



SDC Submission to

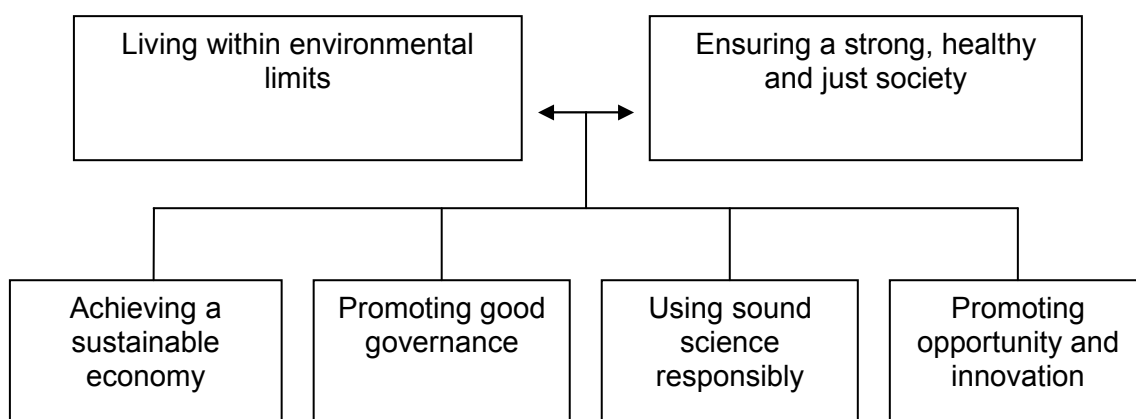
NI Assembly Environment Committee Inquiry into Climate Change

February 2009

1. The Sustainable Development Commission (SDC)

- 1.1. The SDC is the Government's independent advisor on sustainable development, reporting to the Prime Minister, the First Ministers of Scotland and Wales and, in Northern Ireland, the First and Deputy First Minister. Through advocacy, advice, appraisal and capacity-building, we help to place sustainable development at the heart of Government policy.
- 1.2. The SDC thanks the Committee for its invitation to submit a written response to this inquiry and welcomes the opportunity to contribute to this important initiative. The SDC recognises the global nature of the challenge represented by climate change, necessitating that we move towards a low-carbon society. This will involve fundamental changes in the operation of government and business and in all of our lives as citizens and consumers. The SDC believes that the only consistent, effective and equitable way to meet this challenge is through the framework of sustainable development – applying the six principles of sustainable development agreed in our strategy, *First Steps to Sustainability*.

The principles of sustainable development



- 1.3. In providing advice to government and acting as an advocate for sustainable development, climate change is already a major element of all our work programmes and, in particular, our work on energy, transport and the built environment. A selection of recent pertinent initiatives is listed below:
- SDC is represented on the NI Climate Change Impacts Partnership
 - SDC organised a workshop for Departmental officials on carbon neutrality and carbon offsets, supported by DOE & OFMDFM.
 - SDC hosted a one-day UK workshop on the implications of aviation policy in NI
 - SDC offered specialist advice to the Assembly's ARD Committee Inquiry on renewable energy
 - SDC is a mentor to 20 young 'climate change advocates' from across the island of Ireland in the British Council's *Challenge Europe* project
 - SDC staff have spoken at numerous conferences and seminars on climate change & energy matters, with particular emphasis on the built environment
 - SDC has published a number of articles on climate change and related issues

2. Initial commitments for NI to contribute to UK climate change targets.

2.1. The government already has a series of stretching commitments relating to climate change, in both its Programme for Government and in its sustainable development strategy and implementation plan, viz:

- *PfG PSA 22*: Reduce greenhouse gas emissions by 25% below 1990 levels by 2025
- *PfG PSA 22*: Secure 12% of electricity consumption in Northern Ireland from indigenous renewable sources by 2012.
- *NISDS - IP Target 36*: Make the Government estate carbon neutral by 2015

In addition, the SD strategy lists supportive 'important steps', such as

- Reduce CO₂ emissions by 30% below 1990 levels by 2025
- improving the overall energy efficiency of NI households by 25% and that of NI Housing Executive housing stock by 40% by 2025
- Where technologically and economically feasible, to ensure that beyond 2025, 40% of all electricity consumed in Northern Ireland is obtained from indigenous renewable energy sources with at least 25% of this being generated by non-wind technologies.

2.2. The UK's Climate Change Act contains another set of targets and, although Northern Ireland does not yet have an identified contribution towards the rolling five-year carbon budgets contained in the Act's provisions, the Assembly's Environment Committee has determined a largely positive position of support in relation to the UK Climate Change Act. It should be noted that Scotland, Wales and the Republic of Ireland have all identified emissions reduction pathways of around 3% *per annum*.

2.3. The UK Government's independent Climate Change Committee published its first annual report in December 2008, in which it made recommendations for the UK to reduce its greenhouse gas emissions by at least 80% by 2050, with attendant interim targets.

2.4. Beyond the UK, the European Union has a further suite of targets to be delivered by 2020 – a 20% cut in greenhouse gas emissions, a 20% cut in energy consumption, and a 20% contribution to energy generation from renewable sources. These are hugely ambitious targets.

2.5. It is important that Northern Ireland adopts a responsible position and plays a proportionate role in contributing to the attainment of UK and EU targets. What has been clear is that the existing NI targets are mostly distant in time and there are few, if any, interim 'milestones' or any clear plan as to how we might achieve even the most modest of these targets. The next Programme for Government should be in place by 2012 – it would be appropriate for its constituent PSAs and their delivery plans to indicate much more clearly exactly how departments will contribute to the attainment of agreed climate change 'milestones', reflecting the EU, UK & existing NI targets listed above.

2.6. The SDC supports the concept of five-year carbon budgets. This mechanism allows for annual fluctuations due to factors beyond a government's control, such as extreme weather patterns or, as at present, a severe economic downturn which is likely to suppress emissions levels. The SDC recommends that such carbon budgets be introduced here, along with disaggregated SMART targets for NI. By June 2009, the UK Government has to set the first three carbon budgets and, shortly thereafter, it must report to Parliament on its policies and proposals to meet the targets in those budgets.

3. Proposed actions and sectoral route maps

3.1. Several studies have undertaken different assessments of the sectoral contributions to GHG emissions in Northern Ireland. Their different conclusions have been the result of their varied methodologies and data handling.

- 3.2. Among the reports most often quoted are the DOE-commissioned *Northern Visions* and *Footpaths to Sustainability* as well as the NI sections of the UK Climate Impacts Partnership reports. DETI & OFMDFM commissioned another useful report from consultants AEA in 2008 which published very illuminating comparative figures demonstrating the changes in sectoral emissions for Northern Ireland, Scotland and the Republic of Ireland.
- 3.3. In both the *Footpaths to Sustainability* report and in some earlier work by the Carbon Trust, its *NI Vision Study* of 2003, there are detailed scenarios tackling the emissions in the most significant sectors.
- 3.4. The Carbon Trust simplifies its recommendations under three steps:
 - 3.4.1. Optimising energy use by implementing all possible energy efficiency measures
 - 3.4.2. Decarbonising energy & fuel supplies by investing in renewable energy resources
 - 3.4.3. Decoupling economic growth and social activity from the consumption of high-carbon fuels by developing low carbon technologies, products and services.
- 3.5. The SDC wholeheartedly endorses the first two steps but we are less certain about the feasibility of the decoupling process. Put simply, decoupling is about doing more with less: more economic activity with less environmental damage; more goods and services with fewer resource inputs and fewer emissions. Most of the data demonstrates that, while we are making some relative progress in using resources more efficiently, the overall picture is less encouraging. This is an area explored in significant detail in a new SDC report to be published in the Spring of 2009.
- 3.6. The *Footpaths to Sustainability* report adopts a slightly different approach by modelling a range of scenarios to test the ability of government policies to meet the (then) 2050 UK target of a 60% reduction in CO₂ emissions. Using scenarios focussed on sectors such as housing, food and transport, the report projected the effectiveness of different policy options in reducing the carbon footprint of each sector.
- 3.7. There is no need to duplicate the lengthy recommendations of these studies in this paper but the Inquiry should certainly consider these documents during its work.

4. Costs of meeting these obligations compared with costs if they are not achieved

- 4.1. SDC welcomes the inclusion of economic considerations within the Inquiry's terms of reference. Essentially, the causes of climate change are economic, through the progress of material prosperity, and so must the solutions be predicated on sound economics. The Stern Review on the economics of climate change is the most authoritative of reports on the subject and concludes that "if we do not act, the overall costs and risks of climate change will be equivalent to losing at least 5% of global GDP each year now and forever....While in contrast the costs of action – reducing greenhouse gas emissions to avoid the worst impacts of climate change – can be limited to around 1% of global GDP each year."
- 4.2. The Stern Review adopts a global perspective to draw its conclusions. In earlier work, the UK's Department of Trade & Industry (now BERR) estimated the cost of cutting UK emissions to meet the old 60% target by 2050 would be between 0.3 and 2.0% of GDP in that year
- 4.3. Existing assessments of the costs of meeting climate change obligations in Northern Ireland can only be considered speculative. The Carbon Trust Vision Study posits some estimates based on national figures but it seems more beneficial to focus on the economic opportunities presented by the need to move towards a low-carbon economy.

4.4. Several groups are currently developing versions of what is being called a 'Green New Deal', most of them based on variations of a public spending package intended to boost the economy in the current recession and at the same time help to kick-start activities to tackle emissions, such as:

- redesigning the electricity grid to facilitate renewable and distributed energy to promote the decarbonisation of electricity generation
- more sustainable management of the whole government estate, including schools, hospitals *et al*
- a programme to improve the energy efficiency of the existing housing stock
- a new approach to transport policy

While proposals of this nature are stimulated as much by the 'credit crunch' as by the need to tackle climate change, some of the ideas could form the basis of economic opportunities for the longer term. For example, the skills development fostered by the Renewable Energy Installer Academy helps to promote an increase in the use of domestic energy technologies.

4.5. Northern Ireland already has some significant strategic advantages in facilitating a shift towards a low-carbon economy. Both of our universities have dedicated research capacity in sustainable energy; our natural resources of wind, marine and agricultural potential provide a strong basis for low-carbon energy generation; our long tradition of engineering offers opportunities for the manufacture of wind and marine turbine components, to build upon the already existing assemblage of offshore turbine sets. These factors present a chance for NI to exploit its share of what is poised to be a significant global market in the coming years.

4.6. Some recent initiatives announced by Ministers in London indicate strengthening support for this approach. The proposed introduction of feed-in tariffs is designed to increase the uptake of renewable technologies and hasten the development of the nascent industry. Ministers also declared the government's intention to retrofit all UK homes by 2030 to make them much more energy-efficient. Such ideas need serious consideration here too.

5. Mechanisms for assessing the impacts of policies on climate change

5.1. Existing instruments to guide policy development within the NICS structure are legion – among them are OFMDFM's Policy Toolkit which contains excellent advice on screening policies for their adherence to sustainable development obligations; public sector procurement is covered by DFP's document, *Equality of Opportunity and Sustainable Development in Public Sector Procurement* and the more recent sustainable procurement action plan; CPD's Achieving Sustainability in Construction Procurement has a suite of worthy ambitions. These and other policy guidance are hampered by the fact that they are not mandatory – as guidance documents, they lack the authority of legislation.

5.2. It would certainly be possible and desirable to strengthen these existing guidance tools with more exacting criteria to assess their potential climate change impacts but the more deep-rooted problem is the need to see the guidance applied to policy development and implementation with greater rigour.

6. Targets for the new NI Sustainable Development Implementation Plan

6.1. As indicated earlier, the imperative is to ensure that departments have considered how they might contribute to the longer-term climate change targets. Virtually all departments of government have roles to play in tackling the effects of climate change – some focussed more on mitigation measures, such as DETI, others with a greater responsibility for adaptation, such as DRD.

6.2. Once the SD strategy has been approved by the Executive, it is critically important that each department becomes involved in a detailed consideration as to how it intends to contribute to the strategy's high-level aims. In terms of climate change, this should entail the development of SMART objectives that clearly track how a department will play its part in moving towards whatever targets are set for 2020 or 2050. The overarching principles of sustainable development will not change and we must therefore continue to devise and implement policy positions which simultaneously allow us to 'live within environmental limits' while we 'ensure a strong, healthy and just society.'

7. DOE Climate Change Unit PSA

7.1. The DOE is currently responsible for climate change policy but the reality is that many elements of policy which serve to combat the causes of climate change lie elsewhere within government. Energy policy and economic development sit within DETI; housing falls to DSD although Building Regulations are for DFP to determine; DRD covers transport strategy, DARD has sway over many aspects of land-use alongside DOE's Planning Service; DCAL has responsibility for the government's policy on architecture and the built environment. As with sustainable development, climate change touches almost every aspect of our lives.

7.2. In Whitehall, the government brought together into a single department the two most fundamental elements – climate change and energy. If we are serious about tackling climate change, it is our generation and use of energy that will be the largest determinant. Of the 22 million tonnes of CO₂ equivalent we produce each year, energy use accounts for 75% (with agriculture producing a further 21%). There is a strong case to be made for combining the two responsibilities into one department of energy and climate change in Northern Ireland.

7.3. Any PSA in the next Programme for Government would thereby be able to set out the ambitions for climate change which would contribute proportionately to UK and EU targets, while also being able to have greater control over how those might reasonably be delivered through a sustainable energy programme.

8. Secondary legislation

8.1. The existing Statutory Duty on sustainable development, contained within Section 25 of the NI (Miscellaneous Provisions) Act 2006 is weak and ambiguous. It should be reviewed and strengthened to ensure that sustainable development is genuinely expressed throughout all government policymaking.

8.2. Any secondary legislation that is specifically related to climate change should find its focus in ensuring that Northern Ireland plays its proportionate role in meeting the obligations of the Climate Change Act by establishing disaggregated targets for Northern Ireland in a reflection of the legally binding targets of the UK Act.

9. Scrutiny

9.1. Plainly, the scrutiny committees of the NI Assembly will have a significant role to play in monitoring departmental progress against any future targets on climate change. This would be particularly important in the event that a new department of Energy and Climate Change was created.

9.2. In addition, however, the responsibility for a more detailed assessment of progress should be delegated to a body dedicated to that sole purpose. The NI Audit Office already undertakes work of this nature, reporting to the Assembly on other matters of policy and public spending and could be well placed to extend its responsibilities to this arena.

10. This submission can only introduce some limited aspects of the plethora of issues embraced by the extensive terms of reference for this important Inquiry. SDC will be pleased to expand on these comments with an oral presentation, if the Committee would find that helpful.

Sustainable Development Commission
Northern Ireland
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