Opportunity Green

Opportunity Green
[redacted]

19/06/23

Dear Minister Eamon Ryan,

In advance of the Public Consultation on Ireland's current Long-term Strategy for Greenhouse Gas Emissions Reductions, we, Opportunity Green, are **writing to you to express our concern at Ireland's disregard for its international, EU and domestic climate commitments, particularly in respect of the aviation and shipping sectors**.

In Ireland's recently published Long-term Strategy on Greenhouse Gas Emissions Reductions (LTS), the government states:

> *"Emissions from international aviation and from shipping remain outside national emissions targets for EU Member States and are not covered by the Paris Agreement."*

We recognise Ireland's laudable ambition to become a 'leader in addressing climate change'.[1] But this is undermined by the exclusion of 'emissions from international aviation and from shipping' from the LTS. We urge you to reconsider this exclusion. The statement seriously undermines the goals that Ireland claims to support through, *inter alia*, the 2015 Paris Agreement and the 2021 Climate Action and Low Carbon Development (Amendment) Act (2021 Climate Act). It fails to recognise the current absence of effective regulations of emissions from these sectors. And, by suggesting there is no need to act on such emissions, this statement risks discouraging the urgent action that is needed to tackle Ireland's soaring transport emissions.

Ireland will fail to meet its international obligations under the Paris Agreement:

In 2018, global aviation accounted for at least 3.5% of global anthropogenic climate warming, while shipping emitted around 3% of global anthropogenic greenhouse gases. The climate impact of these sectors will grow significantly if action is not taken by States – with shipping potentially rising to up to 13% of global emissions by 2050 and, aviation rising to 22%.

Ireland is a party to the United Nations Framework Convention on Climate Change (UNFCCC) and the 2015 Paris Agreement. The UNFCCC requires all Parties, with consideration for their respective responsibilities and capabilities, to formulate and implement programmes containing measures to mitigate climate change. This includes policies and programmes which address all sectors, including the international aviation and maritime sectors. Building on the UNFCCC, the Paris Agreement sets a clear goal for Parties to reduce anthropogenic emissions in line with a maximum global average temperature increase of 2°C above pre-industrial levels, while pursuing ambitious efforts for only 1.5°C (Article 2).

[1] As claimed in: Gov.ie, 'Ireland's ambitious Climate Act signed into law', available at gov.ie - Ireland's ambitious Climate Act signed into law (www.gov.ie)

Ireland, as a party to the Paris Agreement, is under a legal obligation to keep emissions to these temperature limits agreed in the Paris Agreement. This cannot be done without tackling *all* of its aviation and shipping emissions. The Paris Agreement states that developed countries should take the lead by implementing economy-wide absolute emission reductions targets (Article 4(4)). In the absence of global or regional regulation that drives the required emissions reductions, as demonstrated in Opportunity Green's legal analysis of the UK's obligations related to the regulation of international shipping, the obligation falls upon individual states to regulate. The UN bodies that regulate these sectors (the International Maritime Organization and the International Civil Aviation Organization) have provided limited and inadequate regulation (if any) to reduce emissions in line with the Paris Agreement. While there are EU emissions regulations on intra-EU flights and on international shipping, neither are sufficient for Ireland to abdicate its emissions reductions responsibilities under the Paris Agreement as a developed country.

Contrary to the misconception perpetuated in its LTS, shipping and aviation, as key sectors in national economies, are within the scope of these economy-wide emissions reductions. ***Failure to address all emissions from shipping and aviation violates the central aim of the Paris Agreement.*** Detailed legal analysis by Transport & Environment confirms this. Therefore, by deciding to exclude emissions from international aviation and shipping from the scope of its LTS, Ireland risks breaching its international obligations.

Ireland will fail to meet its domestic and European obligations under the 2021 Climate Act and EU Regulation 2018/1999:

The 2021 Climate Act sets out a national climate objective to pursue and achieve, no later than 2050, the transition to a climate resilient, biodiversity-rich, environmentally-sustainable and climate-neutral economy. However, by placing emissions from international aviation and shipping outside of the scope of the LTS, as explained in later paragraphs, Ireland's total transport emissions will soar. ***In simple terms, you cannot ignore these emissions and achieve a climate-neutral economy.***

In addition, the 2021 Climate Act 'provides the framework for Ireland to meet its international and EU climate commitments and to become a leader in addressing climate change.' Various provisions reinforce Ireland's commitment to and responsibilities under the UNFCCC and Paris Agreement, including when preparing the national climate action plan and national long term climate action strategy. As described above, the current LTS does not adequately account for Ireland's international obligations under these treaties.

Finally, the 2021 Climate Act specifies that, when preparing a national long-term strategy, the Minister should also have regard to Article 15 of Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action (Regulation 2018/1999). This article provides the legal basis for the preparation of national long term GHG reduction strategy by Member States. It is important to note that Regulation 2018/1999 is clearly drafted with the spirt of the UNFCCC and Paris Agreement in mind. The preamble to the regulation specifies that it is intended to align with the 2015 Paris Agreement (preamble, para 1) and, more specifically, that:

> *'Member States should develop long-term strategies with a perspective of at least 30 years contributing to the fulfilments of the Member States' commitments under the UNFCCC and the Paris Agreement, in the context of the objective of the Paris Agreement of holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1,5 °C above pre-industrial levels' (preamble, para 36)*

Opportunity Green

Under the current formulation of the LTS, Ireland's emissions from shipping and aviation will soar:

Legal obligations aside, the reality of Irish aviation and shipping emissions is urgent. In May 2023, while most European countries benefited from emissions reductions, Eurostat reported a 12.3% emissions' increase in Ireland during the final quarter of 2022, with airlines responsible for ca. three-quarters of this increase. Earlier data from the OECD on air transport CO_2 emissions demonstrates that Ireland's international aviation emissions dramatically overshadow its domestic emissions. These emissions are set to only worsen as, in contrast to other sectors in Ireland, greenhouse gas emissions from aviation in Ireland are increasing rapidly - the Environmental Protection Agency reported that emissions from aviation within the European Economic Area increased by approximately 94 per cent in 2022 compared to 2021 levels.

From the perspective of international shipping, although Ireland currently has a relatively small flag, it has almost total reliance on maritime transport for the import and export of goods. By failing to account for the reality of its transport emissions levels in its LTS, ***we are gravely concerned that the situation can only worsen.***

How we can change this:

1) **Include 'emissions from international aviation and from shipping' within the LTS and any future climate plans.**

   To change the trajectory outlined above, Ireland must consider all of its emissions from the aviation and shipping sectors within the scope of its LTS and any future climate strategies. This can be done when preparing the updated Strategy, as committed to in the Annex of Actions that accompanied Climate Action Plan 2023.

2) **Regulate in line with the Polluter Pays Principle.**

   Both the aviation and shipping sectors are historically undertaxed sectors. The Irish government placed a small tax on all flights departing Ireland from 2008 to 2014 which had no demand side impact on flights (though we would argue a higher tax with a demand side impact is very much warranted) which raised an average of €57 million annually (based on our own internal calculations as no figures were released by the Revenue Commissioners). In the current cost-of-living crisis it is neither fair nor just that aviation contributes so little to the general finances when it is such a big emitter. Imposing such a tax would also be an innovative way to ensure Ireland's commitment to international climate finance is met. The undersigned organisation is willing to work with the Irish government to ensure that Ireland would not be alone in either imposing such a tax or using it for climate finance.

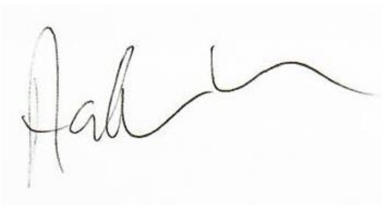
   Shipping is exempt from corporate taxation and instead pays 'tonnage tax,' which the Organisation for Economic Co-operation and Development (OECD) classifies as a subsidy as it is so small compared to the amount it would pay in corporation tax if imposed. In addition, shipping does not pay any fuel or sales taxation. Even worse, the OECD study on shipping taxation also pointed out that "impact studies do not find much evidence of the effectiveness of maritime subsidies in achieving their stated aims." This means that, even though shipping is exempt from most taxation and given subsidies, it does not result in increased economic growth. There is an ambitious proposal for discussion in the International Maritime Organization from the Marshall and Solomon Islands (Documents MEPC 76/7/12 and ISWG-GHG 14/2/6) to impose a GHG levy on international shipping but unfortunately it has not gained the support of Ireland, nor indeed the rest of the EU. We are calling on Ireland to support these documents in discussions in the IMO this June and July. Again, international shipping could also be a source of revenue to help Ireland meet its international climate finance commitments.

3) Increase support for alternative fuels.

While acknowledging all of Ireland's emissions from aviation and shipping is an excellent first step, Ireland must also begin to take concrete action on these emissions immediately. Both the aviation and shipping sectors share a challenge in reaching net zero due to the energy intensive nature of the fuels they require – and the associated limited opportunities for direct electrification. Companies across both shipping and aviation are making the case that alternative fuel sources, for example, green hydrogen and direct air capture will be needed to produce their future fuels. Ireland has not yet made any clear commitments to developing these sustainable fuels for these sectors. The undersigned organisation strongly encourages the Irish government to recognise and support these initiatives, and promote the uptake of sustainable fuels in both sectors. The investment required for these fuels can be supported through industry-pricing (taxation).

In conclusion**, we urgently request the Irish government to reassess the exclusion of 'emissions from international aviation and from shipping' from the LTS.** Achieving the Paris Agreement temperature goals will require Ireland to step up as a leader on the international stage, which it has often done. However, this requires a long overdue examination of whether large polluters such as aviation and shipping are allowed to sail under the radar when it comes to national taxation.

Yours sincerely,



Aoife O'Leary

CEO, Opportunity Green