

## CfED - Update on decarbonisation and a climate change emergency

### Context

The 2015 Paris Agreement<sup>1</sup> put in place a roadmap for decarbonisation of the global economy. Our economy is changing and being reshaped, driven by the need to respond to the challenge of climate change and ensuring we are keeping pace with the rest of the world and taking full advantage of both technological and business model innovation. The UK Committee on Climate Change highlights the UK is currently a climate leader, taking a lead role in the development and deployment of some of the key low-carbon technologies. For example, becoming the largest market for offshore wind in the world has had the effect of driving down costs through deployment. Such developments can now support decarbonisation elsewhere, at these low costs, whilst also supporting opportunities for trade and exports.

Setting our own decarbonisation pathway provides the certainty and clarity needed to support and drive low carbon action and investment in Wales.

Over the last few months there has been an increasing focus and emphasis on the need to decarbonise, in Wales, across the UK and internationally. In March the First Minister launched *Prosperity for All: A Low Carbon Wales*<sup>2</sup> and last month Wales was the first Parliament in the world to vote in favour of the declaration of a climate emergency. Others including the UK Government, have now followed. We hope the declaration by Welsh Government can help to trigger a wave of action at home and internationally, from our own communities, businesses and organisations to parliaments and governments around the world.

Tackling climate change requires collective action and the government has a central role to making collective action possible. The announcement was just the beginning and we are now reviewing the urgency of actions in our plan to see where further action can be taken following the declaration. The declaration is not a one off statement but a new way of working in Wales. A new way for working that can only be achieved through collective leadership and collective action.

The transition to a low carbon economy brings opportunities around clean growth, quality jobs and global market advantages, as well as wider benefits such as better places to live and work, clean air and water, and better health. If we are to maximise these opportunities and realise the benefits, we need to have a Wales approach and work collectively with businesses, the third sector, communities and people across Wales.

This paper provides an update on the decarbonisation programme and asks members to discuss what is the best way to involve and collaborate to unlock the opportunities and ensure we keep pace with others?

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<sup>1</sup> <https://unfccc.int/process-and-meetings/the-paris-agreement/what-is-the-paris-agreement>

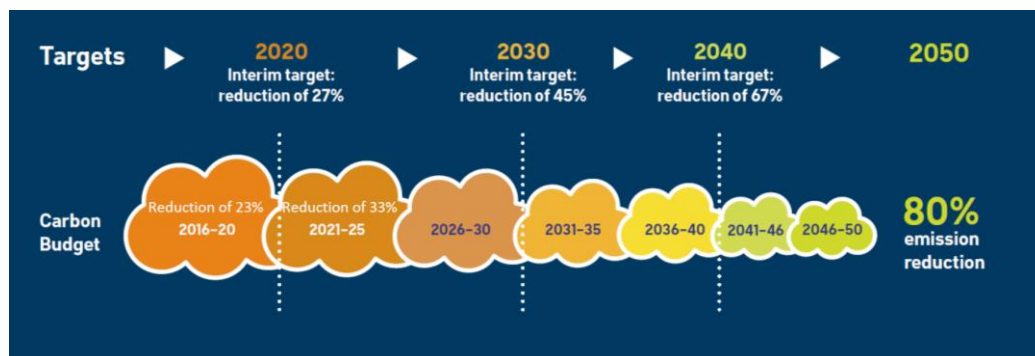
<sup>2</sup> <https://gweddill.gov.wales/topics/environmentcountryside/climatechange/emissions/prosperity-for-all-a-low-carbon-wales/?skip=1&lang=en>

## Background

### What are we aiming for?

The Environment (Wales) Act 2016 requires Welsh Government to reduce emissions of greenhouse gases (GHGs) in Wales by at least 80% for the year 2050<sup>3</sup> with a system of interim emissions targets and carbon budgets. In setting our decarbonisation pathway we are required by the Well-being of Future Generations (Wales) Act to ensure we consider the economic, social, cultural, and environmental impacts of our decisions, both now and for the long-term.

Last December the National Assembly for Wales agreed our long term statutory decarbonisation pathway following a call for evidence and advice from our independent statutory advisory body the UK Committee on Climate Change. We have now set out statutory interim targets (for 2020, 2030 and 2040) and our first two carbon budgets (2016-2020 and 2021-2025) and working towards setting our third carbon budget by the end of 2021.

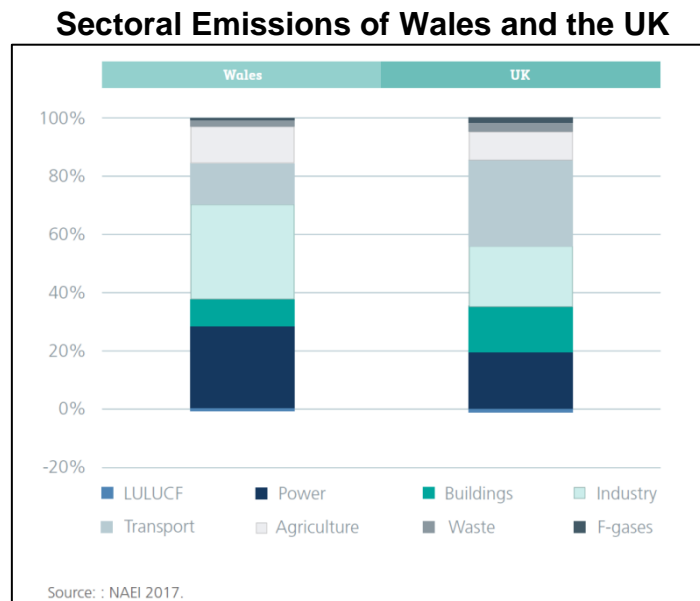


In May 2019 we received advice from the Committee on Climate Change on how meeting the goals in the Paris Agreement might affect our long-term legislative targets. The conclusions of the Committee<sup>4</sup> recommend emissions of greenhouse gases in Wales can and must fall by 95% by 2050 if we are to make our fair contribution to the UK's commitments made in the Paris Agreement. This contrasts with previous advice, which in December 2017 suggested the maximum credible decarbonisation in Wales by 2050 would be 85%. The revised recommendation would cut long-lived greenhouse gases to below zero and effectively end Wales' contribution to rising global temperatures (this is in contrast to nearly zero for Scotland by 2045 and the UK by 2050). We are currently reviewing the advice.

In terms of our emissions, Wales has a different emissions profile than the UK with a large amount of emissions being generated from the power, industry and agricultural sectors, however we must not forget a large proportion of businesses in Wales are SME's.

<sup>3</sup> [Against a 1990 or 1995 baseline, depending on the greenhouse gas.](#)

<sup>4</sup> <https://www.theccc.org.uk/publication/net-zero-the-uks-contribution-to-stopping-global-warming>

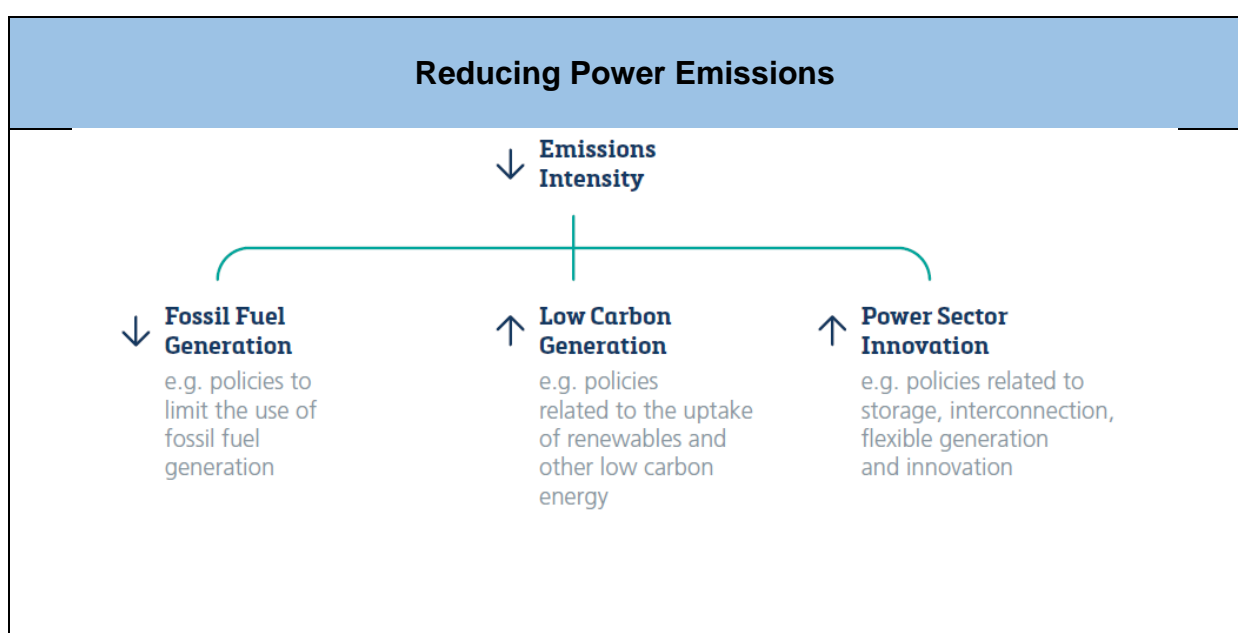


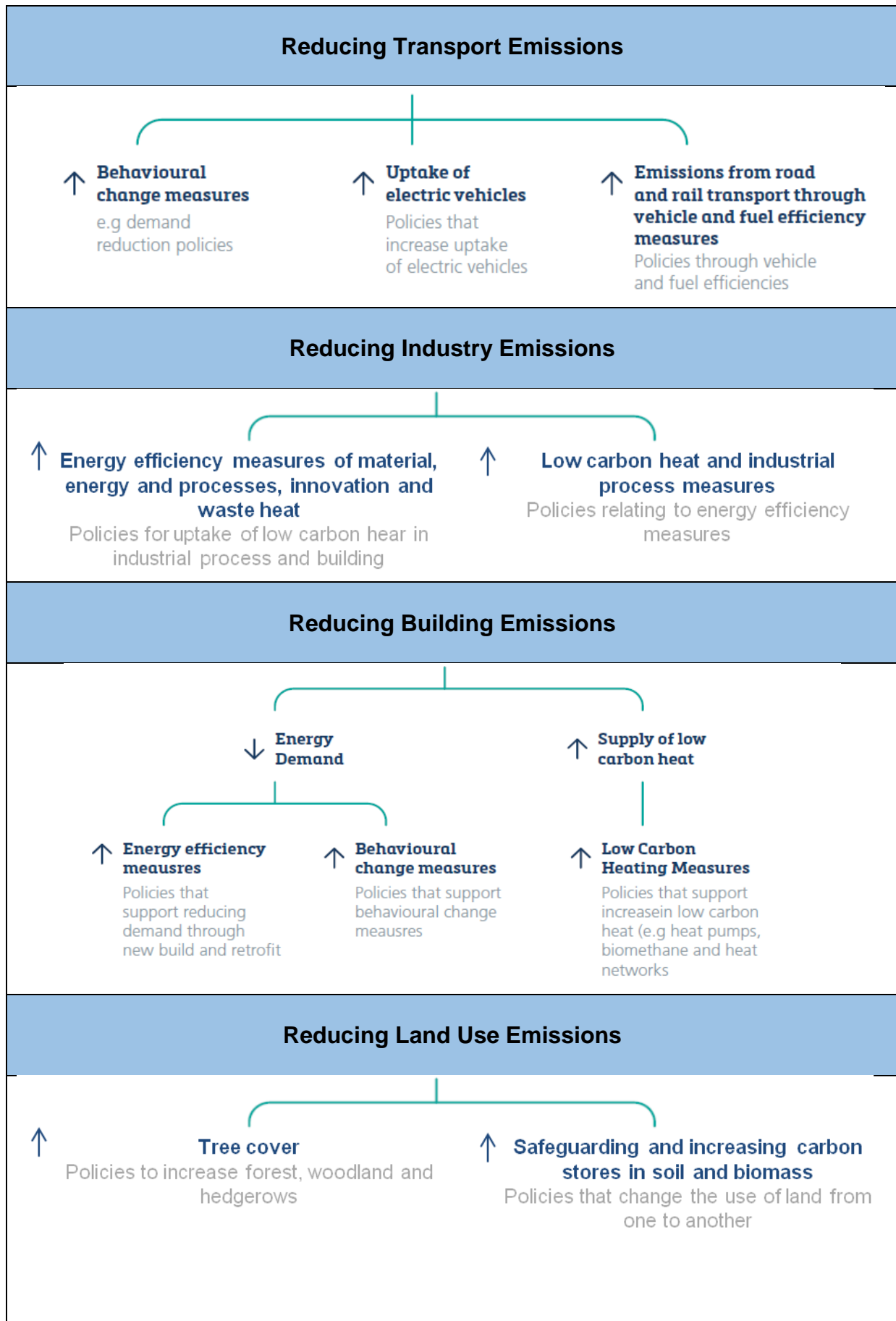
#### How we are going to get there?

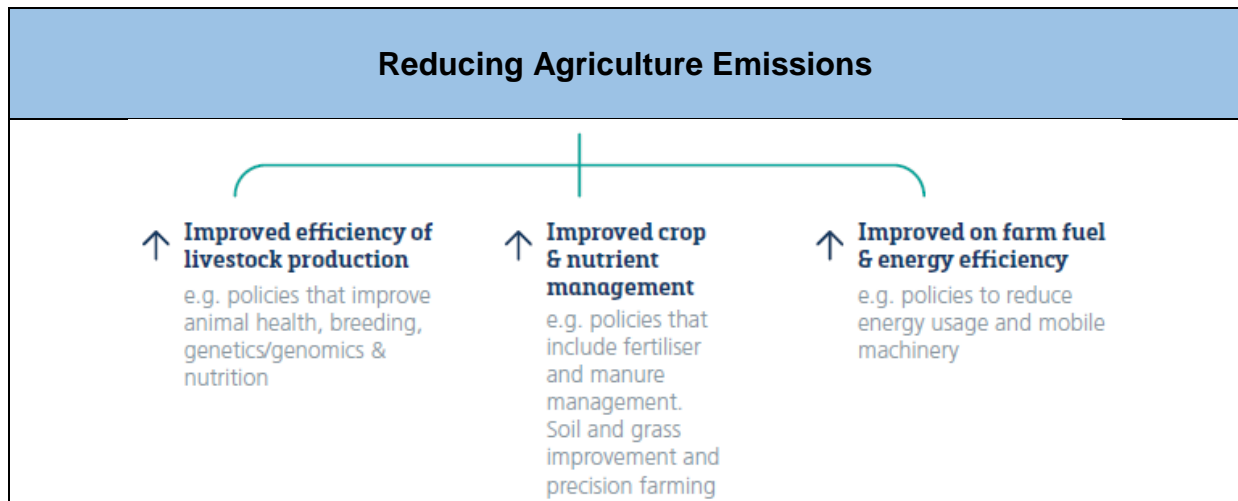
Climate Change has moved up the Welsh Government’s agenda in recent years with decarbonisation becoming one of our six national priorities with collective responsibility from all Ministers.

At the beginning of each budgetary period the Welsh Government is required to set out a plan stating how we will meet the budgetary period. In March 2019 the First Minister launched *Prosperity for All: A Low Carbon Wales*, containing 100 policies and proposal setting out how we will deliver our first carbon budget 2016-20 and 2020 interim target. The plan importantly shows where action needs to happen across all emissions sectors and enabling actions such as skills and innovation.

The key focus for emissions sectors are as follows:







Key actions in the plan, both existing and proposed, include:

- The Economic Action Plan, which places decarbonisation as a core pillar
- Establish a dedicated industry-led group to consider the particular opportunities and challenges of decarbonising industrial sectors and business in Wales alongside ensuring a sustainable, competitive industry and business environment.
- Commission an independent economic and technical feasibility study on carbon capture use and storage (CCUS)
- Work with stakeholders to consider the most appropriate mechanisms to incentivise industry in Wales to continue on the decarbonisation and energy efficiency pathway beyond 2020

Our next plan, for the second carbon budget (2021-2025) is due in 2021. Importantly at the launch of the Plan, **the First Minister highlighted that although our first plan was predominately a Welsh Government plan, the next one needs to be a Wales plan.** Consequently the Welsh Government has already started discussing with different sectors how we want to work together to take this forward to show the totality of actions in Wales, which will position Wales differently to others and set us on track for a low carbon future.

### Working with others

Climate change is one of the biggest global challenges and requires us to work differently and develop different solutions to seize the opportunities presented by the move to a low-carbon economy. Whether it's revamping and refurbishing homes and buildings to cut energy and costs, embracing new modes of transport, or pioneering and manufacturing vital technologies for domestic and international markets, the potential is there to be grasped.

Businesses and industry are already taking action, whether it is organisations such as BT setting their own carbon neutral ambitions by 2045 or sectors coming together such as the South Wales Industry cluster, which are looking at how they work together to transition and look at the wider benefits.

The Group are being asked:

- How are you raising the awareness of decarbonisation with your members?
- In preparing for the future have you considered how it will affect your sector and what are the opportunities and threats?
- Where do you think you need to collaborate?
- What are the implications for the supply and demand side of the economy?
- How should Government act to enable more inclusive economic growth?