EXPLANATORY MEMORANDUM TO

The Climate Change (Just Transition Commission) Regulations (Northern Ireland) 2026

SR 2026 No. ** - Draft affirmative**

1. Introduction

1.1. This Explanatory Memorandum has been prepared by the Department of Agriculture, Environment and Rural Affairs (DAERA) to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.

1.2. The Statutory Rule is made under section 37(1) of the Climate Change Act (Northern Ireland) 2022 (the Act) and is subject to the draft affirmative resolution procedure.

2. Purpose

2.1. This Statutory Rule is to fulfil the requirements placed on DAERA in section 37 of the Act, to establish a body to be known as the Just Transition Commission (the Commission).

2.2. These Regulations establish the Just Transition Commission as an independent advisory non-departmental public body, with broad representation provided by at least 16 members including a chairperson. The Commission will undertake an oversight and advisory role for all NI Departments on the implementation of the just transition elements of the Act.

3. Background

3.1. The Act was passed in March 2022 and came into operation in June 2022 after receiving Royal Assent. There are broad just transition requirements in the Act. These include:

• Section 13 of the Act places a requirement on Northern Ireland departments that sectoral plans support a just transition.

• Section 30(2)(a) of the Act requires all departments to have regard to the just transition principle when deciding its policies and proposals for reducing emissions for inclusion in the climate action plans (CAP).

• Section 30(3) of the Act defines the just transition principle as the importance in taking action to reduce emissions and increase Northern Ireland removals whilst aiming to achieve specified objectives set out in Section 30(3) (a) to (k) of the Act.

• Section 30(6) of the Act requires DAERA to provide an explanation in each CAP as to how the policies and proposals contained within the CAP, take account of the just transition principle.

• Section 32(2)(e) of the Act requires DAERA to take into account the just

transition principle when setting soil quality and biodiversity targets in each CAP.

3.2. Section 37(2) of the Act sets out that the functions of the Commission are to oversee the implementation of the just transition elements of the Act and to provide advice to Northern Ireland departments on how to ensure that proposals, policies, strategies, and plans required under the Act comply with the just transition principle.

3.3. Section 37(4) of the Act specifies seven sectors who must be represented on the Commission. They are the agricultural sector; fisheries sector; academia; trade unions; youth groups; civic society and environmental groups.

3.4. These Regulations, as required by Section 37(1) of the Act, establish the Commission and set out the necessary provisions for the constitution of the Commission. They set out how the Commission will perform its oversight and advisory role and what the just transition elements of the Act are.

3.5. The Commission will have an important oversight and advisory role to NI departments. The Commission will have the autonomy to consider how it fulfils its oversight function. These Regulations set out that this may be fulfilled by the Commission reviewing and reporting on any sectoral plan published under sections 13 to 22 of the Act; any climate action plan published under section 29 or 51 of the Act; and any scheme established by Regulations under section 31 of the Act.

3.6. The Commission will be able to provide advice to each of the Northern Ireland departments on how to ensure that proposals, policies, strategies, and plans required under the Act comply with the just transition principle. The Commission may also proactively provide advice or respond to a request from a department for advice. The Regulations place a requirement on the Commission to respond to a department's request for advice within an agreed timeframe.

3.7. These Regulations broaden the sectoral representation on the Commission to make it mandatory that the built environment, transport, energy, rural and green finance sectors are included in the make-up of the Commission in addition to those specified in Section 37(4) of the Act. The Regulations also make it mandatory that there are two representatives from the environmental groups and an additional two from the agriculture sector in recognition of the size and diverse nature of these sectors. This does not prevent the Commission having further non-legislated representation from sectors not included in the draft Regulations.

3.8. It is envisaged that the Commission may have 16 members, however, this may fluctuate to some degree. The Schedule to the Regulations restricts the number of Commission members, including the chairperson to 20 members, so as to not negatively impact on decision making.

3.9. The Schedule to the Regulations provide the Department with the power to remove a member from the Commission should it be necessary to do so. DAERA may terminate the appointment if a Commission member fails to meet the terms and conditions of appointment.

3.10. The Schedule to the Regulations provide the Commission with the power to establish committees to provide advice and assistance to support the Commission to effectively fulfil its role. The Commission will also be able to invite experts to brief the Commission or Committees it establishes on specific matters.

3.11. The Schedule to the Regulations provides for remuneration and allowances of the Commission members, procedures, and the ad-hoc committees or groups.

3.12. These Regulations provide for accounting, reporting and record keeping. The Commission will be an independent advisory body, and the views of the Commission will be of interest to elected representatives, stakeholders, and the general public. The Commission will produce reports including an annual report on its own performance to be laid in the Northern Ireland Assembly. These reports will be published and available publicly. This will help ensure that advice to departments is public and so ensure transparency and accountability for implementing the just transition elements of the Act.

3.13. These Regulations do not set out all day-to-day operations of the Commission. This will be set out as appropriate in non-legislative framework documents such as the Terms of Reference, Standing Orders, any Memorandum of Understanding or through the Partnership Agreement between the Commission and the Department.

3.14. The Commission Members will be appointed by the DAERA Minister following a public appointments process in line with guidance produced by the Commissioner for Public Appointments Northern Ireland (CPANI). The Commission Members will typically serve terms of 3 to 5 years with the option to be renewed for one further term only. The Commission Members will be recruited on a part-time basis. Commission Members will be remunerated in line with NI Department of Finance public appointee renumeration levels.

3.15. The Commission will be supported by a small administrative secretariat. The secretariat will be supplied from the NI Civil Service and will provide administrative support as the Commission sees fit to support its work programme including organising meetings, engagement, communication, and commissioning research.

4. Consultation

4.1. DAERA launched a 10-week public consultation on 11 November 2024 to 20 January 2025 to seek the views of stakeholders and the public on the proposed Regulations to establish the Commission.

4.2. The consultation received responses from 100 individuals and organisations representing a wide range of stakeholders from a variety of sectors and members of the public.

4.3. The Consultation asked for views on a range of proposals to establish the Commission such as, the type of body, its oversight and advice functions, the number of members and the length of term, the provision of a secretariat and what sectors should be represented. There was

overwhelming support for the establishment of a Just Transition Commission with strong support across all of the policy proposals.

4.4. During the consultation period DAERA engaged with consultees through a number of stakeholder events that were held both on-line and in-person, some of which were hosted by external organisations, and others which were direct engagement sessions with those seven sectors and groups mandated by the Act for representation on the Commission. Consultees at both the engagement events and through the responses to the consultation were in support of DAERA's proposals for the additional sectors of green finance, energy, and transport to be represented on the Commission. A common theme raised was ensuring the Commission has the right sectoral representation to enable it to fulfil its oversight function. A number of other sectors also emerged strongly through the consultation including the built environment and rural communities and these have now also been included in the Regulations to have representation on the Commission. The Commission must therefore include, as a minimum, representation of three members from the agricultural sector, two members from environmental groups and one member from academia, the built environment sector, civic society, the energy sector, the fisheries sector, green finance, the rural sector, trade unions, the transport sector and youth groups.

4.5. This does not prevent the Commission having further non-legislated representation from sectors not included in the draft Regulations (up to the maximum 19 members excluding the chairperson). This will allow flexibility to react to any future wider developments which may arise.

4.6. A summary of the responses to the consultation and outcomes of the engagement sessions was published on 21 May 2025 and can be accessed at - https://www.daera-ni.gov.uk/publications/summary-responses-consultation-establishment-just-transition-commission.

4.7. DAERA sought the advice of the Climate Change Committee (CCC) as required by section 56(2) of the Act about the proposal to make the Regulations.

4.8. The CCC published their advice to the Department on 2 June 2025

4.9. The CCC are supportive of the Just Transition Commission and recognise the benefits the Commission will bring to Northern Ireland as it will help to realise the benefits of the transition to net zero. In welcoming the establishment of the Commission, the CCC noted that it would help enable strong collaboration and meaningful engagement, and recommended in their advice that the Commission:

• should be clear that their goal is to support Government in delivering net zero in line with the just transition principle;

• focus the Commission’s advice on a limited number of economic sectors that are most relevant to decarbonisation;

• limit the core Commission membership and establish that members act

as independent experts in order to avoid conflicts of interest and provide effective advice; and

• ensure the Commission or the Chair has an established role to make formal recommendations to government.

4.10. The Department has taken into account the advice from the CCC in conjunction with the requirements of the Act and the outcomes of the public consultation and engagement sessions.

4.11. In developing the Regulations, the Department also undertook a number of Impact Assessments including a Rural Needs Impact Assessment (RNIA) and a Child Rights Impact Assessment (CRIA) as well as those covered in greater detail below.

5. Equality Impact

5.1. In accordance with its duty under section 75 of the Northern Ireland Act 1998 and the DAERA Equality Scheme, an Equality and Disabilities Duties Screening exercise was completed for this policy. The Screening found that there are no equality, human rights or good relations issues associated with these Regulations.

6. Regulatory Impact

6.1. A Regulatory Impact Assessment (RIA) was completed to assess the potential options of how the Commission should be established and what option was best suited so that DAERA could commence the draft Regulations to establish the Commission. There were three options that were considered. These options are described below:

i. Option 1: Do nothing/Business as usual - Do not establish a Just Transition Commission for Northern Ireland. Under this option, no Regulations to establish the Commission would be brought forward, which would mean DAERA would not be fulfilling the legislative requirements placed on it under the Act.

ii. Option 2: Establish a Just Transition Commission for Northern Ireland as an Advisory Non-Departmental Public Body (Advisory NDPB) in line with the requirements set out in the Act. An Advisory NDPB will mean the Commission is an independent body which will have its own decision-making powers. They do not usually have staff but are supported by staff from the sponsoring department. They do not manage their own budget as the costs are incurred from within the department's expenditure.

iii. Option 3: Establish the Commission as an Executive Non-Departmental Public Body (Executive NDPB). This type of body would have its separate legal entity and be responsible for producing its own financial accounts and recruiting and employing its own staff. There would be further additional costs incurred with this option such as annual accounts, human resources, general administration, payroll, and extra costs to deal with governance issues.

iv. Option 2 was the preferred option and as such was chosen as it delivers on the legislative requirements placed on DAERA under section 37 of the Act. It provides value for money and is considered the best option to enable the Commission to fulfil its statutory functions. The Commission will provide the public with an independent assurance mechanism that all Northern Ireland departments give due regard to the just transition principle and help ensure that no one is unfairly disadvantaged as a result of the proposed polices.

7. Financial Implications

7.1. A business case was completed for the different options for the make-up of the Commission. The Department of Finance ratified DAERA's recommendation that the Commission should be established as an Advisory NDPB.

7.2. The business case assessed that the Commission would have members across a wide range of sectors and each member would be part-time allowing for a number of additional days during the first year the Commission was in operation.

7.3. It is anticipated that upon establishment of the Commission and appointment of members that there will be an induction educational need for the Commission to develop a knowledge of how departments work and what their responsibilities are.

7.4. The cost of the Commission is estimated to be approximately £150,000 per annum which includes members daily fees and travel and subsistence expenses, it also includes other expenses such as IT, website maintenance and research and development to support the Commission's functioning. It is envisaged the Commission will use a mix of hybrid, online and in-person meetings. It is also envisaged that where possible, the Commission will avail of NI Civil Service and other public sector meeting rooms at no cost.

7.5. The Commission will also be supported by a small secretariat team of at least 3 staff which will be from the DAERA staff complement.

7.6. DAERA will fund the cost of the day-to-day operational cost of the Commission. Should another department however request a significant piece of additional advice from the Commission that would result in an additional funding requirement on the Commission. It would be for the department who has requested this additional advice to provide the necessary additional funding to the Commission.

7.7. The Commission will be established in statute as a permanent and independent body with an on-going role to provide an oversight and advisory function in respect of the just transition elements of the Act, including for emission reduction proposals, plans, strategies, and policies in climate action plans and sectoral plans ensuring that they take account of the just transition principle as we work towards the net zero by 2050 target.

7.8. DAERA is also required under the Act to establish a Just Transition Fund for Argriculture. This scheme will provide advice and financial assistance

to the agriculture sector to deliver its contribution in reducing NI GHG emissions. The Commission may provide an oversight function of this scheme or provide advice to DAERA on the scheme.

8. Section 24 of the Northern Ireland Act 1998

8.1. This Statutory Rule complies with the provisions set out in Section 24 of the Northern Ireland Act 1998.

9. EU Implications

9.1. Not applicable.

10. Parity or Replicatory Measure

10.1. There is no equivalent legislation to establish a Just Transition Commission in other parts of the UK or Ireland.

10.2. The current Scottish Just Transition Commission was established in 2021 and is an independent from government advisory body that provides scrutiny and advice to the Scottish Government on how to deliver a just transition to a net zero economy in a fair and equitable way. The Commission is a government appointed body and is not established in statute.

10.3. A Just Transition Commission for Ireland was established on an administrative basis in 2024. That Commission which consists of a chairperson and ten independent experts is tasked with providing impartial, strategic, and evidence-based advice to inform policy planning related to a just transition across sectors and to support the government and wider societal stakeholders in managing this transition.

10.4. The Commission in Northern Ireland is the first Just Transition Commission across the UK and Ireland to be established on a legal footing by statute.

11. Additional Information

11.1. For further information contact Ian Fleming (02890 569418) at the Department of Agriculture, Environment and Rural Affairs or e-mail ian.fleming@daera-ni.gov.uk