



<b>Subject:</b>	Consultation on the setting of Northern Ireland's Fourth Carbon Budget (2038-2042)
<b>Date:</b>	6 <sup>th</sup> November 2025
<b>Reporting Officer:</b>	John Tully, Director Organisational and City Strategy
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<b>Restricted Reports</b>	
<b>Is this report restricted?</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>If Yes, when will the report become unrestricted?</b>	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

<b>Call-in</b>	
<b>Is the decision eligible for Call-in?</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report/Summary of Main Issues</b>
1.1	The purpose of this report is to inform members about the proposed response to the public consultation on Northern Ireland's Fourth Carbon Budget and request approval to submit this response to DAERA.
<b>2.0</b>	<b>Recommendation</b>
2.1	I. Members are asked to note the proposals set out in the consultation document and to approve the draft Council response as attached at appendix 1. Subject to approval by Council, the response will be submitted to DAERA via their online consultation platform.
<b>3.0</b>	<b>Main Report</b>
3.1	<b>Background</b>

	<p>The Climate Change Act (Northern Ireland) 2022 committed the country to reducing its greenhouse gas (GHG) emissions to net zero by 2050, with a series of five-year carbon budgets set to ensure steady progress from the outset.</p> <p>The Climate Change (Carbon Budgets 2023-2037) Regulations (Northern Ireland) 2024 were approved by the Assembly in December 2024, setting the first three carbon budgets for Northern Ireland, which are:</p> <ul style="list-style-type: none"> <li>• <u>First Carbon Budget</u>: The carbon budget for the 2023-2027 budgetary period is an annual average of 33% lower than the baseline;</li> <li>• <u>Second Carbon Budget</u>: The carbon budget for the 2028-2032 budgetary period is an annual average of 48% lower than the baseline; and</li> <li>• <u>Third Carbon Budget</u>: The carbon budget for the 2033-2037 budgetary period is an annual average of 62% lower than the baseline.</li> </ul> <p>The UK Climate Change Committee (CCC) is an independent, statutory body established to advise the UK and devolved governments on emissions targets and adaptation to climate change. In March 2025, the CCC provided an advice report “Northern Ireland’s Fourth Carbon Budget”, to the Northern Ireland Executive, recommending that the Fourth Carbon Budget is set at an annual average reduction of 77% in emissions across the period (against the 1990 baseline). In its report, the CCC sets out “The Northern Ireland Net Zero Pathway”, detailing how the carbon budget can be delivered and met. It will, however, be up to the NI Executive to decide on and agree the specific policies, and proposals that will be taken forward in NI to deliver each of the carbon budgets.</p>
3.2	<p><b>Draft Council Response</b></p> <p>The proposed budget is largely welcomed,</p> <ul style="list-style-type: none"> <li>• We agree that an annual average reduction of 77% aligns with the legislative requirements and provides a clear trajectory toward achieving net zero by 2050. This ambitious target is essential to mitigate the impacts of climate change and ensure N. Ireland contributes to global efforts to limit warming to 1.5°C.</li> <li>• We agree with all of the considerations listed, recognising the need to balance ambition in reducing emissions with other economic and social considerations. The transition to a low-carbon economy must be fair and inclusive. Equity among sectors is critical to prevent disproportionate burdens being placed on specific industries. Investment in low-carbon innovation can drive economic growth and create green jobs while addressing climate change. Additionally, prioritising environmental and public health benefits will improve the quality of life for all citizens and could reduce the risk of public backlash to climate policies. Maintaining alignment with national and international targets will ensure Northern Ireland does its fair share to contribute to the national and global effort to combat climate change. <ul style="list-style-type: none"> <li>○ <b>Financial Impacts:</b> Whilst there may be upfront costs associated with transitioning to low-carbon technologies (e.g. the electrification of home heating) these or other investments will lead to long-term savings for citizens (e.g. through energy efficiency) and reduced reliance on imported fossil fuels. It is expected that the long-term financial savings will offset the upfront investment costs. Additionally, research demonstrates that the economic costs of climate inaction and resulting damages substantially exceed the costs of decarbonising the economy (e.g. Stern, 2006; IPCC, 2022).</li> <li>○ That said, we note that significant investment will be required to meet the Fourth Carbon budget and query how central government can support local government initiatives e.g. the Council’s Physical Programme. Government sourced match funding would significantly aid implementation of councils’ capital programme projects that seek to mitigate GHG emissions or increase climate resilience emissions</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ <b>Economic Impacts:</b> The shift to a green economy presents significant opportunities for job creation in renewable energy, sustainable agriculture, and green infrastructure. Research suggests that investments in renewable energy and energy efficiency have the potential to generally create more jobs than comparable investments in gas, oil or coal generation - including considerations of job quantity, quality, and required skillsets (Job creation in a low carbon transition to renewables and energy efficiency: a review of international evidence, 2024) and NI Green Skills Action Plan.</li> <li>○ <b>Social Impacts:</b> Reducing emissions will improve air quality and public health, particularly in urban areas. However, climate policies and supporting financial measures must ensure that vulnerable communities are supported during the transition.</li> <li>○ <b>Rural Impacts:</b> Rural areas can benefit from renewable energy projects, such as solar farms, but care must be taken to protect rural incomes from abrupt shifts in agricultural models, and preserve natural landscapes and biodiversity.</li> <li>○ <b>Equality Impacts:</b> Policies must address inequalities to ensure all communities, including low-income and marginalised groups, benefit from the transition and that the transition doesn't exacerbate any existing socio-economic tensions.</li> <li>○ <b>Impact on Children and Young People:</b> Achieving the Fourth Carbon Budget will safeguard the future for younger generations, ensuring they inherit a sustainable and liveable planet.</li> <li>• Public engagement and education in achieving the Fourth Carbon Budget is very important. Raising awareness about the benefits of emissions reductions and involving communities in decision-making will foster a sense of ownership and commitment to the targets, rather than viewing climate targets as a threat. Priority should be given to nature-based solutions, such as peatland restoration and tree planting, which provide co-benefits for biodiversity and carbon sequestration as well as tourism and recreation. We note from the draft Climate Action Plan that DAERA will establish clear monitoring and reporting mechanisms to track progress. This is important as it will ensure accountability for each carbon budget.</li> </ul> <p>The consultation relates to the percentage level at which the Fourth Carbon Budget should be set, with the policies and proposals that will be selected to deliver on the Budget have still to be decided</p>
<b>4.0</b>	<b><u>Financial and Resource Implications</u></b>
<b>4.1</b>	There is no immediate resource or financial ask of the Council to respond to this public consultation.
<b>5.0</b>	<b><u>Equality or Good Relations Implications/Rural Needs Assessment</u></b> Consideration of equality, good relations and rural needs was embedded in the consultation document questions by DAERA and in Belfast City Council responses.
<b>6.0</b>	<b>Appendices</b> I – Council Public Consultation Response II – <b><u>Link to Draft NI Fourth Carbon Budget</u></b>