



Llywodraeth Cymru
Welsh Government

WRITTEN STATEMENT BY THE WELSH GOVERNMENT

TITLE	Laying Regulations to Set Carbon Budget 4 and Strengthen Wales' Net Zero Framework
DATE	14 October 2025
BY	Huw Irranca-Davies MS, Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs

Today, I am laying three sets of regulations before the Senedd that mark the next steps in Wales' journey to net zero carbon emissions by 2050.

These regulations set out our legal commitments to reduce emissions, strengthen our carbon accounting framework, and ensure that Wales continues to lead with integrity and ambition in tackling the climate and nature emergencies.

The regulations being laid ahead of a scheduled vote on 2 December 2025 are:

- **The Climate Change (Carbon Budget) (Wales) Regulations 2025** – setting the emissions reduction target for Carbon Budget 4 (2031–2035).
- **The Climate Change (Net Welsh Emissions Account Credit Limit) (Wales) Regulations 2025** – setting the carbon credit limit for Carbon Budget 3 (2026–2030).
- **The Carbon Accounting (Wales) (Amendment) Regulations 2025** – updating the definition of a carbon unit to reflect developments in international climate agreements.

Under the Environment (Wales) Act 2016, Welsh Ministers are required to seek and consider advice from the Climate Change Committee before laying regulations to set a carbon budget or offset limit in law. On 14 May 2025, the Climate Change Committee published its [advice to the Welsh Government](#) on Wales' Carbon Budget 4. I want to acknowledge the Committee's support and scrutiny in helping shape Wales' approach to net zero.

In their advice, the Climate Change Committee recommended that Carbon Budget 4 be set at a 73% average reduction in net Welsh emissions compared to 1990s levels. This is consistent with our statutory targets: an 89% reduction by 2040 and 100% – net zero – by

2050. These are ambitious targets, but they are necessary, achievable, and reflect the urgency of the challenge we face.

The Climate Change Committee further [clarified on 24 July 2025](#), their recommendation that the offset limit for Carbon Budget 3 should be set at 0%, meaning the budget must be met entirely through domestic action in Wales. This continues the approach taken in Carbon Budget 2 and ensures our investment directly benefits communities in Wales.

The third regulation updates the Carbon Accounting (Wales) Regulations 2018. The current definition of a carbon unit is based on wording found in the Kyoto Protocol and is now outdated. The proposed amendment reflects the latest definition of a carbon unit as detailed in Article 6 of the Paris Agreement. This change will allow Welsh Ministers to be able to use internationally recognised carbon units under the Paris Agreement, if needed, while maintaining transparency. This is again, in line with the Climate Change Committee's advice of 24 July 2025.

Wales' carbon budgets are aligned with international standards. They set a cap on total territorial greenhouse gas emissions over a five-year period, helping us turn long-term goals into measurable action. They support planning across government, strengthen accountability, and ensure we remain on track to meet our target of net zero carbon emissions in Wales by 2050.

These regulations are more than technical instruments. They are a statement of intent – that Wales will continue to act decisively and fairly in response to the climate crisis. They provide the tools to manage future risks, drive progress, and support delivery across government and society.

The creation of green jobs and sustainable economic growth are at the heart of this Government. These priorities, alongside our legal commitments to future generations, equality and social partnership, are shaping our approach to climate action. Tackling climate change is not only about the important task of cutting emissions; it is also about creating opportunities, improving public health, and building a fairer, greener and stronger Wales.

By setting ambitious carbon budgets, modernising carbon accounting, and maintaining transparency, we can build investor confidence, support innovation, and create skilled jobs across Wales – ensuring a just transition to net zero that delivers lasting improvements for people, communities, and the Welsh economy.