

Committee Clerk
Environment and Sustainability Committee
National Assembly for Wales
Cardiff Bay, CF99 1NA

12 June 2015

Dear Sir or Madam,

Re: Environment and Sustainability Committee inquiry into the Environment (Wales) Bill

The Committee on Climate Change welcomes the Committee's enquiry into the Environment Bill. We would like to offer some initial observations from our experience as advisors to the UK Government on carbon budgets and to the Scottish Government on annual targets. We are ready to act as the advisory body as outlined in the Bill, and will provide more detailed advice to the Welsh Government when requested to do so.

From our UK experience, we recommend the use of carbon budgets. They have ensured that continuous progress is being made towards the UK's legislated target to reduce emissions by at least 80% by 2050.

For carbon budgets to provide an effective signal of requirements for emission reduction it is necessary that they should be set some time in advance. This provides a level of predictability for firms and households to plan and invest for a low-carbon economy.

The implication for the proposed first budget (2016-2020), which would not be set until 2018, is that it can only function as a baseline. It would describe the business as usual level of emissions to 2020 based on the current Welsh targets and primarily rely on existing proposals and policies.

For subsequent budgets, it is important to provide long-term visibility. Countries are meeting in Paris in December to agree on targets out to 2030 and the UK Government will set the Fifth Carbon Budget for the period 2028-2032 in 2016. We would suggest that the Bill provides for the first three budgets to be set by the end of 2018.

Setting budgets to 2030 would allow for reports on proposals and policies to cover a 12 year period, allowing greater visibility and in line with other international and national efforts. In Scotland, for example, the government will publish their third report on proposals and policies in 2016 which will cover how they plan to meet their 2028-2032 annual targets.

We note that the proposed budget periods are not in line with the UK's carbon budget periods. We understand that this is to coincide with the Welsh legislative cycle and the Well-Being of Future Generations Act reporting periods. That seems sensible but officials will have to coordinate to ensure they understand the implications of UK-level policy for meeting the Welsh budgets and, similarly, the impact of the Welsh targets and policies for the overall UK commitments under the Climate Change Act and international agreements.

Finally, progress reporting is an important aspect of the UK carbon budget system, helping governments to revise policies to meet budgets when necessary. This reporting needs to take place at sufficiently regular intervals. It should also be timed to occur at a point in the policy-cycle where, should the Government wish to accept recommendations, there is time for action that will have an impact on emissions.

I look forward to meeting the Committee and answering any questions when I provide oral evidence on the 2nd of July.

Yours,



Matthew Bell

Chief Executive