

## Government announces 5<sup>th</sup> carbon budget

The fifth carbon budget – the latest iteration of the UK’s climate targets – has today been laid before Parliament.

*The publication of the fifth carbon budget at a time of political uncertainty sends an important message that the Government continues to view tackling climate change as a priority and helps to provide some confidence to investors –and the sector- in the short-term.*

The targets announced cover the period 2028 to 2032 and require the Government to reduce greenhouse gas emissions by 57% (on 1990 levels) by 2030.

UKSIF [wrote to the Government](#) in May in support of the Committee on Climate Change’s recommendations to introduce the 57% emission reduction level and to keep the UK on the most cost-effective pathway to the overall goal of 80% by 2050. We are therefore delighted that the Government has taken these steps, particularly given the uncertainty caused by recent political developments stemming from the EU referendum.

While we congratulate the Government on its commitment to the transition to a low-carbon economy, we also note the challenges outlined by the Committee on Climate Change’s (CCC) 2016 Progress Report. In particular we note the Committee’s assertion that progress will need to be broader to meet the 57% target and that even a complete replacement of coal-fired power stations with low-carbon generation would provide less than half the required emissions reduction by 2030.

Nonetheless, to increase investment and reduce costs the Government should publish a long-term strategy to address policy gaps in the areas outlined by the CCC including energy efficiency in buildings, transport policy, carbon capture and storage and low-carbon electricity generation.

UKSIF will continue to press the Government for a long-term energy strategy which provides confidence to investors looking to support the low-carbon transition.