

DAERA Consultation on a Northern Ireland Climate Change Bill
UK Finance response
1 February 2021

Question 1: Options

Which of the following high level options do you think is appropriate for Northern Ireland to take forward?

(Required)

- *Option 1: Northern Ireland Climate Change Bill setting interim emission reduction targets and a long term target of net zero emissions in Northern Ireland by 2050 (long term target does not consider expert climate change advice)*
- *Option 2: Northern Ireland Climate Change Bill setting interim emission reduction targets and a long-term target for Northern Ireland by 2050, the long term target is an equitable contribution to achieving UK-wide Net Zero by 2050 (long term target considers expert climate change advice)*
- *Not sure / No opinion*

(Optional) Please provide up to 5 reasons for your choice

We would advocate Option 2, for two reasons, efficiency and fairness, both of which ultimately make it more likely that the UK, and the world, will be able to meet the goal of net zero.

The first reason is that Option 2 would allow for greater economic efficiency, providing policy makers with the widest range of possibilities for finding the right balance of carbon sinks and emissions reductions across the whole of the UK.

The second reason, related to the first, is that by allowing for more flexibility in achieving net zero across the whole of the UK there is an increased likelihood of achieving a 'just transition', whereby people with more limited means are not asked to contribute disproportionately to the net zero transition.

Question 2: Criteria for setting Emission Reduction Targets

Do you have any opinions on what would be the most important criteria to be considered when setting, or updating, long term and interim emission reduction targets?

(Required)

- *Yes I have an Opinion*
- *Not sure / No Opinion*

(Optional) Please tell us, in a few words your choice(s) of the most important criteria, and why you think your choice(s) are the most important.

We would suggest that the most important criteria are:

1. What will be most likely to hit the target
2. What will have the greatest positive impact on jobs in Northern Ireland and the greatest positive impact on GDP in Northern Ireland, and come at the lowest cost to the tax payer
3. What will give businesses the most clarity regarding necessary actions they will need to take and by when
4. The latest opinions from experts
5. That any grant schemes or funding offered to help achieve the targets is not changed or removed once granted due to any updates in emission reduction targets making it difficult for funders to consider in lending proposals.

Question 3: Flexibility for updates to Evidence, Science and Understanding

Do you think flexibility should be built into the Bill, to allow consideration of new emerging evidence and science on climate change (for example on long-lived and short-lived greenhouse gases) when setting emission reduction targets?

(Required)

- **Yes**
- **No**
- **Not sure / No opinion**

(Optional) Please tell us, in a few words, the reason(s) for your choice.

It is important that flexibility be built into the Bill given the considerable uncertainty regarding the precise causes (in terms of the exact global warming potential of various gasses and feedback loops within dynamic climate systems) and impacts of climate change.

In addition various technical factors, such as progress on negative emissions technologies, or reductions in the costs of renewables, could have important implications for the likelihood of achieving the emissions reductions targets set.

Question 4: Duty to set Carbon Budgets

Do you agree that a Northern Ireland Climate Change Bill should include a duty to set limits in 5 yearly carbon budgets on the total amount of greenhouse gases that can be emitted in Northern Ireland, which is consistent with the long-term targets and any interim targets set by that Bill?

(Required)

- **Yes**
- No
- Not sure / No opinion

(Optional) Please tell us, in a few words, the reason(s) for your choice.

This would be preferable for two related reasons: it would make the targets more likely to be met, and it would provide greater certainty for investors and other financial actors.

Question 5: Public Bodies - Reporting on Adaptation to Climate Change

Should provision for reporting on adaptation measures by 'major player' public bodies, be included in a Northern Ireland Climate Change Bill?

Reminder - Definition of 'Climate Change Adaptation'

'Climate Change Adaptation' means taking action to prevent or minimise risks from the effects of unavoidable climate change - like building flood defences to reduce the impact of flooding.

(Required)

- *Yes (the Bill should provide for reporting by some or all 'major player' public bodies)*
- *No (the Bill should not provide for reporting by any 'major player' public bodies)*
- *Not sure / No opinion*

(Optional) Which 'major player' public bodies do you think SHOULD report on adaptation?

Public bodies with large estates and large numbers of staff.

Public bodies with a high impact and influence, e.g. Northern Ireland Assembly, local authorities, DoE, DAERA, NIEA.

Public bodies with large expenditure.

Public bodies that provide an auditing or regulatory function.

Provisions should be made for the reporting on climate change adaptation and mitigation measures by both the Northern Ireland Housing Executive and individual Northern Irish housing associations, so long as these provisions allow for reporting to follow sector-specific frameworks.

(Optional) Why did you specify those (types of) 'major player' public bodies?

They will have a major impact on our ability to meet any targets.

They are likely to be taking these actions in any case due to their vested interest in protecting the environment in Northern Ireland.

They should be ambitious in their targets in relation to this which will set the right example for others they engage with.

Question 6: Public Bodies - Reporting on Mitigation of Climate Change

Should provision for reporting on mitigation measures by 'major player' public bodies, be included in a Northern Ireland Climate Change Bill?

Reminder - Definition of 'Climate Change Mitigation'

'Climate Change Mitigation' means taking action to reduce the causes of climate change - such as reducing greenhouse gases being emitted into the atmosphere, or using 'carbon sinks' to store greenhouse gases.

(Required)

- *Yes (the Bill should provide for reporting by some or all 'major player' public bodies)*
- *No (the Bill should not provide for reporting by any 'major player' public bodies)*
- *Not sure/no opinion*

(Optional) Which 'major player' public bodies do you think SHOULD report on mitigation?

Public bodies with large estates and large numbers of staff.

Public bodies with a high impact and influence, e.g. Northern Ireland Assembly, local authorities, DoE, DAERA, NIEA.

Public bodies with large expenditure.

Public bodies that provide an auditing or regulatory function.

Provisions should be made for the reporting on climate change adaptation and mitigation measures by both the Northern Ireland Housing Executive and individual Northern Irish housing associations, so long as these provisions allow for reporting to follow sector-specific frameworks.

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Question 7: Independent Northern Ireland Advisory Body on Climate Change

In addition to continuing to avail of the expertise of the UK Climate Change Committee, should we also include provision in the Bill, for an independent Northern Ireland advisory body on climate change?

- Yes
- No
- *Not sure / No opinion*

(Optional) Please tell us, in a few words, the reason(s) for your choice.

While our members noted that the CCC is able to provide advice specific to Northern Ireland, it was also suggested that an Independent Advisory Body might be able to bring clearer insights and direction on adaption and mitigation measures which, with the appropriate levels of insight and input from relevant bodies, might be of value to the SME sector across Northern Ireland.

Question 8: Other comments on Issues in this Discussion Document

Do you have any other comments - in respect of the issues raised in this discussion document?

(Required)

- Yes
- No

(Optional) If you chose 'Yes' please tell us, in a few words, the reasons for your view(s).

For each comment you make, please tell us which issue it relates to.

One member noted that housing associations are already providing this type of reporting so it is unlikely to be a major issue for them or be any more onerous than what they already have to offer to tender for housing contracts.

Question 9: Any issues not adequately covered

Are there any important issues you feel have not been adequately covered at this early discussion stage?

(Required)

- Yes
- No

(Optional) If you chose 'Yes' please tell us, in a few words, the reasons for your view(s).

For each comment you make, please tell us which issue it relates to.

Climate-related financial reporting is extremely important to enable the financial sector to adequately assess climate-related financial risk, so we would recommend aligning as closely with the FCA's guidance on this matter as possible.