

**Cabinet Secretary for Net Zero and Just Transition**

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31 March 2023

Dear Convener,

I am writing to advise that the Scottish Government has today published its' response to the UK Climate Change Committee's (CCC) first five-yearly review of Scottish emissions targets received in December last year. A copy of the response is attached for your information, and has also been laid in the Scottish Parliament.

The Committee will also wish to note legislation has also been laid today to implement the CCC's advice from this review. This legislation has been brought forward in line with CCC advice to adjust our statutory annual emissions reduction targets in the 2020s for technical reasons to maintain alignment with revisions in international standards for carbon accounting.

Further information can be provided by my official.

**MÀIRI McALLAN MSP**

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See [www.lobbying.scot](http://www.lobbying.scot)

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# **The Climate Change (Scotland) Act 2009 (Interim Target) Amendment Regulations 2023**

**Statement under sections 2A(6), 2E(5) and 3B(4) of the  
Climate Change (Scotland) Act 2009**

**SG/2023/43  
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## Introduction

The Climate Change (Scotland) Act 2009 (Interim Target) Amendment Regulations 2023, if approved by the Scottish Parliament, will amend section 2(1)(a) of the Climate Change (Scotland) Act 2009 (“the 2009 Act”) by modifying the percentage figure specified for the 2020 interim target. The 2020 interim target is modified from 56% to 48.5%. This modification has the effect of adjusting the annual target figures for 2021 to 2029, in accordance with section 3(2) of the 2009 Act (annual targets: 2021 to year before net-zero year), as follows:

Target year	Current target	New target
2020 (interim target)	56%	48.5%
2021	57.9%	51.1%
2022	59.8%	53.8%
2023	61.7%	56.4%
2024	63.6%	59.1%
2025	65.5%	61.7%
2026	67.4%	64.4%
2027	69.3%	67.0%
2028	71.2%	69.7%
2029	73.1%	72.3%
2030 (interim target)	75%	75%

In accordance with sections 2A(2)(a) and (b) of the 2009 Act (modification of the interim targets), these Regulations are in response to, and consistent with, the most up-to-date advice received from the UK Climate Change Committee (“CCC”), advising that the 2020 interim target should be modified for the sole reason of a change in international carbon reporting practice.

The 2020 interim target is the earliest interim target set by the 2009 Act, which means that the requirement under section 2A(2)(c) for the new percentage figure to be no lower than an earlier interim target year is met. As it is not proposed to adjust the 2045 net-zero emissions target year, the requirement under section 2A(2)(d) that an interim target must not be lower than 100% for a year which is the same as, or later than, the net-zero emissions target year is also met.

## Purpose of this statement

This statement, in accordance with sections 2A(6) and 3B(4) of the 2009 Act, sets out the reasons for modifying the 2020 interim target percentage figure, including consistency with the most up-to-date advice received from the CCC; and the extent to which the modification takes account of the target-setting criteria (as defined by section 2B of the 2009 Act).

In line with section 2E(5)(a) of the 2009 Act (Ministerial duties following request for advice), this statement also serves as the Scottish Ministers response to the CCC’s most recent advice about targets provided under sections 2C and 2D of the 2009 Act. It is noted that a separate statutory response under section 9 of the 2009 Act (progress towards targets) is being developed to the CCC’s annual Scottish progress report published in December 2022.

## Background

Scottish Ministers must request the CCC to review Scotland’s greenhouse gas emissions reduction targets at least every five years. This is in accordance with section 2C(1) of the Climate Change (Scotland) Act 2009 (inserted by section 6 of the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 (“the 2019 Act”).

The Cabinet Secretary for Net Zero, Energy and Transport requested this advice from the CCC in April 2022. The [CCC's first review of Scottish emissions targets](#) was published in December 2022 ('CCC target advice'). Further advice was sought from the CCC under section 2D of the 2009 Act (power to seek additional advice), and provided in March 2023 confirming the CCC supports the modification of the 2020 interim target on the basis that it reflects a change in international carbon reporting practice (arrangements are being made to publish this advice on the CCC website).

### **Ministerial duties following receipt of the CCC advice on targets**

Section 2E of the 2009 Act sets out Ministerial duties following receipt of the CCC's advice on targets. Some of these duties apply only where the CCC recommends adjusting the net-zero emissions target year or the multiplier figure reflecting the direct and indirect non-carbon dioxide climate change impacts of emissions at altitude from international aviation. As the CCC do not recommend a change to the net-zero target year or the aviation multiplier, these do not form part of this statement.

Sections 2E(4) and (5) require that, in the event that the CCC's advice states that a percentage figure for an interim target is not appropriate and that another figure would be appropriate, the Scottish Ministers must publish a statement within 3 months setting out how they intend to respond to that advice. Furthermore, in the event that the Scottish Ministers do not, within 12 months of receiving that advice, lay draft regulations under section 2A(1) of the 2009 Act to make the advised modification to that percentage figure, they must make a statement to the Scottish Parliament setting out the reasons for not doing so.

### **Response to CCC advice**

This statement confirms the Scottish Ministers' decision to accept the CCC's advice to modify the 2020 interim target for the sole reason of a change in international carbon reporting practice and have laid, for approval of the Scottish Parliament, a draft of the Climate Change (Scotland) Act 2009 (Interim Target) Amendment Regulations 2023 to make the advised adjustment to the 2020 interim target. Modifying the 2020 interim target, which has been achieved, is for the sole purpose of adjusting the annual targets for 2021 to 2029 which have not yet been reported, and will not "re-activate" any of the duties which flow from the 2020 target (i.e. the need to report to the Scottish Parliament on whether that target was met).

### **Reasons for modifying the 2020 interim target, and consistency with the most up-to-date advice received from the UK Climate Change Committee**

The CCC target advice recommends that "Scotland's annual targets in the 2020s should be adjusted" for technical reasons. This is because the level of the 2020 interim target set by the 2019 Act was based on the [CCC's 2017 Scottish climate change bill advice](#) using an older accounting methodology, before significant changes to the treatment of peatland emissions in the UK greenhouse gas inventory – from which the Scottish inventory is derived - following implementation into the UK greenhouse gas inventory of the 2013 wetlands supplement to the 2006 Intergovernmental Panel on Climate Change (IPCC) guidance on the compilation of greenhouse gas emissions data.

The CCC recommend that the annual targets from 2021 to 2029 be adjusted to align with a translation of the legislated 2020 interim target to the new inventory basis. The CCC target advice states that “Without this adjustment, these already challenging annual targets will be made much more difficult to achieve, simply as an artefact of accounting”. As the annual targets are set as a straight line between the 2020 and 2030 interim targets, in order to amend the annual targets from 2021 to 2029 it is necessary to adjust the level of the 2020 interim Scottish emissions reduction target under section 2A(1) of the 2009 Act.

If the adjustment is not made, the 2021-2029 statutory emissions targets will be inconsistent with the accounting methodology – known as the ‘GHG Account’ - used to measure progress against them.” Further information on the ‘GHG Account’ is at Annex A.

Mechanisms agreed by the Scottish Parliament and enshrined in the 2009 Act anticipate adjustments to targets being made in light of new data and improvements to the greenhouse gas inventory. As highlighted in the CCC target advice, “Technical changes leading to the targets becoming unachievable is not the intention behind the Act. Indeed, the reason for its mechanisms around emissions accounting and the five-yearly reviews is to ensure that inventory changes on their own do not make the targets unachievable.”

The CCC target advice is clear that adjusting the annual targets for 2021-2029 does not represent a lowering of ambition. The CCC also say that “Should the annual targets in the 2020s not be corrected, there is a real risk that the targets being missed every year would undermine the credibility and strength of the Scottish framework for emissions reduction.” The CCC do not recommend adjusting the 2045 net-zero target year or the 2030 and 2040 interim targets, as legislated by the Scottish Parliament.

### **Extent to which the modification takes account of the target-setting criteria**

This section highlights considerations the Scottish Ministers have had with regard to the target-setting criteria listed in section 2B of the 2009 Act (see Annex B). The Scottish Ministers are of the view that the proposed modification of the 2020 interim target takes account of, and is consistent with, the target-setting criteria.

The CCC’s advice is clear that the adjustment of the 2020 target is a technical adjustment to account for significant changes to the treatment of peatland emissions in the greenhouse gas inventory. The adjustment has the effect of changing the pathway of emissions through the 2020s but does not impact on the overall ambition of the targets, in particular the level of the interim targets for 2030 and 2040 and net-zero target year are unchanged.

The Bill for the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, which set out proposals to increase the ambition of Scotland’s emissions reduction targets, was accompanied by a number of impact assessments to identify the wider effects of the proposals. This included a [joint Equality, Children’s Rights and Wellbeing and Fairer Scotland Impact Assessment](#), a [Business and Regulatory Impact Assessment](#) as well as a [Strategic Environmental Assessment](#). The conclusions of these assessments are not altered by the CCC’s recommendation to adjust the 2020 target on the basis that it reflects a change in international carbon reporting practice, and the level of the interim targets for 2030 and 2040 and the net-zero target year are unchanged.

The Climate Change (Scotland) Act 2009 (Interim Target) Amendment Regulations 2023 do not set out any new information on, or changes to, which actions must be taken to deliver the reductions in emissions. If the Regulations are approved by the Scottish Parliament, the policies and proposals in the Climate Change Plan being developed for publication in draft by the end of 2023 will be based on the revised pathway through the 2020s. Full impact assessments will be carried out for the Plan which will also be supported by new sectoral Just Transition Plans ensuring that action to reduce emissions is done in a way which supports environmentally and socially sustainable jobs, creates decent, fair and high value work and supports low-carbon investment and infrastructure.

## Annex A - The GHG Account

The annual Scottish greenhouse gas inventory is used to report progress against all emissions reduction targets under the 2009 Act. It is a regional disaggregation of the UK greenhouse gas inventory. The methods used to compile the UK and Scottish inventories are consistent with international reporting, and compilation of the inventory is governed by a rigorous quality assurance process, and is subject to third party scrutiny. Every year, greenhouse gas inventory methodologies are updated to reflect improvements in the underpinning science, data and modelling.

As highlighted in the CCC target advice, due to a significant contribution from the land use sector (including peatlands), emissions in Scotland are particularly susceptible to methodological changes in emissions accounting. Because of this, and in accordance with CCC recommendations, Scotland's statutory emissions reduction targets are set on a percentage reduction basis against a 1990/95 baseline period. As estimates of baseline emissions are also affected by methodological changes to estimation methods, this approach is more robust to changes than emissions targets set on an absolute (MtCO<sub>2</sub>e) basis.

However, even with percentage targets, changes in estimation methodology could make near-term targets that were previously stretching but achievable become either significantly more difficult or easier to meet. To address this, Scotland uses a 'GHG Account' methodology, recommended by the CCC and accepted by the Scottish Parliament during the Bill process for the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, when assessing whether targets have been met.

At the heart of the GHG Account methodology is the freezing of inventory methods (the scientific methods used for the measurement and estimation of emissions levels) between the time that target levels are set (or reviewed through independent advice from the CCC) and the time when target outcomes come to be reported. This ensures that performance is effectively measured on the methodology in place when the targets were set or last reviewed by the CCC.

To prevent the inventory and the GHG Account from diverging too significantly over time, the methodology for assessing performance against the legislated emissions targets is reset to the latest inventory method at least every five years. The targets are revisited at this time by the CCC to ensure they are still both feasible and stretching, despite the methodology changes, and are in line with the latest climate science.

This method is enshrined in the 2009 Act and means that, following receipt of the CCC's target advice, reporting from the 2021 annual target will be based on the most up-to-date inventory methods used in the latest [1990-2020 Scottish inventory](#) published in June 2022. This will include additional emissions associated with the historical drainage and rewetting of peatlands and the impact that such activity has had, and continues to have, on the level of net greenhouse gas emissions. While these emissions have been incorporated since the 1990-2019 Scottish inventory, the statutory methodology for calculating progress to Scotland's emissions targets (the GHG Account) means they were not reflected in the calculation of the target outcome for the target years 2019 and 2020 as the methods used were based on the 1990-2016 Scottish inventory published in June 2018.

## **Annex B - The target-setting criteria**

This annex highlights considerations the Scottish Ministers have had with regard to each of the target-setting criteria listed in section 2B of the Act, including any advice they have received from the CCC.

### (a) the objective of not exceeding the fair and safe Scottish emissions budget

The 2009 Act defines the “fair and safe Scottish emissions budget” as “the aggregate amount of net Scottish emissions of greenhouse gases for the period 2010 to 2050 as recommended by the relevant body [currently the CCC] as being consistent with Scotland, in line with the principles set out in article 3 of the United Nations Framework Convention on Climate Change, contributing appropriately to the holding of the increase in global average temperature to well below 2°C above pre-industrial levels, and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels.”

The CCC target advice says that that the current limit of total emissions in the period 2010 to 2050 of 1,240 MtCO<sub>2</sub>e, as advised in their [2020 letter](#) to be consistent with their Balanced Pathway, is inconsistent with Scotland’s legislated 2030 target. The CCC recommend it is changed to 1,028 MtCO<sub>2</sub>e, making it consistent with the legislated interim targets and their recommended annual targets in the 2020s.

### (b) European and international law and policy relating to climate change (including the United Nations Framework Convention on Climate Change and protocols to that Convention)

The CCC has assessed the contribution of Scottish targets to global efforts to limit global average temperature increases to 1.5°C above pre-industrial levels, in line with the aims of the UN Paris Agreement, in their December target advice. The 2021 Glasgow Climate Pact, reaffirmed the global goal of limiting warming to 1.5°C.

The CCC conclude that “Scotland’s targets involve emissions reductions in line with global 1.5°C-compatible pathways”. They say that “By aiming to reach Net Zero by 2045, Scotland is pursuing a faster transition than many other countries. If these targets are met, Scotland will contribute to global efforts to limit warming to 1.5°C both through its emissions reduction and through the strong example it sets for other developed countries to take ambitious action without delay”.

### (c) scientific knowledge about climate change

The CCC’s target advice was received prior to publication of the Intergovernmental Panel on Climate Change (IPCC) Synthesis Report in March 2023 which provides an overview of the state of knowledge on the science of climate change. The Synthesis Report is based on the content of three IPCC Working Groups Assessment Reports and three IPCC Special Reports which were available prior to the CCC’s advice.

As highlighted by the CCC, the IPCC WGIII Summary for Policy Makers states that globally modelled pathways that limit warming to 1.5°C reduce emissions by 37% from 2010 to 2030. They say that “Scotland’s targets aim to reduce GHG emissions by 68% from 2010 to 2030” and are, therefore, “at the upper end of the range of reductions implied by the IPCC’s 1.5°C-compatible pathways”.



(d) technology relevant to climate change

Modification of the 2020 target is a technical change to reflect improvements in the Greenhouse Gas inventory that does not change future interim targets or the 2045 target set by the 2019 Act. The [Business and Regulatory Impact Assessment](#) for the Bill for the 2019 Act sets out considerations regarding the potential impacts of the proposals in the Bill.

(e) economic circumstances, in particular the likely impact of the target on—

(i) the Scottish economy;

(ii) the competitiveness of particular sectors of the Scottish economy;

(iii) small and medium-sized enterprises (SMEs);

(iv) jobs and employment opportunities.

Modification of the 2020 target is a technical change to reflect improvements in the Greenhouse Gas inventory that does not change future interim targets or the 2045 target set by the 2019 Act. The [Business and Regulatory Impact Assessment](#) for the Bill for the 2019 Act sets out considerations regarding the potential impacts of the proposals in the Bill.

(f) fiscal circumstances, in particular the likely impact of the target on taxation, public spending and public borrowing

No specific new policies and proposals are being proposed at this time as the CCC's recommendation is to adjust the 2020 interim target for technical reasons.

(g) social circumstances, in particular the likely impact of the target on those living in poorer or deprived communities

Modification of the 2020 target is a technical change to reflect improvements in the Greenhouse Gas inventory that does not change future interim targets or the 2045 target set by the 2019 Act. The [joint Equality, Children's Rights and Wellbeing and Fairer Scotland Impact Assessment](#) for the Bill for the 2019 Act sets out considerations regarding the potential impacts of the proposals in the Bill.

(h) the likely impact of the target on public health

Modification of the 2020 target is a technical change to reflect improvements in the Greenhouse Gas inventory that does not change future interim targets or the 2045 target set by the 2019 Act. The [Business and Regulatory Impact Assessment](#) for the Bill for the 2019 Act sets out considerations regarding the potential impacts of the proposals in the Bill.

(i) the likely impact of the targets on those living in remote rural communities and island communities

Modification of the 2020 target is a technical change to reflect improvements in the Greenhouse Gas inventory that does not change future interim targets or the 2045 target set by the 2019 Act. The [joint Equality, Children's Rights and Wellbeing and Fairer Scotland Impact Assessment](#) for the Bill for the 2019 Act sets out considerations regarding the potential impacts of the proposals in the Bill.

(j) energy policy, in particular the likely impact of the target on energy supplies, the renewable energy sector and the carbon and energy intensity of the Scottish economy

Modification of the 2020 target is a technical change to reflect improvements in the Greenhouse Gas inventory that does not change future interim targets or the 2045 target set by the 2019 Act. The [Business and Regulatory Impact Assessment](#) for the Bill for the 2019 Act sets out considerations regarding the potential impacts of the proposals in the Bill.

(k) environmental considerations and, in particular, the likely impact of the targets on biodiversity

Modification of the 2020 target is a technical change to reflect improvements in the Greenhouse Gas inventory that does not change future interim targets or the 2045 target set by the 2019 Act. The [Strategic Environmental Assessment](#) for the Bill for the 2019 Act sets out considerations regarding the potential impacts of the proposals in the Bill.

(l) the likely impact of the target on the achievement of sustainable development, including the achievement of the United Nations sustainable development goals.

The Scottish Government had made a dual commitment to tackle poverty and inequality at home in Scotland, and to work internationally with partner countries of Malawi, Rwanda, Zambia and Pakistan. Scotland's National Performance Framework aligns with the United Nations sustainable development goals, ensuring that these objectives are increasingly located at the centre of policy-making and delivery. The Scottish Government's [International Development Strategy](#) is also aligned with the SDGs. This sets out a vision of embedding the Global Goals for Scotland to contribute to sustainable development and the fight against poverty, injustice and inequality internationally. Scotland and Malawi also signed a [Global Goals Partnership Agreement in 2018](#), outlining a commitment to contribute the achievement of the goals in partnership. As part of the Scottish Government's commitment to climate justice, the Scottish Government has trebled its Climate Justice Fund to support vulnerable communities around the world address the impacts of climate change.

(m) current international carbon reporting practice

Considerations associated with current international carbon reporting practice are set out in this statement in the section on reasons for modifying the 2020 interim target.



The UK's independent adviser  
on tackling climate change

Michael Matheson MSP  
Cabinet Secretary for Transport, Infrastructure and Connectivity of Scotland  
Scottish Government

Sent by email

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Ref 230327-CS-MM

Climate Change Committee  
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Dear Cabinet Secretary,

In the Climate Change Committee's recent Scottish Emissions Targets report we recommended that Scotland's annual greenhouse gas emissions targets should be adjusted in the 2020s. You wrote to us to explain that this would require a change to the legislated 2020 target from the current reduction of 56% to the corresponding reduction of 48.5% compared to baseline levels, to make the emissions estimation methodology consistent with that expected to be used for the forthcoming annual targets.

We support the modification of the 2020 interim target in this way, on the basis that it reflects a change in international carbon reporting practice.

Yours,

Chris Stark  
Chief Executive of the Climate Change Committee

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