



<b>Subject:</b>	Mapping the opportunity for a Local Carbon Offset Fund
<b>Date:</b>	12 May 2022
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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>	
<b>After Committee Decision</b>	<input type="checkbox"/>
<b>After Council Decision</b>	<input type="checkbox"/>
<b>Some time in the future</b>	<input type="checkbox"/>
<b>Never</b>	<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 or Summary of Main Issues</b>
1.1	The purpose of this report is to inform Members about a proposal to map the opportunity to develop a Local Carbon Offset Fund.
<b>2.0</b>	<b>Recommendations</b>
2.1	The Committee is asked to approve the proposal to map the opportunity to develop a Local Carbon Offset Fund.
<b>3.0</b>	<b>Main report</b>
3.1	Ni has set an ambitious climate target of achieving Net Zero emissions by 2050 and the Northern Ireland Climate Change Adaptation Programme 2019-2024 includes a number of adaptation actions under key priority areas. Councils across NI have a key role to play in delivering of resilience and emission targets. According to the UK Committee on Climate Change, “more than half of the emissions cuts needed rely on people and businesses taking

	<p>up low-carbon solutions – decisions that are made at a local and individual level. Many of these decisions depend on having supporting infrastructure and systems in place. Local authorities have powers or influence over roughly a third of emissions in their local areas”.</p> <p>Moreover, a recent report Accelerating Net Zero Delivery demonstrates the economic and social value of locally tailored approaches. Councils are the closest level of government to communities, workers, suppliers and consumers and are well placed to deliver holistic, tangible, large scale climate solutions. However, implementing this ambition is challenging for councils due to resource limitations and capacity constraints.</p>
3.2	<p>The public sector can’t deliver the volume of funds required to deliver Net Zero commitments, new funding and revenue models are needed to deliver at scale and at pace. Belfast City Council (BCC) has been working in partnership with PCAN and the Grantham Institute, LSE and the UKCICC to better understand how it can mobilise the necessary finance to decarbonise heat, transport and industry across the City as well as support investments in resilience measures.</p> <p>At the same time, many organisations across NI have set ambitious net zero targets. Whilst these will mostly be delivered through emission reductions, it is likely that most organisations will need to off-set the emissions they cannot avoid or reduce by paying for a carbon credit, which allows them to pay for an equivalent amount of emissions to be reduced or removed elsewhere. Most off-setting projects are located in developing countries but there is anecdotal evidence that there is an appetite among NI companies to off-set their emissions via local projects.</p>
3.3	<p>This project would be a collaborative exercise between Belfast City Council, Derry City and Strabane District Council, Antrim and Newtownabbey Borough Council, Mid and East Antrim Borough Council, Ards and North Down Council, and Fermanagh and Omagh District Council and Newry, Mourne and Down District Council.</p> <p>Working in partnership, these Councils have identified a need to carry out a desktop review to quantify the opportunity for establishing a regional Carbon Offset Fund that could be used to finance a pipeline of climate investments across NI. These could range from investments in energy efficiency, decarbonised heating supply and renewable energy to habitat restoration and other nature-based solutions that enhance resilience and sequester carbon.</p>
3.4	<p>This would require a joint procurement by interested Councils to identify a suitably qualified supplier with experience and expertise in climate finance and developing climate plans and programmes, to undertake a mapping exercise to help us understand the extent of the opportunity for local off-setting in NI.</p>

3.5	<p>This work is being aligned with ongoing work by SIB and DAERA to develop funding mechanisms to deliver against Net Zero targets. The off-setting fund would provide a source of finance to support the development and delivery of a Net Zero pipeline as well as help to deliver against targets in the Energy Strategy and the Green Growth Strategy but in a very place-specific (rather than sector or departmental based) fashion.</p> <p>This is an initial piece of mapping work to develop the evidence base and provide an opportunity for the Councils, SIB, DfE and DAERA to start working together on the financing / delivery challenge. It would need to be followed up with further scoping work.</p>
3.6	<p>The <b>overall objective</b> is to undertake a mapping exercise to help the partners understand the extent of the opportunity for local off-setting in NI. This survey and analysis will be informed by the work of Anthesis around Authority-based insetting and other work in this field. We will draw on our linkages with PCAN and LSE to peer review and supplement the findings with research and analysis on place-based financing from other parts of the country.</p>
3.7	<p>The intended <b>outcome</b> is that, based on a survey of emitters from key sectors, the potential for establishing a local off-setting fund will be better understood along with an estimate of the potential annual income that could be achieved by such a scheme. It is anticipated that the survey results will lead onto further preparatory work that could be used as part of a business case or funding application. In particular, the survey will determine the following:</p> <ol style="list-style-type: none"> <li>1. What is the current value of the offset market in Belfast and more widely across NI i.e. what amount of GHG emissions are currently offset?</li> <li>2. What level of investment is needed to satisfy GHG offset targets currently?</li> <li>3. What is the current trend in offsetting across the organisations (increasing/decreasing)</li> <li>4. What is the likely value of the offset market in Belfast and more widely across NI through to 2030 based on trends in carbon prices and expected volume of offsetting?</li> <li>5. Who are the largest emitters? What is their individual and combined GHG emission output?</li> <li>6. What is the level of interest from organisations (public, private) in offsetting locally?</li> <li>7. How much of their current offset would they be willing to channel into a local fund?</li> <li>8. What types of projects are they interested in? Are there any restrictions on what they can and can't fund?</li> <li>9. What are the key barriers or enablers to offsetting locally?</li> <li>10. What type of support do they require in relation to carbon offsetting?</li> <li>11. Highlight examples of best practice elsewhere which can be shared with others, and which highlight the opportunities for regional carbon offsetting.</li> </ol>
4.0	<p><b><u>Financial &amp; Resource Implications</u></b></p>

4.1	The total budget for this study is £15,000 which would be divided across the seven Councils. £2500 has been allocated from within the existing City and Organisational Strategy budget to finance BCC's contribution.
5.0	<b><u>Equality or Good Relations Implications/Rural Needs Implications</u></b>
5.1	Any good relations or equality implications will be identified as part of the Council's screening process.
4.0	<b>Appendices – Documents Attached</b>
4.1	None