



National Climate Policy
Independent analysis to be undertaken by the Secretariat to the
National Economic and Social Council for the purpose of
informing further policy development

Terms of Reference

Background and context

The Review of National Climate Policy issued by the Minister for the Environment, Community and Local Government, Mr. Phil Hogan, T.D., on 3rd November 2011 provides the background and context for these Terms of Reference.

Purpose

Having regard to the outcome of the National Climate Policy Review on the need for further policy development in order to put Ireland on a clear and definite path to a successful low-carbon future, the Secretariat to the National Economic and Social Council (the Secretariat) proposes to undertake an independent analysis that will inform the policy development process.

Scope

The required analysis shall address two central, interrelated tasks, specifically:

- development of a set of potential policies and measures to close the distance to Ireland's greenhouse gas emission reduction target under Decision 406/2009/EC in the compliance period 2013-2020. The outline of the set of potential policies and measures should include identification and analysis of costs and benefits of major policies and measures and reference to relevant attitudinal and behavioural factors. This shall draw on work already completed by Government Departments and Agencies and other bodies, and address the costs of non-compliance.
- development of a basis for a long-term socio-economic vision to underpin effective national transition to a low-carbon future by 2050.

The analysis shall examine the potential of the emerging global green economy for Ireland (including societal perspectives) and the importance of maintaining competitiveness in a low-carbon future. In this regard, it shall address key considerations to underpin national low-carbon economic growth, taking account of the medium to longer-term consequences of incurring lock-in to carbon-intensive investment. It should also assess the ambition level of Ireland's main trading partners on the green economy and identify areas where Ireland may have a comparative advantage and where there are strategic weaknesses or threats to Ireland's competitive position.

In parallel with this analysis, the Minister will initiate (early in 2012) an open consultation on policy development, in light of the National Policy Review and the objective in the Programme for Government on climate legislation. Since the outcome of the consultation will be a key input into the

analysis to be undertaken by the Secretariat, the Secretariat will also input in the early stages of development of the consultation paper.

Outcome

The outcome of the analysis to be undertaken by the Secretariat should provide the basis for the Minister for the Environment, Community and Local Government to coordinate, for consideration by Government, a coherent national direction on climate policy for the period 2013-2020 and onwards to 2050 – taking account of the policy direction at EU and wider-international level towards low-carbon development plans. This should include a range of specific policies and measures to –

- i. close the gap to the binding national target for 2020 in respect of the sectors of the economy not covered by the EU Emissions Trading Scheme (non-ETS sector), and
- ii. support achievement of the longer term requirement for deep reductions in greenhouse gas emissions across the economy in the period to 2050.

Outputs

The analysis by the Secretariat shall be completed in two stages.

1. No later than end June 2012, the Secretariat shall submit a report setting out potential options for policies and measures to close the distance to Ireland's greenhouse gas emission reduction target under Decision 406/2009/EC in the compliance period 2013-2020, with identification and assessment of costs and benefits of major carbon reduction policies and measures, and reference to relevant attitudinal and behavioural factors. This shall draw on work already completed by Government Departments and Agencies and other bodies, and address the costs of non-compliance¹.

Having regard to the fact that compliance with Decision 406/2009/EC must represent a significant step in the longer-term transition to a low-carbon future, the Secretariat may present this first report as an interim output pending completion of its full analysis on a longer-term vision for Ireland. In that event, the Secretariat shall, as a minimum, set out proposals for interim policies and measures relating to the non-ETS sector for consideration by Government in the short term.

In conducting its analysis, the Secretariat will be assisted by relevant Departments and Agencies through the provision of relevant information and ongoing input to the analysis.

2. No later than end December 2012, the Secretariat shall submit its final report, which shall address the outcome of its full analysis of the two central tasks and incorporate the key elements of the report submitted in June 2012. In light of the outcome of its analysis on a long-term socio-economic vision for Ireland, the Secretariat shall confirm its final position on policies and measures for consideration by Government for the purposes of compliance with Decision 406/2009/EC in the period to 2020.

December 2011

¹ Based on the 2011 Emissions Projections by the EPA, the current distance to target in 2020 is in the range of 4.1-8.8MtCO₂e (Mega tonnes of Carbon Dioxide Equivalent). New projections will be published in April 2012.