



2022 CHAPTER 31

PART 2

Carbon Budgets

Setting of carbon budgets: social, environmental and economic factors

- 26.—**(1) In setting a carbon budget, the Department must take account of—
- (a) the objective of not exceeding a fair and safe emissions budget,
 - (b) European and international law and policy relating to climate change (including the United Nations Framework Convention on Climate Change and the protocols to that Convention),
 - (c) scientific knowledge about climate change,
 - (d) technology relevant to climate change,
 - (e) economic circumstances, in particular the likely impact of the budget on—
 - (i) the economy,
 - (ii) the competitiveness of particular sectors of the economy,
 - (iii) small and medium-sized enterprises,
 - (iv) jobs and employment opportunities,
 - (f) fiscal circumstances, in particular the likely impact of the budget on taxation, public spending and public borrowing,
 - (g) social circumstances, in particular the likely impact of the budget on those living in poorer or deprived communities,
 - (h) the likely impact of the budget on public health,
 - (i) the likely impact of the budget on those living in remote rural communities and island communities,

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- (j) energy policy, in particular the likely impact of the budget on energy supplies, the renewable energy sector and the carbon and energy intensity of the economy,
 - (k) environmental considerations, in particular the likely impact of the budget on biodiversity,
 - (l) the likely impact of the budget on the achievement of sustainable development, including the achievement of the United Nations sustainable development goals,
 - (m) current international carbon reporting practice,
 - (n) the special economic and social role of agriculture, including the distinct characteristics of biogenic methane,
 - (o) the risk of substantial and unreasonable carbon leakage.
- (2) “Carbon leakage” means the transfer of the production of goods (including agricultural goods) and the provision of services to countries without comparable climate change policies.
- (3) In subsection (2), “comparable climate change policies” are policies that are intended to achieve reductions in greenhouse gas emissions for the country in question which are equivalent to the targets set out in sections 1, 3 and 4, by the years set out in those sections.