



Net zero policy tracker: March 2023 update

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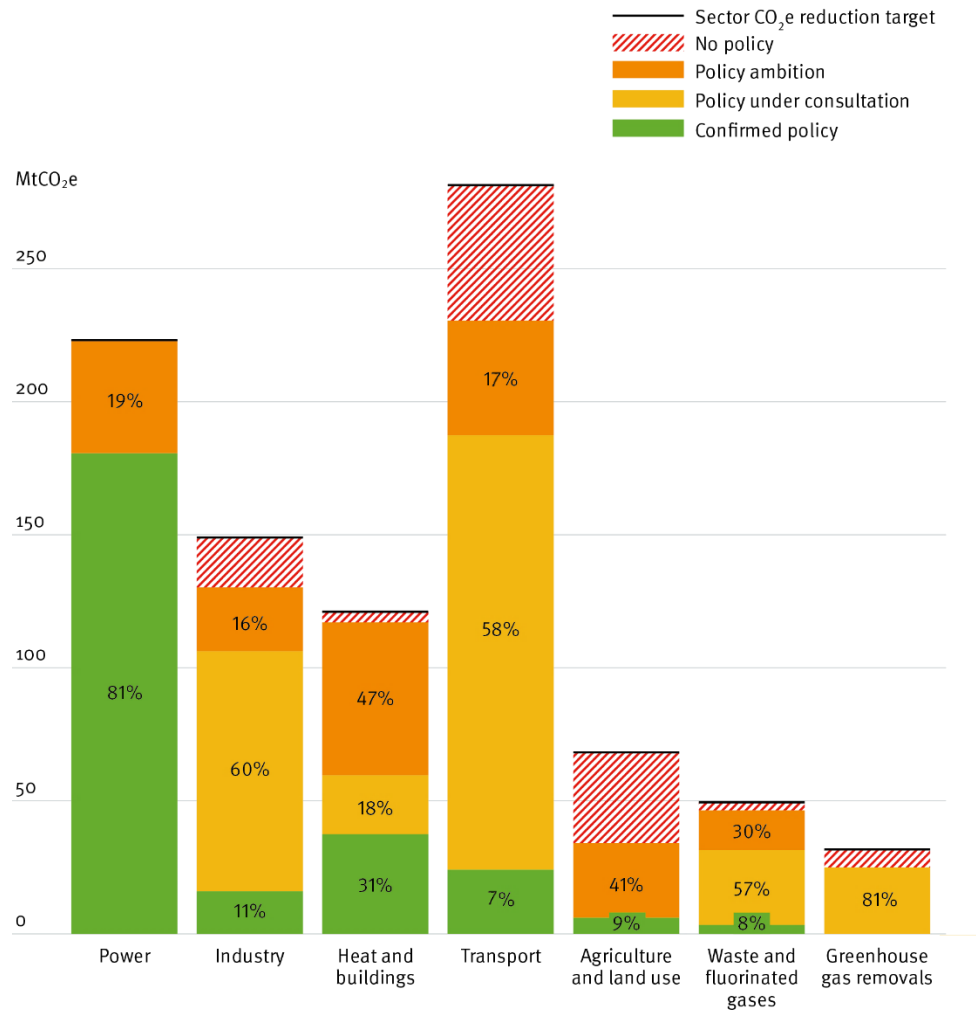
- This tracker monitors how the UK government is doing relative to where it should be on reducing greenhouse gas emissions and reaching net zero by 2050 during this parliament
- The tracker analyses projected emissions savings from policies announced during this parliament for the fifth carbon budget period (2028-32)
- It tracks progress against the government's Net Zero Strategy (NZS) and against its commitments, including the strategy's sectoral pathways
- Policies are categorised as either 'confirmed', 'under consultation' or 'ambition' to indicate the degree of certainty
- The tracker measures national UK level policies (including the contributions of devolved nations where relevant)

Overall progress in this parliament

- The data we have used for our analysis is that made publicly available by the government
- Across the whole economy, the government has announced policies to cover 87 per cent of all the emissions reductions required during the fifth carbon budget period (2028-32) to meet its net zero strategy targets
- But, only 28 per cent of this is confirmed policy
- This leaves a 13 per cent policy gap



Progress: sectoral overview



Significant policy gaps remain for some sectors. This highlights that there is a lack of data publicly available to show whether the government is on track to achieve all the targeted emissions reductions

Progress - power

- All emissions reductions required for the power sector are accounted for with policy. However, 19 per cent of those are only policy ambitions
- The policy tracker is not assessing the effective delivery of confirmed policy, but gives credit for policy frameworks being in place

Priorities

- Create a clean power plan: a detailed roadmap of how power sector decarbonisation will be achieved by 2035
- Ramp up offshore wind capacity while unblocking the planning restrictions on onshore wind, solar projects and grid expansion

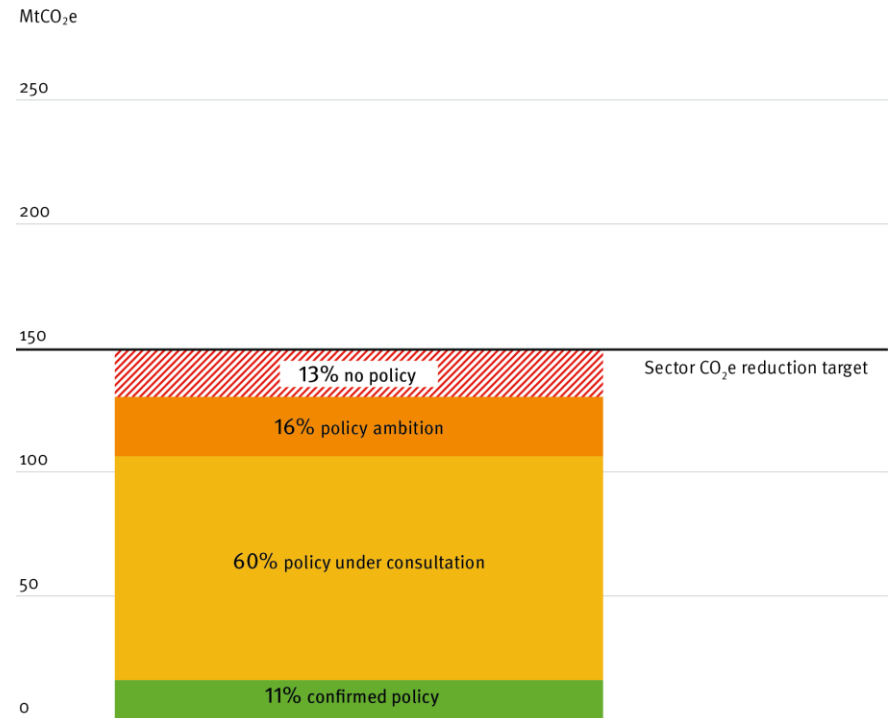


Progress- industry

- Most of industry's emissions reductions (60 per cent) are held up by policies at the consultation stage
- There is a significant policy gap of 16MtCO₂e not accounted for

Priorities

- Deliver the policies under consultation: carbon capture and storage, hydrogen
- Create markets for low carbon materials and more efficient use of resources, eg by expanding carbon footprint reporting for new buildings



Progress - heat and buildings

- The largest category covering emissions reductions required is ambition, without a policy framework in place for delivery

Priorities

- Fast track plans for a heat pump mandate, supporting gas boiler phase out
- Energy efficiency: bring forward proposed £6 billion funding into this parliament

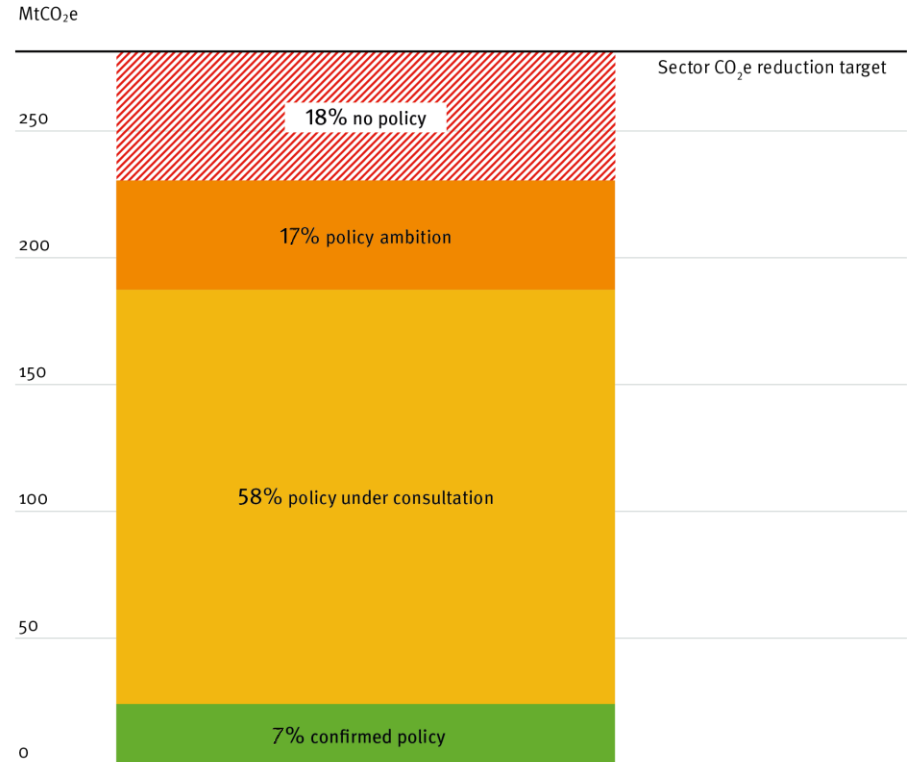


Progress - transport

- Transport is the single highest emitting sector
- Most progress here is held up at consultation stage, ie the zero emission vehicle (ZEV) mandate

Priorities

- Legislate for an ambitious ZEV mandate starting January 2024
- Reduce car kilometres driven across the UK by 20 per cent by 2030

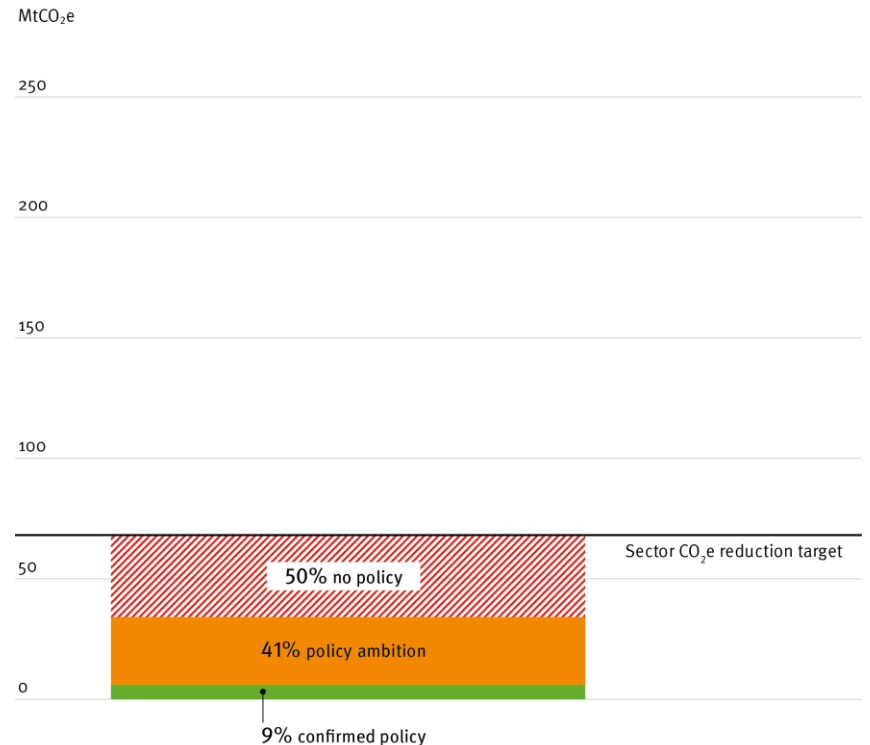


Progress - agriculture and land use

- Only half the emissions savings required are covered by policy, 41 per cent of which is ambition without a policy framework for delivery

Priorities

- Create a land use framework that shows how to achieve net zero by 2050 and end nature decline by 2030
- Use the Environmental Land Management Scheme (ELMs) to restore habitats on ten per cent of farmed land by 2030
- Allocate a third of the existing ELMs budget to Landscape Recovery

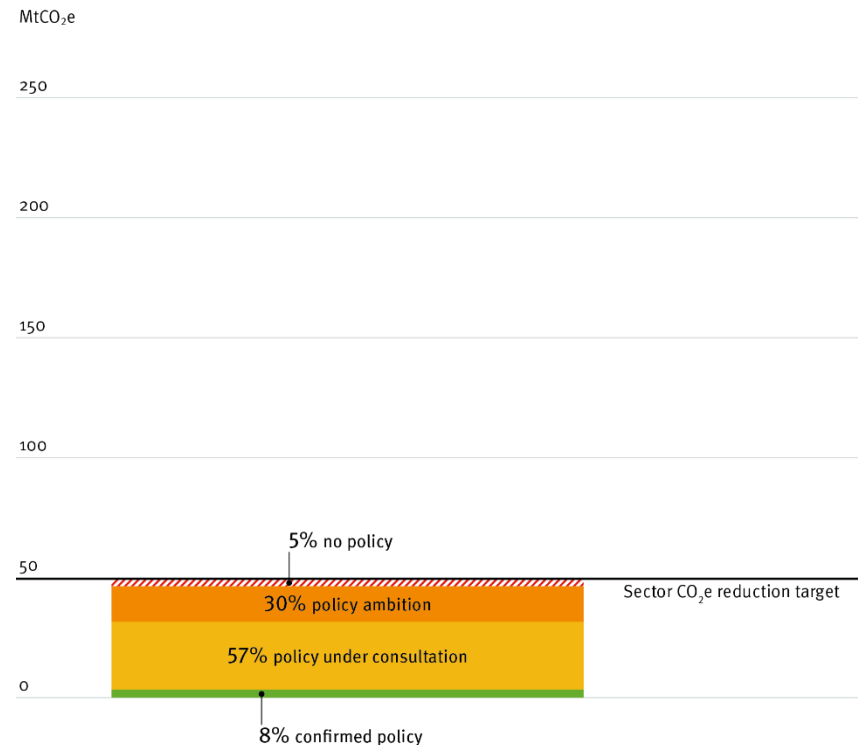


Progress - waste and fluorinated gases

- Over half of emission reductions required are held up by policy at the consultation stage; this should be progressed to confirmed policy

Priorities

- Rapidly deliver planned reforms to improve waste recycling and implement waste reduction policies
- Address the shortcomings caused by the landfill tax which is driving incineration

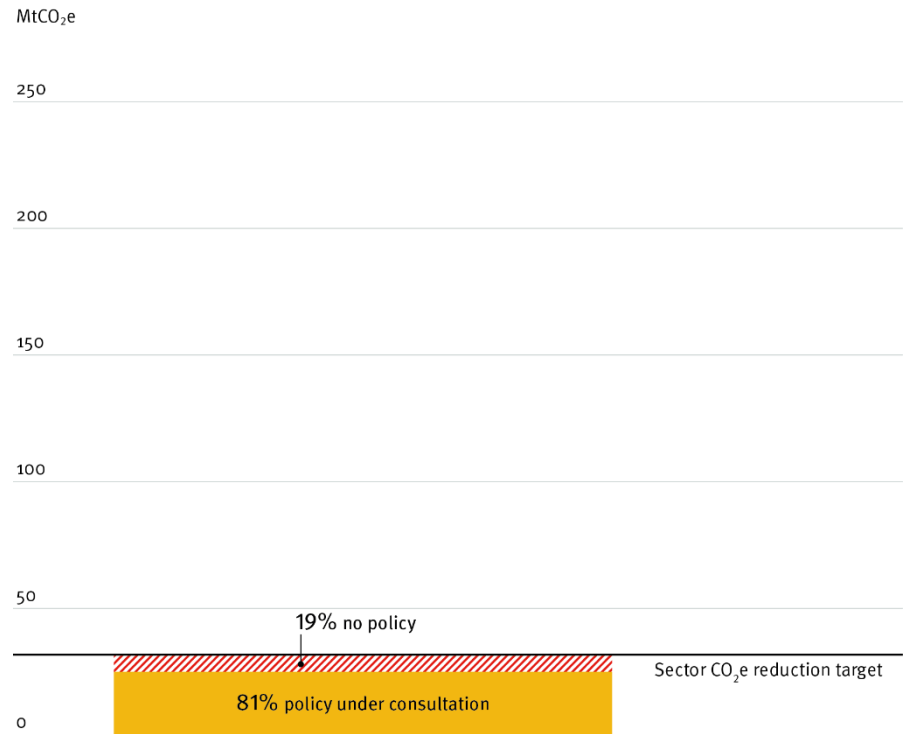


Progress - greenhouse gas removals

- 81 per cent of the emission reductions required by these methods are covered by policy under consultation without any detailed frameworks for delivery
- Ambition falls short by 5.9MtCO₂e

Priority

- Create an Office for Carbon Removal to regulate and guarantee the credibility of carbon offsetting



Priorities for the revised Net Zero Strategy

- Increase transparency around government proposals and the expected savings. Report annually on whether sectoral pathways remain appropriate or whether the balance of savings needs to be adjusted across all sectors
- Consider opportunities across all sectors for increased savings through behaviour change, more efficient use of resources and greater circularity
- Create a clean power plan showing how a decarbonised power sector will be achieved by 2035
- Introduce an ambitious ZEV mandate, starting in January 2024
- Use ELMs to restore habitats on ten per cent of currently farmed land by 2030
- Set a heat pump mandate, supporting the phase out of gas boilers