2nd October 2019

A strategy for meeting Ireland's climate change challenge

Environment Ireland

Background

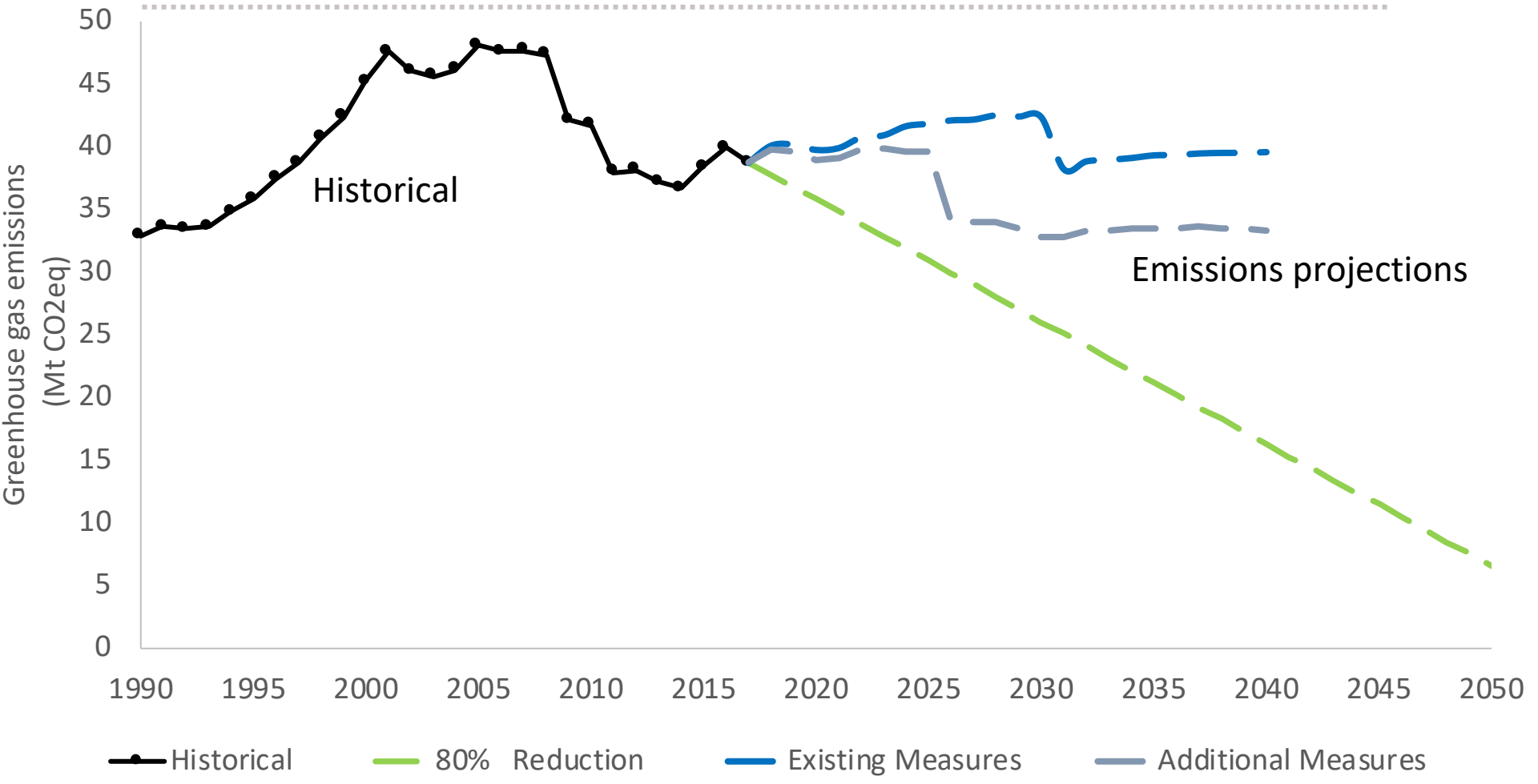
Council's Role

Review and advise government on how to make Ireland a low-carbon, climate-resilient and environmentally-sustainable economy and society by 2050

Some Significant Progress

1. Glass half full rather than half empty
   - Climate Action Plan
   - Oireachtas Committee Report
   - Likely to see commitment to carbon tax
2. Still a long way to go:
   - What we have is improved governance & commitment
   - Need to reverse trend in emissions
   - Need to reduce emissions by 40% by 2030
   - Need to be carbon neutral buy 2050
   - All of this needs policies and implementation

Progress Against Targets



Getting the Price Right

1. Cost of carbon – Put a price on it
   - Drives innovation – more important than substitution
2. Appropriate carbon tax?
3. Appropriate ETS price?
4. Public expenditure guidelines
   - Assume 2050 price of €260
   - Given assumed discount rate, implies c. €80 today
   - Public expenditure guidelines price?

Distributional Effects

1. Essential if going to get buy-in
   - e.g. water
2. A focus in recycling carbon tax
3. Need to consider effects on some workers
4. Distributional effects of investment?
5. International issue – “Just Transition”

Transport

1. Electrification of cars:
   - How fast will the stock change?
   - What is likely to be the supply – and the price?
   - Infrastructure and paying for it
2. Appropriate tax structure
   - Externalities: carbon and other pollutants, congestion, and paying for the infrastructure
   - Should guide evolving tax system
3. HGVs – transitional arrangements
4. Aviation –forgotten but very important

Heat

1. Maybe €50 billion investment needed over next 30 years
   - Must be profitable for households
2. Most of it will have to come from households
3. Initially focus scarce public resources on upgrading local authority dwellings.
   - This would help protect those on low incomes.
   - Help build the capacity of the building sector to deliver the necessary retrofit programme for all dwellings
4. Dealing with the hassle factor, price and quality, finance
5. Move to timber frame building?

Agriculture & Land Use

1. Agriculture accounts for a third of emissions so agriculture must change
2. Objective of Council recommendations:
   - Enhance farm incomes and security, while substantially reducing greenhouse gas emissions in the sector: a win-win
3. Considerable opportunities exist in the Agriculture & Land Use sectors to address climate change
   - Wil provide multiple co-benefits to society and safeguard farm income

Agriculture & Land Use

1. Teagasc: implement their menu of measures
   - Further scientific developments
2. Need more: must reduce cattle numbers
   - The current trend of rising cattle numbers is unsustainable. A reduction in the national herd is necessary to reduce absolute emissions from Agriculture: reduce herd by between 0.5 million and 1.5 million animals, reducing dependence on beef.
3. Appropriate land use absorbs carbon
   - By using the land for other purposes this would enhance the level and security of farm incomes

Agriculture & Land Use

1. The ongoing drainage of peat for extraction and other land uses is unsustainable. Incentives to encourage the appropriate management of degraded peatlands are required
2. Social implications of actions should be addressed to ensure a just transition. Farming and rural communities should benefit

Adaptation

1. Ireland has experienced several extreme weather events in recent years which have shown the vulnerabilities of our society and economy

2. Investment in adaptation requires partnership between government and the private sector – much of the adaptation must be done by companies and households

3. Decisions must consider a range of global warming scenarios, including even higher warming than 2^{o}

Adaptation

4. Sectoral adaptation plans and local authority adaptation strategies will play a key role in increasing climate resilience.
   - However, key areas, including our coasts, housing and building standards and planning are not being addressed
5. Government must raise the profile of adaptation and incorporate it into coherent policy on investment
   - How to prioritise across public investment – e.g. flood protection
   - Example: storm in October 2017 knocked out water – an issue for electricity as well as water utilities

Conclusions

- Ireland remains off course to address climate change
- Adaptation to the impacts of climate change essential
- Opportunities exist in the Agriculture and Land Use sectors but urgent action is required. Appropriate policies can simultaneously substantially reduce emissions and enhance farm incomes
- The Carbon Tax must increase to provide the necessary signal to enable transition
- Integrating a just transition into climate policy can add depth and assure public support for action