



GOVERNMENT COMMITS TO "NET ZERO BY 2050" TARGET

The UK Government has committed to reducing UK Greenhouse Gas (GHG) emissions to net zero by 2050, following the recent recommendations of the advisory Climate Change Committee (CCC). However, significant uncertainty about detailed implementation remains.

A draft Statutory Instrument (SI) has been laid before Parliament to implement this dramatically strengthened 2050 target from the current 80% reduction to a 100% reduction. The brevity of the SI (little more than one line) demonstrates the challenge facing the Government to implement such a target. Key decisions that remain to be taken include:

- **How will the Government seek to carve up the targets into specific action in the various sectors?** Our May Briefing on the CCC's recommendations (click [here](#)), described the likely impacts in the most affected sectors: electricity generation, agriculture / food, industry, buildings, and transport. How will these be funded, and what would the cost to the economy be? The CCC's analysis put the figure at between 1% and 2% of GDP and the Chancellor has already warned of a £1trn cost. The Government will need to look hard at what new incentives are required to catalyse business action.
- **What GHG reduction trajectory will be imposed to meet the target?** New carbon budgets will need to be established to replace those already in place. If the budgets leave most effort until the run-up to 2050, the Government's commitment to the target is likely to lack credibility. The CCC has already warned that the UK is not on track to achieve its fourth carbon budget (for 2023-27) based on current policies.
- **Will the Government permit the target to be met by international carbon offsets?** The CCC was very clear that the target should only be met by domestic action but no such commitment appears to have been made to that effect by the Government so far. Relying on domestic carbon action would significantly increase the challenge and cost of meeting the target.
- **Will this, and future, governments hold fast to this target?** The target would be set in the Climate Change Act 2008 and be legally binding. However, the Government intends to review it within 5 years, to ensure that other countries are taking similarly stringent action, in order to avoid harming the competitiveness of UK industry. If the US, China and major industrialised economies have not committed to the target by then, will the target be watered down? The issues of Brexit, changeable politics, and global economic turbulence may all provide challenges in this regard.

- **Will the Government be able to keep the public onside?** Already, some commentators are reporting on the significant lifestyle changes that might be required to meet the target – for example, how will efforts to move consumers away from meat-heavy diets be received?

The target still needs Parliament's approval but this seems likely given the cross-party support received for the measure in recent debates. Putting this in context, others are demanding even more stringent targets which would make "net zero by 2050" seem light touch by comparison. For example, the Extinction Rebellion movement is calling for a "net zero by 2035" target, and the opposition Labour Party is reportedly considering the feasibility of an even earlier 2030 target. As always, business sectors will call for a clear and stable policy outlook on GHG reduction, and we can only hope that this comes sooner rather than later.

This publication does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

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