

Minutes

All Party Group on Climate Action

24 September 2021 | 10:00 am – 12:00 pm
at Virtual

Members in attendance: Rachel Woods MLA (Chair), John Blair MLA, Jim Wells MLA, Pat Catney MLA, Cllr Roisin Lynch, Cllr Terry Andrews, Cllr Donal McPeake, Cllr Siobhan Currie, Cllr Terry Andrews, Cllr Lauren Kendall, Cllr Stephen Dunlop, Cllr Maeve O'Neill, Cllr Michael Henderson, Cllr Billy Webb MBE

In attendance: Alan McVicker, Stephen Agnew, Allison Curtis, Fiona Colley, Catherine Blease, Richard Hauxwell-Baldwin, Emmet McDonough-Brown, David Rooney, Frankie Smith, Colin Duff, Joseph Kilroy, Joe McKearney, Sean Fearon, Ani Kanakaki, Declan Allison, Karen Smyth, Miriam Butler-Wilson, David Murphy, Aine McGuire, Karen Phillips, Emmet McDonough-Brown, Kate Livingstone, Mark Emmerson, Rebekah Corbett, Alan Liddle, Robert Clements, V'cenza Cirefice, Clare McKeown, Jim Mairs, Debbie Caldwell, Andy Frew, Steven Agnew, Joseph Ireland, Colin Breen, Jen Patterson, Elaine Smith, Shauna Corr, Adam McGibbon, Margaret McMahon, Charlotte Daly, David Rooney, Emma Adair, Andrew Cassells

Attendees: 57

Apologies: Kellie Armstrong MLA, Cllr Robert Irvine, Cllr Brian Smyth, Cllr Simon Lee

1	Opening Remarks
	<p>Rachel Woods MLA (RW), Chair, welcomed everyone to the meeting and noted that Cllr Lauren Kendall has replaced Cllr Katherine McNickle as the Green Party representative from Ards and North Down. She welcomed Lauren to the Group and thanked Katherine for her participation.</p> <p>She advised the group that she would have to leave at 11:45 and that John Blair, Vice-Chair, would Chair the remainder of the meeting.</p>
1.1	Apologies
	Apologies were recorded.
1.2	Chair's Business
	<p>RW noted climate related activities over the summer. She reminded Members that the Climate Change (No.2) Bill second stage debate would take place in the Assembly next week. She also highlighted the legislative consent motion on the UK Environment Bill this week in the NI Assembly and that Lord Deben and Chris Stark from the UK CCC have been in Belfast this week presenting the Committee's advice and recommendations for Northern Ireland in relation to the 6th Carbon Budget.</p>
2	Meeting Admin
2.1	Minutes of meeting on 25 June 2021
	Minutes of the meeting on 25 June were approved: proposed by Cllr Terry Andrews, seconded by Joseph Ireland.

	<p>RW noted action to write to the DAERA Minister had been completed, but she is awaiting a response.</p>
<p>3</p>	<p>Presentation: Local Government Pension Scheme – Climate Risk Strategy</p>
	<p>RW welcomed the first speaker David Murphy (DM), Chief Executive of NILGOSC.</p> <p>DM delivered a presentation on the current approach taken by NI Local Government Officer Superannuation Committee (NILGOSC) to divest local government pensions from fossil fuel companies and related industries.</p> <p>Contact: david.murphy@nilgosc.org.uk</p> <p>Q&A followed.</p> <p>RW noted the report from the International Energy Agency (IEA) which warned against any new fossil fuel extraction and expansion. She asked if NILGOSC has set up a working group to look at the impact of its investments on the climate crisis?</p> <p>DM said NILGOSC is aware of the report and no there was no group as such. He said that while demand for coal has peaked, there is still going to be a demand for it in the short term. Fund managers are obliged to consider climate risk and make their investment decisions over a long-time horizon so the inevitable decline in fossil fuel use will be taken into consideration.</p> <p>RW noted that most of the low-carbon investment supported by NILGOSC funds was happening overseas. She asked if there is scope to develop a NI low-carbon infrastructure fund in Northern Ireland?</p> <p>DM said that it is up to the Fund Managers to decide what and where to invest in. He said retrofit schemes may not be a viable investment option for a pension fund, and these kinds of programmes typically require government grant assistance as it can be difficult to make an investment case.</p> <p>Jim Wells (JW) queried selling all shares in fossil fuel companies, due to loss of voting rights and opportunity to influence fossil fuel companies. DM noted that scope to influence decisions at AGMs is limited, there is more traction in working as part of international coalitions of fund managers with collective assets worth 55 trillion USD.</p> <p>Siobhan Currie (SC) queried the governance structure of NILGOSC and whether a proportion of the local government pension fund could be ringfenced for local social and environmental investment (the so-called 'Crescent Model'). She also asked how much of the pension fund is invested directly and indirectly in fossil fuel industries.</p> <p>DM said he did not have the exact figures. He highlighted that NILGOSC is looking to have a low carbon index by the end of the year, as they are interested in having the carbon metrics of the portfolio. He noted that there is currently around £100m invested in the local economy (mostly assets, property, and debt finance for SMEs). NILGOSC is a non-departmental public body and reports to Department for Communities. They appoint the management committee and government cannot direct investment decisions.</p> <p>Steven Agnew (SA) noted that Members of NIAMPS, the NI Assembly's Pension Committee, had elected not to renew it's fund manager as they were not able to provide low-carbon investment options. He said there are two sides to a boycott: 1) sending a signal not to support fossil fuel industries and 2) positively supporting those</p>

companies who are supporting the energy and climate transition. He said if an institution has demonstrated its commitment to the UN Paris Climate Agreement, then it is contradictory to invest in fossil fuel industries.

DM agreed that progress of oil, coal and gas giants had been slow. He argued however that consumer-side demand management is more effective at sending a signal to the market and financial sector to invest in green industries.

Maeve O'Neill (**MO'N**) said engagement with petroleum and fossil fuel industry is not working. She argued that everything we do makes a difference, including moving our investments. The time for negotiating with the fossil fuel multinationals is over. 100 coal and oil companies collectively produce 70% of the world's CO2 emissions. She cited the example of Community Wealth Building Local Authority Pensions in Scotland and how public pensions could be used as a force for good locally.

DM held a different view, explaining that the big energy companies were the big emitters and not the fossil fuel companies.

Joseph Ireland (**JI**) noted that Vattenfall has recently announced investment in community heating schemes in London, Glasgow, and Edinburgh. He asked if low carbon heat is part of NILGOSC investment plans?

DM said they are awaiting the release of the Government's Energy Strategy and that policy is needed to provide investor confidence.

Lauren Kendall (**LK**) asked on what basis NILGOSC favours engagement and demand management as preferred strategies for decarbonisation rather than setting red lines for companies in their investment portfolio?

DM noted that demand may reduce here but rise globally and that fund managers make their decisions based on risk and return. Investment opportunities are treated on a case-by-case basis, on their financial merits.

RW thanked **DM** for joining the group and for his presentation.

4 Fossil Fuel Divestment – Good for Pensions and the Planet

RW welcomed Adam McGibbon (**AMcG**) who led a successful campaign to end the UK Government's multi-billion financial support for fossil fuel projects overseas. The campaign won the Sheila McKechnie Foundation's David & Goliath Award.

AMcG delivered a presentation on the financial opportunities for pension fund managers investing in green industries and emerging risks associated with the fossil fuel sector.

Contact: adam.mcgibbon@marketforces.org.uk

RW thanked Adam for his presentation.

Q&A followed.

RW asked what **AMcG** means by 'indirect investments' in fossil fuel industries. **AMcG** said indirect investment is vast, it includes investments in companies that have direct investments in the fossil fuel sector. He noted the importance of making sure indirect investments are part of the conversation.

RW asked what advice he would give to those trying to get their voices heard on the

	<p>issue of institutional divestment out of fossil fuels?</p> <p>AMcG said that people need to directly engage with their pension fund managers on this issue. There are various websites out there that will tell you what companies your Fund Manager is investing in, start there and then apply pressure to divest.</p> <p>Joseph Ireland (JI) asked if the oil giants like BP are greenwashing when they say they are going to become net zero by 2050, noting that 21 years ago they launched an advertising campaign called 'Beyond Petroleum' yet currently more than 96 per cent of BP's capital expenditure is on oil and gas?</p> <p>AMcG noted that it is too easy for companies to set net zero commitments. He said if their assets and investments are not aligned to the Paris Agreement it is just a slogan. Most are relying on negative emission technologies and carbon offsetting to meet long-term targets. Important that investors hold them accountable by carrying out asset tests and looking at their term targets.</p> <p>Maeve O'Neill (MON) underlined the point that almost all the big fossil fuel companies are shrouded in unethical tactics like funding climate change denial and other bad faith elements, making it difficult to engage with them.</p> <p>Andy Frew (AF) asked if ethical investment portfolios have better resilience, or resistance to global economic shocks?</p> <p>AMcG said there are cases where fossil free indexes are insulated to a degree, but all investments carry some risk. He noted that climate breakdown carries significant economic impacts worldwide so there is a clear argument to invest in industries that will help fix the problem of climate change, rather than further accelerate it, and all of the economic benefits that flow from that.</p>
<p>5</p>	<p>Case Study – Southwark Council Pension Scheme</p> <p>RW welcomed Fiona Colley to the meeting. Fiona is Social Change, Policy & Comms Director at Homeless Link but in her previous role, she chaired Southwark Council's £1.2bn pension fund which successfully divested out of fossil fuels.</p> <p>Fiona gave a brief overview of the divestment process and outlined top tips of councils looking to do the same highlighting that a consistent and persistent campaign focussing on financial risk and the opportunities of financial returns from green investments is necessary to ensure divestment of public funds from fossil fuel industries. She concluded that the Council decided divestment was ethically and politically the right thing to do, and it was in the best interest of the Pension Fund long term because of their fiduciary duty to pension owners.</p> <p>See Guardian article for more information.</p> <p>Contact: Fiona.Colley@homelesslink.org.uk</p> <p>RW thanked Fiona for her presentation.</p> <p>Q&A followed.</p> <p>John Blair (JB) asked how NI councils and wider public sector organisations can build consistency in asking to divest pension funds? FC suggested building a coalition of the willing first, a collective voice is better than individual voices. Focus on who you are trying to persuade. Frame argument around their main concerns. Those who oppose divestment are usually concerned about protecting their financial interests, therefore it is vital to debunk the myth that</p>

	<p>divestment and profitability are at odds with each other – they aren't. It can be slow to get change, but it's worth persevering.</p> <p>RW asked if there was any pushback from within the council itself, e.g., in the staff survey?</p> <p>FC said the survey was extremely helpful in documenting the views of employees. The deliberately asked wide-ranging questions, and it was neutral in tone. They asked about people's views and attitudes to renewables, social investment and whether they were in favour of decarbonisation and a renewable, green future. She noted that they won the support of both Unison and Unite, their unions, which made a significant difference in the campaign. She noted that finance officers were the most difficult to persuade, but they got there in the end.</p>
6	AOB
	<p>John Blair (JB) took over as Chair.</p> <p>JB noted that there had been requests from Renewable NI to address the group and have pencilled them in for the October meeting which will focus on the Energy Transition, and there will also be a policy update from the Department for Economy. JB thanked Arc 21 for their offer to speak to the group on the Circular Economy, noting that the most recent meeting in June meeting had looked at the Circular Economy. He said the group would consider inviting ARC21 to a future meeting when it looks at the circular economy again.</p> <p>There were also proposals for speakers / topics for a future meeting from Maeve O'Neill (MON) who requested that the group discusses Rights of Nature, a movement that is current gaining traction in the region. There was also a request from Dr Mark Emmerson from QUB to present to the group on the All-Island Climate and Biodiversity Network. JB noted the requests and agreed to schedule these into a future meeting.</p>
7	Summary and close
	<p>JB noted that next APG meeting takes place on Friday 29 October at 10:00am and will focus on Energy.</p> <p>JB thanked members for attending. Meeting closed at 12:00.</p>