

CLIMATE CHANGE BILL SUMMARY

The debate on climate change has shifted from whether we need to act to how much we need to do by when, and the economic implications of doing so. The time is therefore right for the introduction of a strong legal framework in the UK for tackling climate change. The draft Climate Change Bill is the first of its kind in any country.

The Government has shown consistent leadership in the field of climate change by setting bold targets and pursuing ambitious policies. We are committed to securing a strong multilateral agreement beyond 2012, and within the EU, we are pushing hard for ambitious greenhouse gas reduction targets, and to move to a low-carbon economy over time. At home, we have already shown progress in reducing greenhouse gas emissions and are set to double our Kyoto target.

This Bill provides a legal framework to manage future emissions. It provides a clear, credible and long term framework that will provide greater clarity and confidence for businesses and individuals to plan and invest in delivering the changes needed to move to a low carbon economy. It will demonstrate leadership through example – a vital factor in helping to secure future international agreements.

In summary the Bill:

- makes challenging carbon dioxide reductions targets for 2020 and 2050 legally binding;
- introduces a system of 'carbon budgeting' capping emissions over five-year periods – with three budgets set ahead to help businesses plan and invest with increased confidence;
- creates a new independent body to advise on the setting of carbon budgets and to report on progress;
- contains enabling powers to make future policies to control emissions quicker and easier to introduce; and
- introduces a new system of Government reporting to Parliament including on climate change adaptation policies.

Taken together these measures create a coherent framework that will ensure we achieve reductions in emissions whilst maintaining a strong and growing economy and high levels of social welfare.

It is right that the public, Parliament and a wide range of interested organisations have an opportunity to discuss and debate these proposals – as climate change is an issue which affects us all and this Bill is intended to create a framework that lasts for more than a generation. The Government therefore looks forward to receiving a wide range of views on its proposals. We aim to introduce the final Bill to Parliament in autumn this year and the target date for Royal Assent is Spring 2008.

Also published today is a strategy document setting out the broader context for the Bill. It highlights some key announcements coming up in the next few weeks and months which will be central to the Government's strategy for tackling climate change – in particular the Energy White Paper, the Waste Strategy and the Planning White Paper. And it gives the broader international context, where the UK will continue to press for action through the EU, the G8 and the UN – recognising that only collective action can ultimately solve this unique global challenge.

Documents and links relating to the Climate Change Bill can be found at:
www.defra.gov.uk/corporate/consult/climatechange-bill

Additional Information on Key Provisions of the Draft Climate Change Bill

Targets

- This Bill puts into statute the UK's targets to reduce carbon dioxide emissions through domestic and international action by 60% by 2050 and 26-32% by 2020, against a 1990 baseline.
- Five-year carbon budgets, which will require the Government to set, in secondary legislation, binding limits on carbon dioxide emissions during five year budget periods, beginning with the period 2008-12. Three successive carbon budgets (representing 15 years) will always be in legislation.
- Emission reductions purchased overseas may be counted towards the UK's targets, consistent with the UK's international obligations. This ensures emission reductions can be achieved in the most cost effective way, recognising the potential for investing in low carbon technologies abroad as well as action within the UK to reduce the UK's overall carbon footprint.

Committee on Climate Change

- A Committee on Climate Change will be set up as an independent statutory body to advise the Government on the pathway to the 2050 target and to advise specifically on: the level of carbon budgets; reduction effort needed by sectors of the economy covered by trading schemes, and other sectors; and on the optimum balance between domestic action and international trading in carbon allowances.
- It will take into account a range of factors including environmental, technological, economic, fiscal, social and international factors, as well as energy policy, when giving its advice.

Enabling Powers

- The Bill contains enabling powers to introduce new trading schemes through secondary legislation. This increases the policy options which Government could use to stay within budgets and meet emissions targets.

Reporting requirements

- The Committee on Climate Change will have a specific role in reporting annually to Parliament on the UK's progress towards achieving its targets and budgets. The Government will be required to lay before Parliament a response to this annual progress report.
- Every five years, the Committee's report will contain an explicit review of the UK's performance over the last budget period, and the implications of this for keeping on track to meet future targets and budgets.

Reporting Progress on Adaptation

- The Bill will also allow Parliament to monitor the Government's proposals and policies for integrating adaptation to climate change into its work by establishing regular reporting to Parliament.