



Mr. John McGuinness
Joint Committee on Finance, Public Expenditure and
Reform, and Taoiseach
Houses of the Oireachtas
Kildare House
Dublin 2

McCumiskey House
Richview
Clonskeagh Road
Dublin 14
D14 YR62
Phone: 01 2680180
Email: info@climatecouncil.ie

11 July 2017

Dear Mr McGuinness,

RE: Council response to the Joint Oireachtas Committee on Finance, Public Expenditure and Reform, and Taoiseach on the Fossil Fuel Divestment Bill 2016

The Council is concerned that both in Ireland and in the rest of the world the pace with which the problem of climate change is being tackled is wholly inadequate. If we in Ireland (and in the rest of the world) are to achieve the goals of the Paris Agreement, and thereby avoid dangerous climate change, then globally we must move to a carbon neutral society during this century. A key goal of the Paris Agreement is to make financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

The Council recognises that the intent of the Fossil Fuel Divestment Bill 2016 is to address the goals of the Paris Agreement. It potentially would send a message about Ireland's climate ambition. However, the Council is concerned that the Bill, if implemented as currently drafted, could have unintended consequences which may hinder or slow down the decarbonisation of investment. For example, in its present form, the legislation would appear to preclude investment in companies such as Ervia and Bord na Móna.

In the case of Ervia it is vital that it invests in improving our water and waste water infrastructure. In addition, it can play a role in reducing carbon emissions by, for example, promoting the move to the use of CNG as a transition fuel. While not a long-term solution to the need for decarbonisation, it could prove a useful interim measure and open up opportunities for further decarbonisation through other sustainable fuels.

In the case of Bord na Móna, they may wish to invest in alternatives to peat to provide employment for some of those who will suffer from the early closure of peat-fired electricity generation. The draft legislation would appear to preclude investment in such enterprises.

These are two examples that serve to illustrate the limitations of the legislation as currently drafted. The Bill could be amended to deal with potential problems.

However, the intentions of the promoters of the legislation might also be achieved by improved administrative guide-lines on investments for ISIF, providing those guidelines are appropriately designed and monitoring systems are in place to establish whether the required decarbonisation of investment is occurring.

As with all public bodies, the Oireachtas can examine their compliance with their remit. This would allow for flexibility to deal with exceptional cases, such as those identified above, while at the same time ensuring that investment undertaken by the state is consistent with our national goal on tackling climate change.

Yours sincerely,

Prof. John FitzGerald

Chair

Climate Change Advisory Council