



WWF Scotland Evidence Submission:

PROPOSED NORWEGIAN CLIMATE CHANGE BILL

WWF Scotland supports the introduction of a Climate Change Bill in Norway, based on the positive experience of the Scottish Climate Change Act and the need for international action to reduce climate change emissions. Scottish climate emissions have reduced over 26% since 1990, the baseline year established in the Scottish Act.

Summary

In summary, we believe that:

- A climate bill, incorporating long-term targets and interim carbon budgets, provides added value because it gives long-term certainty and acts as a management framework for designing and delivering effective climate policies.
- Robust annual reporting to Parliament helps to ensure implementation remains on track. Detailed forward-looking action plans are also a useful guide to show how emissions will reduce in the future.
- A statutory independent expert advisory council should provide advice on carbon budgets, long-term targets, individual policies, and to report on progress. This helps to ensure the best pathway to long-term targets and enhances transparency.
- The economics of climate action are positive. Macroeconomic modelling at a UK level by Cambridge Econometrics shows that implementing ambitious carbon budgets equivalent to a 50% emissions reduction to 2025 will lead to higher household incomes, higher GDP and employment, improved energy security and other benefits.¹

Introduction

WWF Scotland welcomes the opportunity to provide evidence to the Minister of the Environment's consultation paper on a Climate Bill. WWF Scotland is one of Scotland's leading environmental charities, with over 50,000 active supporters, and is part of the global WWF network. We are also a member of Stop Climate Chaos Scotland, a diverse coalition of

¹ The Economics of Climate Change Policy in the UK:
http://assets.wwf.org.uk/downloads/wwf_climate_economics_summary_a4_web.pdf

over 60 environmental, international development, faith and youth NGOs, as well as trade unions and community groups, campaigning together on climate change.

We support the proposal for a Norwegian Climate Bill. As you may be aware, Scotland was one of the first countries to enact climate legislation in 2009 and has one of the world's most ambitious Climate Acts. Our experience of the Scottish Climate Change Act² has been a positive one. The Act provides a robust framework for policy delivery and is beginning to drive real change, allowing Scotland to harness the jobs, growth and environmental benefits of the low carbon transition. This is most notable in the electricity sector, where renewables are already delivering nearly 50% of Scotland's electricity needs and supporting over 11,000 jobs – nearly as much as the Scottish whisky sector. However, economy-wide, emissions have reduced more than 26% from 1990 levels.

How does the Climate Change (Scotland) Act work?

The Scottish Climate Change Act provides for a 2050 legally binding target to reduce emissions by at least 80% on 1990 levels, with an interim goal of a 42% reduction by 2020. These two targets for 2020 and 2050 are established in primary legislation on the face of the Act. In addition, the Act requires that fixed annual carbon budgets (in MtCO₂) are set under using secondary legislation. These are set in five year batches. The steady reduction year on year provides a trajectory consistent with Scotland's overall carbon budget to 2050.

The overall carbon budget is Scotland's safe and fair contribution to global mitigation and is set based on the advice of the UK Committee on Climate Change, which is the Scottish Government's statutory adviser under the Act. The Committee on Climate Change also provides advice on annual carbon budgets. There is an annual reporting cycle, where the Committee on Climate Change and the Scottish Government must lay progress reports before Parliament. The Act also requires the Scottish Government to introduce compensatory action if a target has been missed.

Question 1: Will a climate bill provide added value in the Norwegian context?

The experience in Scotland shows that a Climate Act provides added value over and above political target setting. Long-term legally binding targets, which are insulated from political change in electoral cycles, provide a predictable planning framework for decision makers and a clear signal to businesses about political commitment to the low carbon transition, helping to trigger investment in the green economy and drive down costs. The unanimous cross-party support for the Scottish Act has given real certainty to the public and business about the future direction of travel.

In addition to the legally-binding long-term targets, the Scottish Act requires annual carbon budgets to be set in secondary legislation that are consistent with Scotland's overall carbon budget to 2050. This is a slightly different approach to the UK carbon budgets, which are set in five year intervals. The Scottish approach ensures that climate change remains a consistent focus of Government and Parliament and helps maintain policy momentum on an annual basis.

² Climate Change (Scotland) Act 2009,
http://www.legislation.gov.uk/asp/2009/12/pdfs/asp_20090012_en.pdf

Perhaps most importantly, the Scottish Act is an overarching management tool to bridge the gap between ambition (targets) and action (policy delivery). The Scottish Act requires a climate action plan (known as the Report on Policies and Proposals or RPP) to be drawn up in five-year intervals, which sets out the policies to meet carbon budgets across every sector. This ensures that the sum of individual measures adds up to overall climate budgets, provides a clear roadmap for each sector, and provides a benchmark for monitoring progress. Where policies are not delivered according to the action plan, new policies must be introduced to make up any shortfall or distance to target. For instance, in 2015 a package of new policies was introduced to help ensure progress remained on track.

Since the introduction of the Act, sectoral policy plans consistently refer back to the Climate Act targets. Climate emission reduction targets are benchmarked in the Heat Generation Policy Statement, the Electricity Generation Policy Statement, and transport roadmaps. The climate action plan, the RPP, also provides a benchmark to test the Scottish Government's annual financial budget against, to ensure it is climate-proofed. A number of relevant Parliamentary Committees test the budget against the RPP, although it continues to be difficult to read across between the two.

Question 2: Is there a need for more reporting and dissemination of information in Norway on greenhouse gas emissions and the effects of measures?

Our experience in Scotland suggests that there is huge added value in robust monitoring of overall emissions and the effects of measures – both retrospectively and with a forward looking approach.

In terms of retrospective reporting, the UK Committee on Climate Change provides a progress report to Parliament each year, highlighting successes and identifying sectors and policies that need additional effort to ensure that carbon budgets are not exceeded. The Scottish Government also has a duty to provide an annual progress report to Parliament and must identify compensatory policies if an annual carbon budget has been missed. However, one of the challenges of the Scottish Act is there is an 18 month time lag in getting emissions data (so we only know about 2013 emissions in mid-2015), making it harder to introduce compensatory action early enough. The formal annual reporting cycle is important in ensuring transparent and effective Parliamentary scrutiny. Regular reporting helps to focus minds, drive policy development, ensure that climate change is on Parliamentary Committee agendas, and ensures that the annual financial budget is scrutinised by relevant Committees against climate objectives.

Our understanding is that the current Norwegian system does not give politicians a good overview of how decisions they make today will affect emissions in future years. In Scotland, the climate action plan is a very valuable guide to future climate action. It sets out exactly how policies and proposals are expected to reduce emissions, broken down by sector and individual policies (attributing abatement to each one). It shows where effort needs to be focussed and makes it easier to identify where emissions are going off track and put in place compensatory measures where required.

Question 3: Will an independent climate advice body be an appropriate new addition to Norwegian climate policy? What role should it fill if so?

Based on the Scottish and UK experiences, we recommend the establishment of an independent expert advisory council to provide advice on long-term targets, carbon budgets and on individual policies, as well as to independently monitor progress. The UK Committee on Climate Change has a duty to provide this function under both the UK and Scottish Climate Change Acts.

The integration of expert advice helps to ensure that carbon budgets and policies are consistent with the latest developments in climate science, economics, technological solutions and behavioural psychology. A broad spread of disciplines on the committee is important to ensure progress across all sectors. Given the role of behavioural change in reducing emissions, we recommend that a behavioural specialist is included in the council to ensure nuanced policy recommendations that are rooted in real-world practice as well as policy theory. This would be an improvement on the current make-up of the UK Committee on Climate Change.

The independence of the expert council is critical, because it is able to frame the discussion on budgets and policies in terms of the country's overall best interests, rather than individual sectoral interests, setting out the economically and socially optimal pathways for each sector to reduce emissions. This can help to ease difficult political debates and promote a coordinated approach to policy development. However, the final decision about policies and carbon budgets rightly still rests with government.

As detailed in the previous question, the UK Committee on Climate Change has a duty to provide and publish an annual progress report to the Scottish Parliament. The independence of this report enhances accountability and transparency under the Act and provides a basis for effective Parliamentary scrutiny of the Scottish Government's efforts on climate change.

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