



Friends of the Earth Cymru response to the Committee on Climate Change Welsh Carbon Budgets - Call for Evidence

Introduction

Friends of the Earth Cymru is part of Friends of the Earth England, Wales and Northern Ireland, and supports a unique network of local campaigning groups working in communities throughout Wales. Friends of the Earth Cymru inspires the local and national action needed to protect the environment for current and future generations, and believe that the well-being of people and planet go hand in hand.

We campaigned for a statutory framework for reducing emissions in Wales since the Assembly acquired legislative powers, were involved in the legislative progress of Part 2 of the Environment (Wales) Act 2016 and welcomed its introduction. We responded to the Stage 1 call for evidence earlier in the year and are now pleased to respond to this call for evidence. We look forward to continue working with the UK Committee on Climate Change as the designated advisory body under the Act in developing its advice, and with the Welsh Government and Assembly in preparing the regulations which are crucial to the setting up of the statutory framework.

We realise that a substantial amount of work needs to take place in order to set up these new systems and ensure that the right data is collected and analysed, but hope that progress will be as swift as possible given that we are now within the first carbon budget period (2016-2020) and the urgency of tackling climate change.

Our principles in responding to these specific questions are;

- 1) That the Paris Agreement has changed the political landscape and the global carbon budget that we must all live within - budgets and targets in Wales must reflect that, to “pursue efforts” to limit temperature increase to 1.5°C and to hold the increase to “well below” 2°C.
- 2) That the global carbon budget must be divided equitably and fairly rather than purely on a 2050 per capita basis, taking account Wales’ historic responsibilities as an early industrialised nation and the 7th well-being goal of being a globally responsible nation.

a. Climate science and international circumstances

Question 1: Does the Paris Agreement mean that Welsh emissions targets should keep open a deeper reduction in emissions than 80% by 2050? Are there implications for nearer-term targets?

The 80% target is based on around a 50% chance of exceeding 2 degrees, whereas the Paris Agreement, which the UK has ratified and National Assembly for Wales has

unanimously endorsed, has an aim to keep warming “well below” 2 degrees, and pursue efforts to keep warming to 1.5 degrees. Paris is clearly a stronger commitment than a 50% chance of 2 degrees, and rightly so, given the increasingly devastating impacts of climate change we are seeing at just 1 degree of warming.

The Committee on Climate Change has accepted that the Paris Agreement describes a higher level of ambition than the one which formed the basis of the UK’s existing legislated emission reduction targets, including that set in the Environment (Wales) Act. On a UK level however it has argued that now is not the time to strengthen targets, as in its view there is not yet a credible policy package to deliver tougher targets, and that indeed focus should be primarily on making up the shortfall in policies on existing targets. However Wales is in a different position, with the first report on proposals and policies to meet a carbon budget currently in the process of being prepared by the Welsh Government and required by the end of 2018, to be in line with the first carbon budget and interim target. At the beginning of the process, when plans are not yet in place is the best time to set the realistic and necessary expectation of emission reduction to 2050.

We’d also set out two other grounds for changing the target now. First, climate change is desperately urgent. Indeed we will not get the policies we need to deliver the Paris goals if politicians, policy makers and the public are unaware of the real scale of the challenge. Set the necessary target, then work out how to meet it. Second, time is not on our side. Climate impacts are a product of cumulative emissions, and time is running out extremely rapidly for meeting either a 1.5 or 2 degree global carbon budget. For the “area under the curve” cumulative approach it is basic maths that it is the early years that matter most – any delay in setting a 1.5 degree compatible budget makes it likely that it will mathematically impossible to keep to such a budget.

In addition, the UK target is the product of two main factors – the global goal, and then an appropriate and fair contribution towards that goal for the UK. On the latter factor, the CCC’s 2008 advice appropriates a far more than fair share of the available global carbon budget to 2050, which in our opinion does not reflect the “differentiated responsibility” principle at the heart of the UNFCCC.

The CCC has recently published new work looking in more depth at this issue of fair national contributions, which imply far stronger targets for the UK. We believe the next step should be to reflect this analysis in new, stronger targets and tight budgets. This is particularly relevant for Wales – issues of global equity and fairness must be included in this assessment in line with Wales’ commitment to be a globally responsible nation in the Well-being of Future Generations Act.

In summary, a tighter target to reflect the Paris goal, and a fairer contribution to meeting that goal, represent a double ratchet down on the existing target, to be of the order of an 80% cut by 2030, and 100% by 2050. We stress that such a ratchet is compatible with the Environment (Wales) Act, which has the 2050 target at “at least 80%” (our emphasis).

We also argue that Welsh approach should extend the CCC’s use of carbon budgets. It is the total cumulative emissions that matter not just the final target. The individual budgets should be complemented by a clear TOTAL carbon budget to 2050, which is calculated

using the Paris goals, and a fairer contribution to meeting them. This approach would better ensure that the trajectory to 2050 is one which means that the Paris goals are met. It implies that the carbon reductions in Wales need to be steep and deep rather than leaving greater action for later decades. The interim targets for 2020, 2030 & 2040 need to reflect this.

Such an approach would be in line with the five ways of working set out in the Well-being of Future Generations Act. A long term approach to decision making is required, including in setting these targets and the actions to deliver on them. The implication of this for nearer-term targets are to emphasise the need for a steep trajectory for the sake of long term well-being.

Question 2: Do you think that leaving the EU has an impact on the targets or how they can be met?

The prospect of the UK leaving the EU does impact the setting of targets and how they are met to some extent.

First of all it confirms that the CCC's advice to set a Welsh carbon account on gross emissions from Wales rather than the EU ETS system is wisest given the uncertainty around the future of such a system.

The Welsh Government has stated that it does not want to see a regression on commitments made in EU environmental law and this would include policies relating to emission reduction e.g. energy efficiency and waste. This should be respected.

Individual country responsibility for reducing their emissions will also be much more important when the UK leaves the EU as we cannot rely on other countries and states to meet the EU's overall commitments on our behalf, including international commitments such as the Paris Agreement which the National Assembly for Wales has unanimously endorsed.

In replacing EU laws and the treaties the Well-being of Future Generations Act (the WFG Act) must be the key framework for operating in Wales and deciding on a future direction.

There are issue of civil service and government capacity for making the major changes necessary to meet the Paris Agreement given the additional and overwhelming burden of Brexit. There is also a danger that leaving the EU could bring pressure for deregulation and returning to the UK's old reputation as the 'dirty man of Europe'. The Welsh Government has indicated that they do not want this to happen in Wales and there is clear political commitment to not reducing environmental protections and indeed to strengthen them where possible, but there may be decisions made by the UK Government and issues of devolved powers which undermines this intention. This makes the provision of the Environment Act Part 2 and forthcoming regulations even more important, and it is crucial to ensure that there are no unnecessary loopholes that could be misinterpreted in light of these pressures.

b. The path to 2050

Question 3: In the area(s) of your expertise, what are the opportunities and challenges in reducing Welsh emissions in the nearer term (e.g. to 2030)?

With the introduction of the duties under the WFG Act and the changes to ways of working this requires there is a great opportunity to integrate decarbonisation into the decisions of all public bodies in the coming years. It is a time of transformational change in the Welsh public sector and knock on impacts throughout sectors and therefore a good time to embrace the transformational change necessary to stop dangerous climate change.

There are opportunities to develop new sustainable sectors of employment, skills and business in Wales – getting ahead of the game and ensuring a well-planned and just transition to a resilient low-carbon economy and just society.

Some of the opportunities to reduce emissions which have social and economic as well as environmental benefits in the nearer term are a national infrastructure project of retrofitting homes to meet high energy efficiency, moving away from fossil fuels and developing renewable energy technologies, and divesting public funds, directly and indirectly, from fossil fuels. There has to be a swift decarbonisation of the electricity system, a reduction in energy demand and improved efficiency.

As well as specific policies there are structural changes needed across decision making institutions – such as introducing carbon impact assessments of major proposals, infrastructure and spending.

There are also challenges – to ensure that this necessary transition is just and that areas of high carbon industry which will face significant changes and job losses are supported to adapt and create alternative employment.

It is also a challenge to undertake significant change at the same time as a process for leaving the EU.

Question 4: What is required by 2030 to prepare for the 2050 target for an emissions reduction of at least 80% on 1990 levels, recognising that this may require that emissions in some areas are reduced close to zero? Is there any impact of the need to go beyond 80%, either in 2050 or subsequently?

In order to prepare for emission reduction at a scale necessary by 2050 the first two budgets and interim targets should be what's actually needed to put us on the right trajectory, not what might be politically acceptable for 'business as usual' to continue. There needs to be clear signals to drive policy and progress at the appropriate rate and level.

This will also help developing low carbon markets and technologies who need certainty for investment and growth. Those countries which adapt early and innovate in new low carbon technologies and markets will also gain the most economic advantage and job creation.

Some of the changes needed for this long term planning will require cultural and behavioural changes – including awareness of the implications of decision making and cumulative effects.

Question 5: What are the respective roles of UK Government, Welsh Government, the wider public sector, business, third sector and individual or household behaviour in delivering emissions reductions between now and 2030? And, separately, between 2030 and 2050?

Leadership needs to come from the Welsh Government - as an exemplar itself and as the authority responsible for the preparation of proposals and policies for meeting the carbon budget. They have consistently been clear that Wales should be at the forefront of tackling climate change, are part of The Climate Group, actively engaging in COP meetings and making regular statement about Wales leading the way with climate action and legislation. This has been exemplified in actions such as funding home energy efficiency and the moratorium on fracking as well as the WFG Act and Environment Act. But there is not yet an action plan for delivering emission reduction across the board, and it is not yet reflected in the actions of the whole government or delivered across “each of the Welsh Ministers” as is required under the Environment Act.

Behaviour change is a crucial part of cutting emissions and the emission reductions necessary cannot be achieved by technical solutions only. This is particularly importance once the more structural changes of decarbonisation have taken place e.g. a major shift from private car use to integrated public transport and active travel.

In Wales public bodies also have specific duties under the WFG Act to maximise their actions to achieve sustainable development and act according to the Well-being goals. It is important, in particular given the five ways of working, that civil society is fully involved and participate in preparing and delivering decarbonisation plans.

The UK Government remains responsible for significant levers of policy, regulation, law and finance which impact on Wales’ emissions such as industrial policy, large scale energy infrastructure, some transport and taxation. The UK Government must understand that either these powers and the corresponding funding should be devolved to Wales, or that they cooperate with Welsh Government in order to enable them to deliver on their responsibilities

c. Emissions targets and action

Question 7: In your area(s) of expertise, what specific circumstances need to be considered when setting targets and budgets for Wales and how could these be reflected in the targets?

Wales has a ground-breaking Well-being of Future Generations Act which clearly states our direction of travel in the 7 well-being goals. These include having a prosperous low carbon society using resources efficiently and proportionately, enhancing a biodiverse natural environment and being a globally responsible Wales. This unique Act and its ambition for Wales needs to be reflected in the targets and budgets.

In particular, goal 7 states: *A globally responsible Wales. A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.*

We interpret this as introducing the need for equity - particularly the need to consider lower future emissions allowances to countries with high past emissions and wealthier countries, when taking into account Wales' budgets. We would therefore expect the CCC to at least outline how it has taken account of this equity issue for Wales' carbon budgets.

Wales has a historic role as the cradle of the industrial revolution and the responsibility for these emissions should be taken into account when considering what our share of the global carbon budget should be.

We have a track record of doing things differently in Wales since devolution, for example the jump up in recycling rates to third in the world. There is potential for innovation and the political will and natural resources suitable for transformational change.

Question 8: The power and industry sectors in Wales are dominated by a small number of large emitters. What are the key challenges and opportunities that this presents in setting the levels of carbon budgets and how should the process of setting them reflect these?

The steel industry in Wales is a major emitter which nevertheless produces a valuable resource which is vital to every-day life. The steel industry in the UK provides high-quality jobs and security for tens of thousands of people. We do not wish to see this industry outsourced to countries which may well have lower environmental standards and would require more shipping of steel into Wales for low carbon infrastructure projects such as wind turbines and tidal lagoons. There is a role for more government support and investment through the Green Investment Bank to upgrade plants and make them ultra energy-efficient and low carbon as part of a wider industrial strategy. Please see our report for further details <https://www.foe.co.uk/sites/default/files/downloads/uk-steel-100406.pdf>

In terms of power, Aberthaw coal-fired power station will close in the coming years, which will be a great stride towards decarbonisation of power production in Wales and improved air quality. The budgets need to be prepared for a major change in circumstances such as this – so that other sectors aren't let off the hook and don't need to make such efforts to decarbonise as a result of this happening. The budgets need to be tight to take into account the high likelihood of this happening in the first or second budget period, and there needs to be flexibility to reduce the absolute carbon budget or take this into account when it happens.

Another element that would help balance out the impact of our territorial emissions is the consideration given to consumption emissions or our carbon footprint and other footprint measurements – to consider what's used in Wales as well as what's created here. The National Indicators for Wales include measurements of emissions of greenhouse gases attributed to the consumption of global goods and services in Wales (Wales' carbon

footprint) as well as emissions of greenhouse gases within Wales. The indicators are the main measure of progress towards the achievement of Wales' well-being goals and will be reported on annually. The consumption indicator will help give a more complete picture of emissions for which Wales is responsible, for example the embedded emissions of importing steel or other materials as opposed to producing them in Wales. Taking this indicator into account could help reduce competitiveness implications for industry in particular.

d. Wider considerations

Question 10: What evidence regarding future trends as identified and analysed in the future trends report should the Committee draw on in assessing the impacts of the targets?

There are a number of sections in the Future Trends Report which would be useful to take into account.

Page 7 refers to economic changes, including a shift away from manufacturing, and untapped potential to generate renewable energy.

Page 9 section on Climate Change is all relevant, including the assessment that two degrees threshold will be exceeded unless significant and rapid action is taken, and highlights the significant impacts to Wales from exceeding two degrees. These include flooding, health risks of high temperatures, water shortages and natural capital. It also highlights climate hazards for infrastructure.

Page 10 on Land Use & Natural Resources highlights pressures on biodiversity and species, causes of air pollution, groundwater and housing.

Part B makes references to de-globalisation (p.12), technological development in low carbon energy, and warnings about the unknown effects of bio-engineering (p.13). Page 13 also emphasises the importance of the Paris Agreement and the need for major decarbonisation of energy generation, transportation infrastructure and behaviour shifts. The section on environmental factors (p.14) focused on the risks of climate change impacts.