

Climate Change

Consultation on the draft bill

Organised by the
Northampton Climate Change Forum
in conjunction with
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University of Northampton
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The Government has published its first draft Climate Change Bill. The following brief focuses on the five most significant aspects of the draft Bill, targets for reduction of CO₂, carbon budgets, monitoring, emissions trading schemes and the Committee on Climate Change.

Why do we need a Climate Change Bill?

The world's climate is changing; in fact the first five years of the twenty-first century, along with 1998 were the hottest on record. The global average temperature has risen by 0.8°C over the past century and is expected to rise further, with potentially catastrophic consequences. The poorest nations will be hit hardest, but Britain and other developed countries will not be immune from the consequences. In fact some authorities claim the clashes in Darfur are the very first Climate Change conflict.

Over the past few years there has been a great deal of debate as to the causes of Climate Change. It is now accepted by many people, including most of the world's top climate scientists, that human beings are largely responsible. The debate has therefore

shifted to what needs to be done to mitigate or adapt to climate change, and the economic implications. The draft Climate Change Bill is the first of its kind for any country and is an example of this Government's continued commitment to the issue of Climate Change. This commitment goes back to the signing of the Kyoto Agreement in



1997, achieved largely thanks to the efforts of John Prescott, which pledged to stabilise carbon emissions at a safe level.

Since 1997 there have been significant developments, including the much publicised Stern Report. The Stern Report suggested that if appropriate action isn't taken to combat Climate Change, the consequences could force the global economy into massive decline. The draft Climate Change Bill is a response to both the Stern Report and the lobbying of environ-

mental groups, as well acknowledging the concerns of the public and expert scientists

Britain has been a world leader in addressing the need to combat Climate Change. This, as well as poverty in Africa, was made a key theme during Britain's presidency of the EU as well as during the G8 summit. This new Bill will maintain Britain's current position as the world leader in combating Climate Change and act as an example for other countries to follow.

What's in the draft Climate Change Bill?

The draft Climate Change Bill aims to convert Britain into the world's first low carbon economy. The main aspects of the draft Climate Change Bill are as follows:

■ **Targets for reduction of CO₂.** The draft Bill sets challenging targets to bring about a significant reduction in net UK carbon dioxide emissions. The main aim is for a reduction in CO₂ emissions of around 60% of the 1990 level, by 2050. To help in achieving this target the draft Bill proposes an earlier target of a 26-32% cut in CO₂ emissions by 2020, which would ensure Britain remained on course for its 2050 target.

Britain has reduced emissions of non-CO₂ greenhouse gases such as methane and nitrous oxide, which are now at 44% of the 1990 level. In contrast, CO₂ emissions are down 6% on the 1990 level, leaving much room for improvement. The draft Climate Change Bill aims to address this by problem by setting tough targets to substantially reduce CO₂ emissions.

These targets are in line with the Stern Review which stated that in order to achieve a stabilisation of atmospheric greenhouse gases at a level which would avoid the more damaging effects of climate change, the world needs to reduce overall emissions by around 50%. As developing economies will emit greenhouse gases as their economies grow, this would mean more developed countries such as Britain needing to cut emissions by around 60%. There is also scope for the Secretary of State to amend the targets, if there are developments in international law or in the scientific knowledge about

climate change. However before these changes take effect they must first be debated in Parliament.

Emissions from domestic flights and shipping are included in national targets and budgets however the targets set in the draft Bill don't currently include emissions from the aviation or shipping industries. The reason for this omission is that it is necessary to get international agreements to ensure there is a genuine reduction in emissions. To this effect the government will continue to press for a post 2012 international agreement and should this agreement come about there is scope for both industries to be included in the bill.

■ **Legally binding carbon budgets.** CO2 remains in the atmosphere for a long period of time, therefore making it more relevant to ensure achievable targets are set over time. Therefore instead of proposing annual targets, the draft Bill suggests establishing five-year carbon budgets which are set over three periods (15 years), aligned with the Kyoto Protocol. Should the Government fail to meet these targets they would be open to Judicial Review.

■ **Annual Monitoring.** In order to establish whether targets have been met, it will be the duty of the Secretary of State to present an annual statement detailing Britain's total CO2 emissions and explain how the data was calculated. It is also made necessary for the Secretary of State to report to Parliament at least every five years on the risks of the impacts of climate change and the Government's proposals and policies for adapting to climate change. The Government believes targets and budgets, together with strict monitoring are essential if there is to be a significant reduction in carbon emissions.

■ **Emissions trading schemes.** The Bill would give powers to the Secretary of State to introduce emissions trading schemes. These schemes work by allocating allowances to companies, each allowance representing a tonne of the relevant emission. Companies can then only emit in excess of their allocation if they purchase allowances from the market. Likewise if a company emits less than its allocation it is able to sell its surplus allowances.

The aim of these schemes is to limit activities that directly or indirectly lead to emissions of greenhouse gases whilst also encouraging activities that lead to a reduction in greenhouse gas emission. The use of trading schemes will also ensure that the emission reductions take place where the cost of the reduction is lowest thus lowering the overall costs of combating climate change. An Emissions Trading Scheme allows the Government to regulate the amount of emissions produced in aggregate by setting the overall cap for the scheme but gives companies the flexibility of determining how and where the emissions reductions will be achieved.



■ **A new independent body.** The draft Climate Change Bill proposes the setting up of a new independent body called the Committee on Climate Change. The job of the

Committee would be to advise Government on the best ways to ensure a reduction of emissions and also to advise the Government on the setting of the five-year carbon budgets.

This would include advising on the level of Carbon budgets and on the costs and benefits involved. Members of the Committee would be experts in fields related to climate change. The types of expertise deemed to be desirable in composition of the Committee are:

- Economic analysis and forecasting;
- Business competitiveness;
- Financial investment;
- Technology development and distribution;
- Energy production and supply;
- Climate science;
- Emissions trading; and,
- Climate change policy in particular its social impacts.



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What next?

The Government is currently holding a consultation on the draft Climate Change Bill until June 12th 2007. The Northampton Climate Change Forum is co-ordinating the consultation in Northampton, and Sally Keeble MP will be putting forward the results of this to the Government.

A questionnaire has been produced in line with the questions asked by the Government in its own consultation document, and a copy is enclosed with this briefing. . Once the Government has looked at responses, the legislation is expected to appear within the next Queens Speech. For more information on the Climate Change Bill or the Northampton Climate Change Forum, please contact Sally on 01604 716275, or write to:

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Thanks for your interest – and also for taking the time to respond to the consultation!