

Over 100 organisations call on Government to back Fourth Carbon Budget

~ “Government must uphold the ambition of the Fourth Carbon Budget and show its support to a vital part of the UK’s economy” says alliance ~

A wide alliance of over 100 organisations from across the economy and civil society, including some of the UK’s major businesses, investors and trade associations, called today on the Government to follow the advice of the Committee on Climate Change and stick to its current emission reduction objectives under the Fourth Carbon Budget. [1]

This budget covers the emission reduction that the UK needs to deliver over the years 2023 to 2027 to stay on track for reducing its emissions by at least 80% by 2050 under its Climate Change Act. [2]

In a statement which coincided with the publication today of the Committee on Climate Change’s updated recommendations on the Fourth Carbon Budget, the alliance called on the Government “to stick to ambitious emission reduction objectives for the 2020s to give business the certainty it needs to commit significant investments to the UK’s promising low-carbon economy” and maintain the UK’s energy security. [3]

“The majority of the business world is clear that ambitious and stable action to tackle climate change makes business sense. A stable policy environment is critical to attracting investment in the low-carbon sector, reducing the costs of new technologies like offshore wind and creating significant growth opportunities for the UK economy in areas where we currently lead the clean energy race. The time has come to give to the decarbonisation agenda the importance and stability it deserves.”

Lord Adair Turner, Senior Fellow of the Institute of New Economic Thinking, ex-chairman of the Committee on Climate Change, ex-Chairman of the Financial Services Authority and ex-Director General of the CBI

“As insurers and investors, we are quite accustomed to dealing with financial arguments that point towards the benefits of taking preventative and mitigating action before a much more expensive disaster unfolds. We believe that the implied changes to the global economic system associated with a 5-6 degree change to average global temperatures present such a crisis. The long term absolute value of the assets that we run will be significantly influenced by the value of the global economy. A clear and credible decarbonisation target would help address the climate problem before the economic disasters associated with a 5-6 degree change unfold.”

Steve Waygood, Chief Investment Officer, Aviva

“We’re a manufacturing company. We need policy stability in order to make long term investments, as do our customers & supply chain. ‘Stop-Go’ politics threatens that investment and raises costs for everyone. That is why changing the 4th Carbon Budget now would be a strategic mistake – with consequences. And let’s not forget the great opportunity here: hundreds of thousands of jobs all over the country in new growth areas where the UK can take a significant market share.” **Terence Watson, UK President, Alstom**

"Investors need to have confidence in the government's commitment to a low-carbon energy future. Changing course on emissions reduction objectives now would undermine this confidence and damage investment prospects." **Stephanie Pfeifer, Chief Executive, Institutional Investors Group on Climate Change (IIGCC)**

"It is refreshing to see the internationally respected Committee on Climate Change deliver such clarity in its review of the fourth carbon budget. The only reasonable course of action is for the Government to fully accept the recommendations, as the evidence clearly states that the core objectives remain unchanged for 2023-2027. This will provide businesses with vital confidence to invest now, delivering the optimum trajectory for decarbonising the economy and meeting the statutory targets set by the Climate Change Act." **Peter Young, Chairman of the Aldersgate Group**

"Adopting the 4th Carbon Budget is an important step to achieving the 2030 emissions target. Setting long-term targets as part of the energy policy planning is a key enabler for our business and it's important for us to have long-term visibility of the direction the energy system will take; decarbonisation of the energy sector is key to not only delivering on our obligations but to providing a secure, long-term supply of energy to keep the lights on." **Brent Cheshire, DONG Energy UK Chairman**

"What the industry needs more than anything is certainty over the medium to long term. The carbon budgets set a clear trajectory and are a key part of a framework against which the industry can make much-needed investment decisions; they are an important signal of political intent and this is therefore an opportunity to help create a more stable investment climate which ultimately helps keep costs down for consumers." **Dr Keith MacLean, Policy & Research Director at SSE**

"It is vital the Government plans for the long-term. Energy investment cycles are long-term by nature and so too are climate change impacts. The clearer the long-term policy framework, the more jobs and investment UK plc will secure both today and in the future in the growing global markets for renewable power, heat and transport. The best framework would combine carbon budgets based on the CCC's advice with renewable energy targets to provide certainty for investors on the direction of travel." **Renewable Energy Association Chief Executive Dr Nina Skorupska**

"The rate of cost reduction in solar power has been unprecedented. The solar industry wants an unequivocal commitment to meeting carbon targets because a stable policy framework allows us to invest most efficiently to drive further cost reductions. Furthermore solar is transforming ownership, competition and choice in the UK's consolidated electricity markets - something the UK businesses and households need urgently." **Paul Barwell, CEO, Solar Trade Association**

"British renewable energy businesses like RES are committed to investing in the move to a low carbon economy – and in doing so delivering green jobs, energy security and economic and consumer benefits to the UK. Maintaining ambitious carbon emission reduction targets is an essential part of driving this investment." **David Handley, Chief Economist of RES**

"There is widespread consensus across business sectors and civil society that the government must stop blowing hot and cold on its support to the UK's fast growing low-carbon economy, a sector that according to the CBI could halve the UK's trade deficit in the next financial year. The government must use this opportunity to reaffirm its commitment to ambitious emission cuts in the 2020s and thereby signal that the

UK is open for low-carbon business and ready to play its part in a global effort to tackle climate change.” **David Nussbaum, CEO WWF-UK**

“The devastation done by Typhoon Haiyan in the Philippines was an indication of what the world will face if climate change is allowed to go unchecked. To prevent this, the world must shift to a low-carbon future. The fourth carbon budget should direct the UK economy so that it is at the forefront of this global transition, and of the solutions to climate change.” **Dr Alison Doig, Christian Aid’s Senior Adviser on Climate Change**

List of signatories: PZ Cussons, Unilever, Kingfisher, Sainsbury's, ASDA, M&S, Ikea, Telefonica - O2, Cisco, Thames Water, Anglian Water, WSP, Philips, Aviva, Institutional Investors Group on Climate Change, Royal and Sun Alliance, Alstom, Capgemini, Sky, Nestle, PepsiCo, Mars, Sodexo, Alpro, Jaguar Land Rover, Interface, ACCA Global, Biffa, Bioregional, CERAM, Dalkia, Eftec, ETI, Grant Thornton, Johnson Matthey, L&Q Group, Landmark, Memset, MITIE, Reed Elsevier, Vestas, Gamesa Wind UK Ltd, REpower, Harland and Wolff, Seajacks, Modus Seabed Intervention, Triodos Bank, The Aldersgate Group, UK Sustainable Investment and Finance Association, Dong Energy, SSE, Renewable Energy Systems (RES), EDP Renewables, Mainstream Renewable Power, Aquamarine, SKM Enviros, Sustain, UK Green Building Council, Willmott Dixon, Ecotricity, Solarcentury, the Carbon Capture and Storage Association, Renewable UK, the Renewable Energy Association, Scottish Renewables, the Solar Trade Association, the TUC, Nexus Energy Solutions, Earth Mill, Carbon Reduction Technologies Ltd, Green Directions, The Rubber Roofing Co Ltd, Energy 4 All, Energie Solutions, Drakes Renewables, Foster Renewable Energies, Future Electric, Evolution Renewable Energy Solutions Ltd, Kensa Engineering, Quantum, Stamford Renewables, Independent Energy Projects, Awel Aman Tawe, HE Translation, Humber Energy, Serene Energy, Eco2Solar, Natural Power, the Happy Frogs, LDA design, Better Planet, Entrust, Wattcraft, Samad Power, GJH Façade Fixing Ltd, IEC Energy Ltd, Bineri Ltd, Business in the Community, IPPR, the Church of Scotland, Shrinking the footprint - the Church of England’s environment campaign , Christian Aid, WWF-UK, Friends of the Earth, Greenpeace, RSPB, 10:10.

ENDS

Notes to editors:

1. The Fourth Carbon Budget, which was proposed by the Committee on Climate Change in December 2010, sets out the required reduction in the UK’s emissions of greenhouse gases between 2023 and 2027 to stay on a cost-effective pathway to meeting the UK’s legally binding obligation of reducing its emissions by at least 80% by 2050 compared to 1990 levels. The Coalition Government accepted the Committee’s recommendations in 2011, subject to a review in 2014.
2. Following a decision by the Coalition Government in 2011 to review the Fourth Carbon Budget in spring 2014, the Committee on Climate Change provided its revised advice today in which it stated that as the circumstances had not materially changed since the budget was originally set, the UK should maintain its emission reduction ambition for the period of the Fourth Carbon Budget, as recommended back in 2010.
3. See the attached statement embargoed until 00.01 on Wednesday 11th December.

For more information:

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