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Connétable Mike Jackson

Chairman, Environment, Housing and Infrastructure Scrutiny Panel

By email only

1 April 2022

Dear Chairman,

Draft Carbon Neutral Roadmap (CNR) – Written Questions

Thank you for your letter of 17th March with a range of questions on the draft CNR which I am happy to answer below.

Proposed Carbon Reduction Policies

1. It is our understanding that the Minister for External Relations and Financial Services will have political accountability for the following proposed policy within the Carbon Neutral Roadmap:

• **Delivering a Sustainable Finance Framework (OE6)**

a. In light of this, what level of involvement/input have you or your department had to date regarding Carbon Neutral Roadmap workstream?

As detailed in the Carbon Neutral Roadmap there are three distinct areas of delivery under OE6 Delivering a Sustainable Finance Framework as follows:

1. Sustainable Government of Jersey investment
2. Climate finance
3. Jersey as a sustainable financial centre

Political accountability for delivering these is shared across the Ministries for Treasury, External Relations, Financial Services and Environment.

FS Policy officials have both met and been updated by their colleagues in SPPP environmental policy informally over the course of the development of the CNR in 2021, but also formally as part of the FS Team's quarterly multi-agency sustainable finance group meeting established in late 2020, which incorporated Jersey's domestic climate activities into its scope.

Policy officials have reviewed and framed the FS industry deliverables which have been combined with Treasury deliverables for public finance and international climate finance deliverables under the Paris Agreement. These form the Government's proposed sustainable finance policy.

A representative from the FS policy team attended the finance industry consultation workshop led by SPPP on the draft CNR during the formal consultation period.

b. What level of involvement do you envisage the Minister for External Relations and Financial Services will have regarding the long-term delivery of the proposed policies within the Carbon Neutral Roadmap for which the Minister has responsibility?

The Minister for External Relations will continue to lead on policy development for Jersey's Sustainable Finance strategy for its Financial Services Sector and its political engagement with Jersey's external stakeholders, both as an International Finance Centre and as an Island.

Officers from Financial Services will continue to work and co-ordinate their activities with colleagues from Treasury, External Relations and SPPP.

This co-ordination has commenced through the established multi-agency sustainable finance group which meets quarterly and during delivery of Phase 1 of the Carbon Neutral Roadmap can be used to provide the governance structure for onward delivery of OE6.

c. It's our understanding that this policy will be progressed in Delivery Phase One of the Roadmap and will be coordinated by the Financial Services Team. What consideration, if any, has been given to the delivery of this workstream to date?

OE6 policy incorporates cross departmental policy activities. This co-ordination has commenced through the established multi-agency sustainable finance group which meets quarterly and during delivery Phase 1 of the Carbon Neutral Roadmap can be used to provide the governance structure for onward delivery of OE6 and delegation of the delivery of the individual SMART objectives to the relevant stakeholder or stakeholders.

Capacity and Resourcing

2. Should the Carbon Neutral Roadmap be approved by the Assembly, what consideration, if any, has been given to the workstreams that will be delivered by your department over the next four years, and its available capacity and resourcing to deliver the identified workstreams in a timely and efficient manner?

In contributing to the development of OE6, budget and resource had already been allocated to tasking JFL to delivering the finance industry's sustainable finance pathway and vision. This is presently year 2 of a 2-year pathway and the resources and budget required for the next phase will be determined in dialogue with industry, the regulator and government.

£60,000 of climate emergency fund budget has been allocated to support the development of this policy, for the delivery of SMART objectives 4 and 5 around public sustainable finance events and consumer engagement, as well as specialist sustainable finance expertise where needed. The identification of future resource requirements to deliver in this policy area post 2025 will become clearer once the financing strategy has been developed and agreed as set out in Strategic Policy 2 in the Carbon Neutral Roadmap.

a. Do you envisage any issues in that regard and, if so, how might the issues that you have identified be addressed?

My initial view is there will need to be better engagement and coordination across relevant policy teams to ensure an appropriate resourcing and financing policy is put in place, which reflects the wider policy objectives of each respective team and their own independence in allocating budget and resource.

b. How might competing priorities be addressed?

Competing priorities of the department are managed through our standard business planning process.

Long term Governance and Oversight for Delivery of the Roadmap

3. Considering the impending involvement of your department regarding this workstream, in your view, how could governance, oversight and commitment in respect of the delivery of the Roadmap over the long term be improved, particularly as workstreams will impact both the private and public sectors, will depend on cross-department collaboration and will expand multiple Government terms?

My officials were not engaged in the proposed governance structure set out in the CNR. From an initial view more consideration is required to ensure the economic impacts are properly incorporated into the proposed governance structure.

Yours sincerely,



Senator Ian Gorst

Minister for External Relations and Financial Services