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WWF Cymru response to the Committee on Climate Change Welsh Carbon Budgets - Call for Evidence

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Introduction

WWF Cymru has long campaigned for a statutory framework for reducing emissions in Wales and 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 we are pleased CCC advised the accounting system to be via gross emissions which has now been agreed by Welsh Government. We are pleased to have the further opportunity to respond to this call for evidence on Welsh's carbon budgets. 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;

- That the Paris Agreement has changed the political landscape and the global carbon budget that we must all live within and that 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.
- That the global carbon budget must be divided equitably and fairly rather than purely on a 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.

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?

*Our developing WWF global position is by 2030, an equitable and just transition that limits warming to 1.5°C, protects people and biodiversity and builds a climate resilient future is underway. This essentially mimics the recent Rockstrom [carbon law paper](#) with a halving per decade: *By 2030, the world's emissions are cut in half from 2020 levels, providing confidence in a carbon neutral global economy by 2050, supported by required systemic change in financial markets and investment trends.**

The Scottish Government is currently reviewing its climate legislation and WWF Scotland is pushing for targets that are based on keep global temperature well below 2 degrees. They are interpreting this 77% reduction by 2030 and zero ghg by 2050. These would probably need to be even steeper if Scotland was to make a 'fair contribution'.

The current 80% target is also 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.

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. However we would argue this should be reconsidered for Wales which has a different position. Our 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. This would set the level of ambition along which all budgets need to be developed.

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. 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.

Based on the positions and examples referenced above a broad assessment can be made that a 80% reduction by 2050 for Wales would not be in keeping a fair contribution to "pursue efforts" to limit temperature increase to 1.5°C and to hold the increase to "well below" 2°C. We would therefore like the 2050 target for Wales reconsidered as part of this assessment.

In the absence of this option we definitely think that the Welsh interim targets and budgets should keep open a deeper reduction. As you will from our position outlined in questions below we want **the maintenance WG's existing commitment to a 40% reduction by 2020** with even deeper cuts by 2030 and 2040. Making these nearer term targets more ambitions will help Wales to outperform the existing 2050 target.

Much research suggests steep emission reduction should not be loaded onto the later end of the pathway as this would have greater financial costs as well as health and wellbeing impacts. **WWF Cymru's interpretation of the Wellbeing of Future Generations Act would suggest that offloading the cost of significant deep emission**

reduction to future generations would not be in keeping with the requirement of the Act.

Therefore steep reduction targets in 2020, 2030 would be needed for Wales. Serious consideration and discussion needs to be given to how we manage this potential conflict in intergenerational justice, from an emission basis, health, cost and moral issue for people of Wales as this is not possible within the consultation format. WWF Cymru as part of Stop Climate Chaos Cymru will be organising an event to explore these choices for Wales after the CCC advice is published. We would very much like CCC to attend hold a further stakeholder event once their advice is published.

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

The Committee'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.

WWF Cymru has some concern about the impact of leaving the EU on imports and exports. If we no longer have a major base with Europe further global transactions could lead to increased emissions. We think this is something that is likely needs to be explored especially in relation to our carbon footprint.

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)?

Our first question is why is the 2020 target, which is included in The Environment Act, is not part of CCC's call for evidence? We would like an explanation of why this is not part CCC's consideration. For Wales this is an important target, part of our Climate Change Strategy 2010 which has recently had a recommitment to by the WG. We would therefore expect it be part of CCC's evidence to WG. We recognise that on current trajectory Wales will only reach to 21% by 2020 and therefore meeting it is very difficult. However as this is a target which is likely to fit in the principles and possibly models of steeper trajectory to meet aims of Paris agreement and a fair contribution. We would therefore expect more examination give to this by CCC including what actions need to be undertaken to meet it. WWF Cymru consider WG to have failed in taking opportunities to meet the ambition set in 2010. We therefore have concerns that leaving WG to meet a 2030 target would allow this disregard to serious emission reduction to contribute to a point where there is no hope of meeting a 2050 target and certainly failing in its duty to future generations. A radical change to way WG prioritises emission reduction is needed. **We would be very concerned if the advice to WG was a regression on the 40% by 2020 and would expect to see a strong rationale for if this was the recommendation from CCC.**

We recognise that devolved competence makes control over our emission reduction more difficult as many of the areas even where we have competence interact heavily with UK policies and programmes. For example our research in 2015 by EST on residential energy efficiency measures in Wales showed that of all measures in Wales, only 8% came from WG funded / directed programmes¹. However we have shown that it is possible to assess the role of devolved and UK in emission reductions in Wales. In previous CCC reports on WG progress, CCC has recommended that WG does much more detailed analysis in areas of mixed responsibility in order to make more informed decisions. These recommendations were not followed up by WG.

¹ https://www.wwf.org.uk/sites/default/files/2016-12/Energy_efficiency_report_WWF_Cymru_EST_October_2015_full_report_en.pdf

The power sector is one of largest sectors of emissions and one where we have limited competence. Politically WG have hidden behind this 'lack of control' argument when being criticised on not meeting their existing targets, yet on the other hand produce Energy Wales which proposes transition to low carbon energy sector. This strategy does not provide any detail on the emissions pathway. WG therefore lacks policy coherence on emission reduction and has no detailed emissions data available to assess its strategies. It would be really helpful if the % emissions that Welsh Government currently has competence over in this sector and the predicted % which will receive when further competence over the power sector devolved, was assessed and shared. This would help a more transparent debate on what is viable for Wales' power sector within current and projected devolved competence and therefore Wales' overall emission reduction.

The Wellbeing of Future Generations Act would also require health impacts of these industries to be considered in decisions. Friends of Earth's research highlighted the health impacts of Aberthaw².

The issue of Wales having a proportionately large number of High Emitting Industries than rest of UK is well known but the impact of industries and potential of emission reduction and the impact of this is less transparent. It would be really useful to know what % of high emitting industries contribute to the Welsh economy (GVA) and the potential of low carbon sector in Wales. With the Wellbeing of Future Generations Act how we measure impact should not just be on GVA / GDP but also the cost on future generations (exploring a different discounting rate in cost benefit analysis) and also the natural capital costs. WWF Cymru think this additional analysis of the contribution of high emitting industries to a 'Prosperous Wales' (Gaol 1 WFG Act) is necessary when taking into account 'cost effectiveness' of emission reduction pathways.

In in the short term if industry and power sector continues to take taken up a large proportion of Wales' budget, and we have targets in line with steep trajectory required by Paris (as explained above), significant savings will need to come from other sectors, particularly where WG have existing devolved competence. Energy efficiency in residential sector is one of these. WWF Cymru commissioned EST to assess the scale of measures in this sector to meet 40% by 2020 in this sector. As you will see from our research this pushes huge emission savings and costs to achieve this onto other sectors in Wales³. Renewable heat systems in Wales need to be considerably scaled up to also contribute to emissions needed from this sector.

Land use will also have to see much more significant emission saving, which includes moving beyond savings from current practice to considering transition away from high emissions dairy and meat farming.

Transport emissions which have almost flat lined in Wales will also need to see much more significant savings. WG's plans for M4 and the increased emissions associated with this decision from the Tyndall's assessment should be considered in CCC's assessment⁴. This decision is not compatible with commitments to Paris. If Wales were to follow Scotland's lead and set a target to end the sale of fossil fuel vehicles by around 2030, it would be setting

² <https://www.foe.co.uk/sites/default/files/downloads/aberthaw-report-99807.pdf>

³ https://www.wwf.org.uk/sites/default/files/2016-12/Energy_efficiency_report_WWF_Cymru_EST_October_2015_full_report_en.pdf

⁴ http://www.wtwales.org/sites/default/files/tyndall_centre_-_the_potential_impact_of_the_proposed_m4_relief_road_on_greenhouse_gas_emissions.pdf

a good (and world-leading) example to the UK Government and help drive down its on emissions from this sector.

Wales would also need a significant increase reforestation. WG have failed to meet existing targets so increased targets will need to see a radical shift in its priorities for Wales. WWF Cymru considers WG's duties under WFG Act, particularly Goal 2: Resilient should require large scaling up of natural capital in Wales in a manner that supports biodiversity.

If Wales is to retain high emitting industries and power sector behaviour change (including role of communities and public sector in influencing this) will also need to be part of calculations for Wales' budget.

As highlighted above a challenge for Wales is the lack of evidence and in depth assessment of Welsh Government's progress and opportunities for emission reduction. The CCC no longer does annual progress report which has left a considerable gap. Expert in depth evidence is vital to this discussion current performance and on future pathways. Contributing to this evidence deficit in Wales is the Future Generations Commission's decision not to contribute the CCCW. There is no longer a platform for stakeholders in Wales to share evidence, identify key priorities or hold WG to account. **WWF Cymru suggests CCC recommend that this annual progress report is re-instated for Wales and the re-establishment of a platform for stakeholders in Wales to collaborative on this agenda.**

WG has made a commitment to a large scale building of new homes. These should be energy efficient, ideally passive housing, to support meeting short terms emission reduction targets and ensure wellbeing of future generations Review of building regulating in Wales needs to enable this and we recommend this is advice to WG from CCC.

In summary current decisions and actions will impact on emissions in 2020, 2030 probably up to and beyond 2050 e.g building regulations, planning regulations for renewable energy projects, investment criteria in transport infrastructure. Thus targets and budgets could be meaningless unless the necessary criteria is established now for low carbon/low GHG proofing of all investment and policy decisions.

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, especially for government which has so far failed to reduce emissions at rate required.

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?

See above

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?

WG needs to have a leadership role, both in its ambition but more importantly in its delivery. Over the last 6 years there has been an 'ambition gap'. We have seen some exemplar actions such as funding home energy efficiency, the moratorium on fracking as well as the WFG Act

and Environment Act. But in terms of real delivery of programmes and low carbon investment WG have failed to deliver emission reduction at the scale and pace needed. The Public Sector has a considerable role to play through its procurement system both in emissions from its own supply chain but in also influencing behaviour change in communities and services it interacts with.

The Future Generations Commission needs to establish its role in this agenda in a way that adds value. The decision not to replace a collaborative platform for stakeholder has left a gap in Wales.

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. As shown, devolved areas UK policy impacts on Wales. 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. The UKs emission reduction plan need to offer more detail on how its policies will support devolved delivery and also better data needs to be made available to support this.

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?

As answered through other questions, 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. Main 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.

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 issue has been covered in questions above especially some of the challenges this brings to Wales emission reduction and the extra scale of emission required from other sectors to mitigate for these to remain open.

The steel industry in Wales is a major emitter which nevertheless produces a valuable resource and moving it from Wales to countries with less stringent emission reduction targets would not support emission reduction via our carbon footprint. We call for greater transparency on the emission from Tata, including the expectations on reduction from WG

for additional funding and also the potential to reduce emissions compared to plans. This sector needs to ensure its direct carbon footprint is in line with carbon targets as informed by the latest climate science. National Grid is a great example – well on track to reduce its emissions by 45% by 2020.

The impact of these large single source emitters on the Welsh emissions could perhaps be managed by a separate but complimentary emissions targets. Sectoral targets for areas of devolved competence could be set which meet a pathway with and without these large emitters. This would provide Wales with clear expectations of reduction across sectors and provide transparent approach for WG action in its areas of competence.

Given the complexities, we do not believe these issues can be resolved satisfactorily within the format of this current consultation. We suggest this issue to be discussed within a workshop to be held by SCCC once CCC has submitted its advice to WG.

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?

The Future Trends Report should be taken into account. It reflects many of the issues raised through previous questions.

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.

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.