 9 October, there are major weaknesses in the ESR and LULUCF files as proposed, which, if left unaltered, will undermine the EU's capacity to deliver on mitigation obligations under the Paris Agreement. However, Ireland's continued support for many of the weakest aspects of both proposals is a cause for considerable alarm from both a global and national perspective. The detrimental effect of Ireland's approach has been noted at EU level, serving to further damage Ireland's reputation.¹

The damaging effect of Ireland's approach

In order to align climate action with the temperature targets of the Paris Agreement, the EU's Nationally Determined Contribution will have to be revised without delay in order to achieve larger emission reductions. In the meantime, the EU needs to ensure that the legislation it puts into place now at the very least does not undermine the 2030 targets which the EU has already adopted.

However, Ireland has supported the inclusion of several loopholes in the ESR and LULUCF proposals. These loopholes do not constitute innocuous 'flexibilities' or constructive 'tools'. They permit and incentivise substantially delayed and reduced mitigation efforts by Member States in direct opposition to the temperature goals of the Paris Agreement. Ireland's support for such loopholes not only damages the State's reputation, it also has economic and environmental repercussions for both Irish and EU citizens.

Ireland's target for 2020 is to reduce non-ETS emissions by 20%. Our headline reduction target for 2030 is 30%. Staggeringly, if all of the proposed loopholes are factored in, Ireland's effective reduction target for 2030 would be just 21%, giving us a decade to get one percentage point beyond our 2020 target. That would be entirely out of line with our national 2050 objective and our obligations under the Paris Agreement.

Starting Point

Ireland has supported the Commission's proposed starting point for the 2030 targets, which would let countries who are likely to miss their 2020 targets off the hook. The proposed starting point will

¹ www.euractiv.com/section/climate-environment/opinion/europes-two-faced-climate-change-game/ and <https://www.irishtimes.com/news/environment/ireland-avoiding-responsibilities-on-emissions-sayseu-group-1.2950970>

lead to a huge surplus of allowances being built up in the beginning of the commitment period. It could also incentivise Member States to increase emissions in the period to 2020, which is in complete opposition to commitments made under the Paris Agreement.

Land Use

The ESR proposal allows Member States to use as offsets certain emissions from land use sectors to reach their ESR targets. In total this loophole would allow EU Member States to increase polluting emissions in the non-ETS sectors by 280 million tonnes. If a high amount of forestry offsets is used to delay efforts in agriculture, the sector will have to make 9 times steeper emission cuts after 2030 and would make the costs of meeting Europe's 2050 climate goals more expensive.²

It is also essential that all significant sources of greenhouse gas emissions, as well as removals, arising from LULUCF are captured by the Regulations. However, serious quantities of emissions are currently not counted in the LULUCF inventories. For example, in the case of Ireland, degraded peatland emissions amount to approximately 15-20% of total annual emissions, quantities omitted from the national inventory total for the ESD calculations.

Emissions Trading

The Commission proposes that Ireland and eight other Member States should be able to use part of their surplus ETS pollution permits to meet their ESR targets. In total this loophole would increase non-ETS greenhouse gas emissions by 100 million tonnes. Because of the weak 2020 target in the ETS, a huge surplus of about 3-4 billion ETS pollution permits will have accumulated by the end of 2020 which can be fully carried over to the next trading period. Therefore, if ETS allowances are used, it will mean fewer reductions are made in the non-ETS sectors without achieving more reductions in the ETS.

Target setting and GDP per capita

Initial target amounts for Member states are based on GDP per capita figures for 2013. Given that these targets relate to the period up to 2030 it is appropriate that they be based on the latest GDP figures and in the interests of transparency that they show consistency. GDP per capita figures for 2015 from Eurostat are available and should be used to adjust where necessary the 'headline' figures for each Member State.

Non-CO2 conversion factors

In calculating the CO2 equivalent due to non CO2 gases, outdated conversion factors for non CO2 greenhouse gases from the IPCC 4th Assessment Report of 2007 were employed. The equivalent figures from the 5th Assessment Report of 2013 should instead be used. For example, the methane GWP₁₀₀ coefficient must be updated from 25 to the increased IPCC AR5 value of 28 (34 with climate-carbon feedbacks). Recent scientific research has indicated that the real value is, if anything, higher than this figure.³ Policy decisions made at both EU and national level must be based on the latest evidence rather than outdated values.

Why the exclusion of such loopholes is in Ireland's own interest

Ireland is one of only five countries in the EU which is going to miss its existing 2020 emission reduction commitments. Ireland is the only one of these five where polluting emissions are predicted to continue to rise.⁴ While it has been suggested that Ireland's targets were unrealistic, EU bodies, the EPA and other analysts have consistently noted that Ireland's emissions reduction commitments

² <http://carbonmarketwatch.org/the-cost-of-climate-inaction-in-the-agricultural-sector/>

³ Etmann, M., G. Myhre, E. J. Highwood, and K. P. Shine. "Radiative Forcing of Carbon Dioxide, Methane, and Nitrous Oxide: A Significant Revision of the Methane Radiative Forcing." *Geophysical Research Letters* (2016): <http://tinyurl.com/gl4tvuk>

⁴ www.eea.europa.eu/themes/climate/trends-and-projections-in-europe/1-overall-progress-towards-the and www.eea.europa.eu/themes/climate/trends-and-projections-in-europe/current-progress-towardstargets-under

could have been met if, like other EU countries, the State had taken action in a timely manner.⁵ Therefore, the fact that emissions in Ireland are projected to rise cannot be excused. Indeed, to achieve the Government's own national transition objective Ireland must reduce CO2 pollution 5% a year, every year from now to 2050⁶. Every year of delay in reaching the 5% annual reduction rate increases the required rate, drives up the cost of transition and reflects an absence of intent to international partners.

In looking to maximise concessions and loopholes in the EU's proposals for 2030 the Irish Government is seeking to deviate significantly from the pathway to achieving its own objective for 2050. It is a striking and irreconcilable contradiction, especially as our own 2050 objective will inevitably have to be toughened to be in line with the Paris Agreement goals.

The Government's focus on avoiding concerted climate action in the short term will only increase Ireland's overall 2050 mitigation challenge, as well as increase the financial, political and social costs of both persistent non-compliance and climate impacts. Instead, political and institutional focus should be placed on planning and policy measures to close the gap between current projected emissions and Ireland's 2020 targets, which would reduce the costs of non-compliance and increase the environmental effectiveness, and cost effectiveness, of Ireland's transition to its 2050 goal. To do otherwise is simply to continue to put off key political and policy decisions that have to be taken.

In the context of an overall EU emissions reduction target for 2030 that is not in line the temperature goals of the Paris Agreement, it is not viable to adopt a highly lenient approach to using offsets from the land use sector to reduce mitigation efforts under the ESR. This was not envisaged in the Commission's Impact Assessment of the ESR and risks fatally undermining the ESR's ability to achieve actual emissions reductions.

The ESR as it currently stands will also be a missed opportunity for Ireland to decarbonise its agriculture sector cost effectively⁷, and to reap the co-benefits that come from reducing emissions such as improved soil quality, reduced health costs, improved air quality and increased resilience to environmental shocks.⁸ Studies have shown that mitigation in agriculture is not more technically challenging or costly compared to other ESR sectors, particularly when environmental co-benefits are considered. There are a wide range of mitigation actions already available to the agriculture sector but these have yet to be adopted at the scale and intensity necessary to deliver lasting emission reductions.⁹

There also exists a major lack of transparency and accountability in Ireland's support for loopholes in the ESR and LULUCF files. At national level, there is an emphasis on the need for leadership and greater ambition in the context of the Citizens' Assembly and National Dialogue. Yet in its approach to climate policy at EU-level, Ireland is fundamentally undermining EU leadership and hindering greater action at national level.

Lastly, Ireland's foreign policy includes a strong emphasis on responsible multilateralism and sustainable development with a particular focus on climate action.¹⁰ As stated by the Taoiseach in the National Mitigation Plan, *'[h]ow Ireland interacts with the world is a statement about us as a people and how we see our place in the world. Climate change is one of the biggest global challenges of this century. Its scale and complexity demands a coordinated approach at both national and international levels. Ireland is committed to concerted multilateral action to tackle climate change through the Paris Agreement...'* The prioritisation of reducing Ireland's short term mitigation actions

⁵ For example https://www.epa.ie/pubs/reports/air/airemissions/GHG_report2014.pdf

⁶ https://www.stopclimatechaos.ie/download/pdf/5_tests_for_the_credibility_of_irelands_climate_action_plans.pdf

⁷ See <http://carbonmarketwatch.org/the-cost-of-climate-inaction-in-the-agricultural-sector/>

⁸ See http://www.ifoam-eu.org/sites/default/files/ifoameu_advocacy_climate_change_report_2016.pdf

⁹ See for example

https://www.transportenvironment.org/sites/te/files/publications/2017_IEEP_Agriculture_mitigation_potential_in_ESR_final.pdf

¹⁰ <https://www.dfa.ie/media/dfa/alldfawebsitemedia/aboutus/whatwedo/Statement-of-Strategy-2016-2019.pdf>

runs directly counter to this commitment, and is against Ireland's own medium and long-term interests.

What position should Ireland take at the Environment Council

To put Ireland on a path to climate leadership and to support its own economy, Ireland should advocate for the exclusion of the loopholes outlined above. Specifically, Ireland should support:

- The proposal by Germany to limit banking of emissions allowances and to include a stronger review clause.
- The adjustment of the proposed 'headline' targets based on 2015 GDP per capita figures.
- With regard to the 2030 emission reduction pathways, a starting point of the latest emission levels for Member States who are on track to meet their targets and a starting point of the 2020 ESD emission target levels for Member State who are not.
- The CAN Europe proposal that offsets from the land use sector should not be allowed to reduce efforts across the non- ETS sectors in order to ensure the 2030 ESR actually does drive emissions reductions.
- Ensure emissions from all land use change categories, specifically from wetlands, are accurately accounted for. Where such data is not nationally available, default values from Tier 1 IPCC methodologies shall be used.
- The removal of provisions allowing surplus allowances from the ETS to reduce efforts in the non-ETS sectors.
- The use of 2013 IPCC 5th Assessment Report values for the global warming potential of methane and other non-CO2 emissions for the calculation of baseline and target emission quantities.
- The introduction of regular compliance checks, for example in 2023 and every 2 to 3 years thereafter, in order to ensure Member States take corrective action and stay on track. (The first compliance check is only scheduled to occur in 2027).
- Proper accounting of bioenergy CO₂ emissions in the energy sector. Current rules, improperly rating all biomass as carbon neutral, are effectively an indirect subsidy for coal and peat burning¹¹ and fail to enforce sustainability criteria.
- Strict sustainability criteria on all imported and domestic biofuels including quantified emissions from indirect land use change on all biomass and biofuel.

We wish to emphasise that these are matters of considerable concern to the Coalition and request that our recommendations are reflected in Ireland's position in the Environment Council of the 13th of October.

Yours sincerely,



Sorley McCaughey
Head of Policy, Christian Aid Ireland
On behalf of the Stop Climate Chaos Coalition

* Stop Climate Chaos is the civil society coalition campaigning for Ireland to do its fair share to tackle climate change. Our 33 members include overseas aid and development, environmental, youth and faith-based organisations: Afri, BirdWatch Ireland, Christian Aid Ireland, Comhlámh, Community Work Ireland, Concern Worldwide, Cultivate, Cyclist.ie, Dublin Friends of the Earth, Eco Congregation Ireland, ECO UNESCO, Feasta, Fossil Free TCD, Friends of the Earth, Good Energies Alliance Ireland, Gorta-Self Help Africa, Jesuit Centre for Faith and Justice, Just Forests, Kimmage Development Studies Centre, Latin America Solidarity Centre (LASC), Liberia Solidarity Group, Methodist Church of Ireland – Council of Social Responsibility, Mountmellick Environmental Group (MEG), National Youth Council of Ireland, Oxfam Ireland, Peoples Climate Ireland, Presentation Ireland, Tearfund Ireland, Trócaire, An Taisce, VITA, V.O.I.C.E., and Young Friends of the Earth

¹¹ Sandbag (2017) Climate policy brief: <https://sandbag.org.uk/project/somethingnasty/>