Good Deal Done on Setting of Binding Climate Change Targets for Ireland

Irish climate change negotiators did a good job convincing the European Commission to set a binding 30% emissions reduction target for Ireland between 2005 and 2030. The message that the agriculture sector is not going to reduce emissions at the same rate as other sectors hit the EU climate policy sweet spot. Given our (recent) artificially high GDP per capita and with the EPA estimating we will only achieve an 11% reduction in greenhouse gas emissions by 2020 (against a 20% target), a higher burden share figure would have been physically never mind politically unrealistic. The icing on the cake is that prior to 2020 there will be a one-off option to use emission reductions under the Emission Trading System (ETS) to meet a compliance shortfall in the non-ETS sectors of the Irish economy; up to 4%, or some 2 million tonnes (Mt) in Ireland's case – a figure that takes account of our high degree of non-compliance. A final positive feature of the package of proposals published on 20 July from Ireland's perspective is that for the first time (and from 2020) - but to a somewhat limited extent - credits generated in the land use/afforestation sector can be used for compliance purposes in meeting our binding non-ETS targets.

But as with most things Brussels, there is a lot of detail in the small print; the impact assessments accompanying the Commission's proposals will be studied in detail.

If the draft Regulation on effort sharing is adopted, Ireland will have the option of availing of more flexible measures if we continue to fail to meet our annual non-ETS emissions reduction targets. These include the banking and borrowing of annual emission allocations (AEAs) and transferring these AEAs between Member States. To date, according to the Commission, Member States have not made use of the current range of flexible measures. With a predicted 1 billion tonne shortfall by 2030, the expectation is that these non-ETS credits will be monetised.

It has been proposed that some 280 Mt of LULUCF (land use and land use change and forestry) credits can be used to help Member States offset their non-ETS targets, with particular reference to the challenge of mitigation in the agriculture sector. With an annual limit of LULUCF credits, including biomass used in energy, measured at 5.8% of total 2005 non-ETS emissions - the average EU figure is just 1% - Ireland has secured the best deal on offer. In practical terms, this means that LULUCF credits may be able to offset 2.8 Mt of carbon compliance each year from 2020; or 14% of forecast 2030 agriculture emissions – no wonder the IFA is happy. Critical to the success or otherwise will be an enhanced afforestation programme on a scale not previously contemplated. If forest carbon becomes monetised will this incentivise more private planting and will Coillte return to the market? The Programme for Government set a target for an increase in planting commencing with 6,000 hectares of new forests in year one i.e. Business-As -Usual, increasing to 8,290 hectares in 2020. Is this enough in the light of the LULUCF proposal?

The third element of the Commission's package was a non-binding Communication on low-emission mobility. As transport accounts for almost a quarter of Europe's non-ETS emissions (and over 29% of Irish emissions) there is a heightened focus on reducing transport emissions post-2020 through investment in new technology. Of potential interest to Ireland is the push towards the faster deployment of zero-emission vehicles, including hybrids and full-electric cars; infrastructure for alternative fuels such as CNG; and more extensive road charging to reflect the polluter pays principle. By 2018, ships using EU ports will be required to monitor and verify their emissions. A global market-based mechanism to control aviation emissions is also on the agenda.

Many will argue that we got a good deal. Others will point to the fact that our emissions per capita at around six tonnes per annum continue to be the second highest of the EU-28 and is unsustainable. Either way, Ireland will now have to convince 26 Member States and the European Parliament that the proposed package is fair, balanced and deliverable. The UK delegation will sit in the room and watch.

At some stage, the Advisory Council on Climate Change might break its silence and comment on the impact and implications of the Commission’s proposals as they concern Ireland’s first statutory National Low Carbon Transition and Mitigation Plan.