A leader in a changing world? Welsh climate change policy

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Abstract
This paper examines the Welsh Government’s policy activity related to climate change. In doing so, it contributes to the growing research into the activity and significance of sub-state governments to tackling climate change. Wales presents an interesting case due to its relatively ‘unique’ legal requirement to promote sustainable development that is juxtaposed by the limits of Welsh autonomy. It is an area in which it has presented itself as having its ‘leadership’ on climate change. Under such circumstances, the paper focuses on critically evaluating two factors that are crucial to sub-state climate change policies in the context of multi-level dynamics: the degree of sub-state autonomy and intergovernmental coordination that have a significant impact on Wales' capacity to act in this area. The paper argues that in some respects, Wales is at the forefront of developing a climate change policy agenda due to its targets, its elaboration of its strategy and the development of a crosscutting and embedded approach to tackling climate change. It has approached the multi-level nature of competences relating to climate change and the constraints on the Welsh Government's autonomy in a realistic way. Its policies aim to add value to the actions at other levels of government and respond to distinctive Welsh circumstances. At the same time, Wales faces challenges in implementing its actions. Vertical integration and coordination with the UK Government is central to Welsh climate change policy and the paper argues that the political implications of party incongruence between Wales and Westminster heightens the challenge of these varied relations. The paper considers whether Welsh claims to 'leadership' are justified. Based on the findings from this case, the paper concludes by feeding into broader discussions regarding the role of sub-state governments in tackling climate change as an issue that it utmost on the global political agenda.

Introduction
Climate change is high on the global political agenda, but despite the pressing need to act, reaching meaningful agreement at international climate change negotiations has proven challenging. The literature on climate change politics has largely focused on this level, the 'international regime development for climate change' (Rabe, 2007: 187).
At this level, the rise of global environmental governance has led to the increasing involvement of non-state actors, non-governmental environmental organizations and economic actors (Baker, 2006: 53). There has also been gradually greater global recognition of the role of sub-state governments and their increasing mobilisation to enhance their influence in relevant multilateral bodies (e.g. Happaerts et al, 2010: 128, Van den Brande, 2009; Bruyninckx et al, 2012). To some authors, the over-emphasis on the international level is detrimental to examining policy responses to climate change at other layers of government. Brian Rabe (2007: 442) argues

The prolonged quest for the best practice in international climate policy has long crowded out serious analysis of what constitutes politically, economically, and managerially viable climate governance at the national or subnational levels.

The growing research drawing attention to the policy contribution of the sub-state level initially considered sub-state governments in America and Canada (e.g. Rabe, 2007, 2008). It is now expanding to sub-state governments in Europe, for instance Belgian regions (Happaerts, 2012), Scotland (Bomberg and McEwen, forthcoming), the Basque Country (Galarraga et al, 2011). The tendency is to focus on the climate change activity of federalised states, or sub-state governments with high levels of sub-state autonomy.

This paper's contribution to this growing literature is to draw attention to a contrasting and under-investigated case, the Welsh Government's' climate change activity. It represents a particularly interesting case due to a number of factors. First, its competences both enable and limit Welsh action. Its legal requirement to promote sustainable development viewed as a 'constitutional development unique in Western Europe' (Rawlings, 2003: 59) presents a potentially strong basis for action on climate change. This requirement, however, forms part of comparatively limited regional authority to Wales. In addition, in contrast to other cases discussed in the literature, Wales is a small nation with limited resources. Third, reflecting such circumstances, intergovernmental relations are integral to the operation of Wales' governance arrangements, thus further potentially limiting Welsh climate change policy.

Perhaps surprisingly given these circumstances and potential constraints, the Welsh Government presents itself as having an international 'leadership' role in tackling climate change. For instance, a submission to an UK parliamentary committee in 2008 stated: ‘In Wales, we have the opportunity to lead amongst small nations and we plan to do so by taking prompt action to play our part in achieving the necessary emission reductions’ (House of Commons, 2008: Ev 186). More recently, after attending the UNFCCC Doha at the end of 2012, the Minister for the Environment and Sustainable Development, reiterated the leadership dimension:

As recognised by the high-profile media coverage, Wales is increasingly seen internationally as a global leader and innovator among regional and sub-national governments in sustainable development and our approach to climate change within our sustainable development framework (NAfW, 2013). Interviews identified that this image extends to individuals engaged in sub-state governments' climate change activity internationally. One interviewee explained: ‘Wales is not economically hugely important region in Europe but they have this leadership on climate change' (Interview 32).
As a consequence of the seemingly low capability and high expectations conditions, Wales is a valuable case to investigate the role of sub-state governments in addressing climate change. Given the limitations of Welsh circumstances, the paper focuses on critically evaluating two factors that are crucial to sub-state climate change policies in the context of multi-level dynamics: the degree of sub-state autonomy and intergovernmental coordination. The paper examines three basic and interrelated questions:
1. How does the degree of Welsh autonomy affect its climate change activity?
2. How do central - sub-state relations relating to climate change work in practice?
3. What factors influence intergovernmental coordination in the area of climate change?

To address these questions, the paper is organised in four sections. The first section discusses the literature on sub-state climate change and sustainable development activity. It outlines the strengths and constraints on the sub-state level and the importance of vertical coordination between different levels of government. The main section of the paper then investigates the Welsh case. It outlines the degree of autonomy to undertake climate change mitigation and adaptation before evaluating the Welsh Government's activity in practice. In doing so, it examines the domestic and international dimensions of its climate change activity. Section three then turns to consider intergovernmental coordination regarding climate change. Based on this discussion, the paper develops a preliminary analysis as to whether Welsh Government claims to a 'leadership' position on climate change are justified. It subsequently contextualises Wales in the literature on sub-state governments and climate change and reflects on the motivations for Wales' activity and on how Wales informs our broader understanding of the potential significance of sub-state governments in tackling climate change. Two elements that are beyond the scope of this paper is detailed discussion of the governance of climate change and the policy networks in this area in Wales and these will be considered in greater detail in subsequent publications. The paper draws on two projects. The data includes an extensive analysis of primary and secondary materials and the second source is 25 semi-structured interviews conducted between March 2008 and January 2013.

**Contextualising sub-state governments and climate change**

As discussed in the Introduction, the climate change policies of sub-state governments are under-researched. This section draws on the existing literature on sub-state government climate change and sustainable development activity to assist in investigating the Welsh case. Climate change and sustainable development are intimately connected; Baker identifies three key tools for climate change policy, mitigation and adaptation strategies, and sustainable development promotion to remove the structural conditions that cause climate change (2006: 82-3).

The literature argues for greater recognition of the implicitly multi-actor and multi-level nature of climate change. According to Rabe (2008: 126): 'climate change policy can no longer be framed as the exclusive province of international relations and instead must also be acknowledged as an enduring challenge for multilevel governance.' A number of factors support giving greater attention to sub-state governments. Firstly, they are increasingly recognised for implementing international commitments (Van den Brande et al, 2012: 12; Galarraga et al, 2011). Secondly, improved regional scale projections provide a stronger basis for sub-state level
adaptation and mitigation policies (Corfee-Morlot et al, 2009: 13). Thirdly, the sub-state level is viewed as a key level of action due to their range of competences (Corfee-Morlot et al, 2009: 30; Galarraga et al, 2011: 168). Fourthly, and relatedly, the scale of the sub-state level is ideal to develop crosscutting policies, for instance spanning the environment, transport, energy and behavioural change (Corfee-Morlot et al, 2009: 43-4). Such policies are viewed as vital to addressing climate change (Baker, 2006: 81). Finally, the sub-state level can potentially be space for innovation and a valuable testing ground for identifying policy tools to tackle climate change (Galarraga et al, 2011: 165).

Nevertheless, the degree of sub-state autonomy affects their capacity to act. Van den Brande et al (2012: 8) note the comparative regionalism and federalism literature's attention to the impact of the allocation of competences on sub-state policies. In a picture of diversity of sub-state autonomy, they propose that Governments with a high degree of self-rule will be able to conduct self-designed policies with a large thematic scope and with a range of different policy instruments, while governments with a low degree of self-rule might instead be limited to the implementation of national policies. (Van den Brande et al., 2012: 9).

Similarly, Corfee-Morlot et al point to how a lack of resources, competences, legal and regulatory frameworks may prevent sub-state governments from designing or implementing policies (2009: 27). The sub-state level Lack sufficient jurisdiction over matters that greatly affect their greenhouse gas emissions. These include energy policies (particularly national electrical grid development and maintenance), funding for transportation development, maintenance and operations, taxation and revenue generation authority. (Corfee-Morlot et al, 2009: 40).

Whilst recognising its limitations, different aspects of the literature point to the value of the concept of multi-level governance (Van den Brande et al, 2012: 3; Galarraga et al, 2011: 165). It draws attention to horizontal and vertical relations, across and between different levels of government. This emphasis complements the paper's focus on the multi-level dynamics of climate change. According to Corfee-Morlot et al., the vertical dimension of multilevel governance underlines how climate change is often "nested" in multi-level legal and institutional frameworks (Corfee-Morlot et al, 2009: 26). This underlines the need to consider the strong interrelationships between different levels of government, the vertical downward integration arising from targets set at the state, European and international levels. Also, vertical cooperation is important to narrow or close the policy 'gaps' between levels of government (Corfee-Morlot et al, 2009: 8-9). Whatever the division of competences between different levels of government, intergovernmental coordination in the area of climate change policy is particularly important.

To sum, the existing literature highlights the potential role of sub-state government's climate change activity whilst also acutely aware of the implications of levels of autonomy. In all cases, the multi-level nature of climate change means that particular attention needs to be given to the vertical relationships and integration on climate change.
**Welsh climate change policy**

As might be expected in a highly multi-level context, Wales' competences in relation to climate change are complex due to the breadth of competences related to tackling climate change and the mixture of devolved and non-devolved competences. This section begins by discussing the arrangements for Welsh autonomy, before outlining the key legislative framework for Welsh Government activity on climate change, then examining its activity in practice.

**An autonomous leader?**

Compared to other sub state governments, Welsh autonomy is limited. Since the National Assembly for Wales’ establishment in 1999, three sets of constitutional arrangements have been in place. Under the Government of Wales Act 1998, secondary legislative powers were devolved to Wales in eighteen areas with primary legislative and tax-raising powers retained by the UK Government. The Government of Wales Act 2006 revised the arrangements. For 2007-2011, the Assembly had Measure-making powers in twenty fields of devolved power that required Westminster’s permission to legislate. A referendum in 2011 granted primary legislative powers in twenty fields of devolved power (provisions already contained within the 2006 Act). Taxation powers are reserved. Wales also lacks fiscal autonomy without tax varying and borrowing powers and its dependence on block grant funding from the UK Government. Recent reports have made recommendations regarding increasing taxation and fiscal autonomy (Independent Commission on Funding and Finance for Wales, 2010; Commission on Devolution in Wales, 2012).

Drawing on Hooghe, Marks and Schakel’s work on regional authority, Wales ranks low in terms of depth of regional authority, institutional depth and fiscal autonomy (Marks et al., 2008; Hooghe et al., 2008). Up to 2011, Swenden's analysis of Wales’ autonomy is most realistic. Comparing federal and regionalised states in Western Europe, he argues that Wales’s degree of dependence on central government is quite exceptional, with its devolved government ‘bound to cooperate with the centre for any policy which it implements. In this sense, the level of legislative-executive interlocking is nowhere higher than in Wales’ (Swenden, 2006: 92).

Given its low level of regional authority, what are the Welsh Government's competences in relation to climate change? Not surprisingly, there is a complex and multi-level division of power as Welsh climate policy is intimately nested in EU and UK level legislation. According to the UK Government, the majority of climate policy is non-devolved (2013: 29). The UK Climate Change Act 2008 established a statutory target of reducing greenhouse gas emissions by 34% by 2020 and by 80% by 2050 against a 1990 baseline (WAG, 2010a: 110). This 2008 Act gave Welsh Ministers executive powers in some non-devolved areas. It places a duty on Welsh Ministers ‘to combat climate change and to have regard to the desirability of alleviating fuel poverty, and the desirability of securing a diverse and viable long-term energy supply.’

It also provides specific powers to support climate change adaptation, including requiring public bodies to prepare adaptation reports (WAG, 2010a: 95) and make regulations for trading schemes associated with greenhouse gas emissions in devolved matters. It also gives an express power to allow the purchase of offset credits. A further transfer of powers from Westminster to Welsh Ministers relating to building regulations took place in December 2011.
Climate change activity must also be considered in the context of the sustainable development statutory duty. Section 121 of the 1998 Act required the Assembly ‘to make a Scheme stating how it proposes, in the exercise of its functions, to promote sustainable development in all its functions’. It reflected growing recognition of sub-state governments in achieving sustainable development and Wales was one of the first three governments in the world with such a duty (Williams, 2006: 256). Currently, Section 79 (1) of the Government of Wales Act 2006 requires Welsh Ministers to develop a scheme outlining how they intend to promote sustainable development. The challenge of implementing sustainable development across government policy agendas has led to it being prioritised since 2007. Amongst the Welsh Government's first legislative proposals is a Sustainable Development Bill to be introduced in the autumn of 2013. It intends to establish sustainable development as a 'central organising principle' of government and expand the duty to include the public sector.

Energy highlights the complexities of devolved powers and limits to the Welsh Government’s autonomy. Whilst it is reserved, in accordance with the 1989 Electricity Act (amended by the 2008 Planning Act), the Welsh Government has competences for energy generation under 50MW on land and 1 MW at sea, including renewable energy. Above these levels is a matter for the UK level, in consultation with the devolved administrations if appropriate. However, a number of executive powers and duties relevant to energy project consent are devolved, including planning (WAG, 2010d).

A final area is the basis for international engagement on climate change. A Memorandum of Understanding outlines the formal structures of relations between the central and sub-state governments and more details are fleshed out in a Concordat on International Relations. The Welsh Government will be invited to contribute to reports to international organisations as regards international obligations arising from international agreements (including UN Conventions) related to decentralised competences. In such cases, the UK Government ‘will consider Welsh representation when international organizations discuss such reports’ (Ministry of Justice, 2012). There is no reference to Welsh Government involvement in international decision-making bodies, in contrast to their ability to attend Council of Ministers and EU-related meetings (Ministry of Justice, 2012). Concordats are a statement of political intent and non-legally enforceable.

On the basis of these competences and resources, in view of the literature’s position on the implications of the degree of self-rule to sub-state government’s capacity discussed in the first section, the range of policies in the Welsh case could be expected to be constrained to the extent that it may be limited to a focus on implementing state-level policies.

**Welsh Climate Change Policy in Practice**
How does the degree of autonomy affect Welsh climate change policy? Crucially, the strong overlaps and interrelationships with UK and EU levels competences are fully recognised and actions at these levels of government are considered as contributing towards achieving Welsh targets alongside Welsh actions. The nature of
the devolved competences has inevitably shaped the Welsh Government's approach to tackling climate change.

The Welsh Government’s most concerted and comprehensive policy activity to tackle climate change developed during the third and fourth Assembly terms (2007-11 and 2011 onwards). During the previous two terms, attention to climate change increased gradually within its sustainable development agenda (NAfW, 2000: 4). For instance, the sustainable development scheme for 2003-07 identified climate change as the ‘greatest international sustainable development challenge’ and aimed to play a ‘full part in reducing the threat posed by climate change by moving to a low carbon economy’ (WAG, 2004: 9). For the third term (2007-11), the ‘One Wales’ coalition agreement between Welsh Labour and Plaid Cymru argued that climate change was a key global threat. It set the ambitious target of ‘annual carbon reduction-equivalent emission reductions of 3% per year from 2011 in areas of devolved competence’ (WAG, 2007: 31). Specific actions included a strong emphasis on reducing CO2 emissions; establishing a Climate Change Commission for Wales (WAG, 2007: 30-31); developing an Energy Strategy and an Energy Route Map (WAG, 2007: 32-3) and international-related activity through the Wales for Africa programme (WAG, 2007: 38). Whilst there is no legislative basis, the key framework documentation are The Sustainable Development Scheme (WAG, 2009) regarded as the framework for climate change activity, the Climate Change Strategy, its Adaptation Delivery Plan, Delivery Plan for Emission Reduction and the Energy Plan (WAG, 2010a; WAG, 2010b; WAG, 2010c; WG, 2012b). The fourth term Labour Government (2011 onwards) reaffirmed its commitment to the Climate Change Strategy in its Programme for Government (WG, 2011: 4).

In terms of the Welsh target, the Climate Change Strategy elaborates on the 3% per year reduction target in areas of devolved competences. It includes all greenhouse gas (GHG) emissions and ‘direct’ emissions except those from heavy industries and power generation that come under the EU Emissions Trading Scheme (WAG, 2010a: 34). Emissions from large power plants are included within the 3% target (WG, 2012a: 10). It aims to achieve a 40% reduction in all GHG emissions by 2020, based on 1990 figures. Viewed as 'comparable with the more ambitious reduction plans globally' (Climate Change Commission for Wales, 2012: 4), the 3% target is considered as broadly equivalent to the Climate Change Act requirements on the UK Government, but is more challenging as it focuses on areas of devolved competence. Furthermore, according to the UK Committee on Climate Change, the 2020 target is more ambitious than the UK target (WG, 2012a: 17).

The strategy is based on embedding action within policy areas and coordination of policies across government. It identifies key target sectors in Wales: transport, business, residential sector, agriculture and land use, public sector and waste sector. It also establishes crosscutting action across the climate change agenda: behaviour change, energy generation, buildings and research (WAG, 2010a: 7). Table 1 outlines the estimates of how each specific sector can contribute to achieving the annual 3% reduction in greenhouse gas emissions.
Table 1

<table>
<thead>
<tr>
<th>Targets to reduce emissions and to adapt to climate change effects according to sectors</th>
<th>Contribution to the 3% target (estimate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport</td>
<td>0.44%</td>
</tr>
<tr>
<td>Business</td>
<td>0.36%</td>
</tr>
<tr>
<td>Residential Sector</td>
<td>0.57%</td>
</tr>
<tr>
<td>Agriculture and land use</td>
<td>0.20%</td>
</tr>
<tr>
<td>Waste sector</td>
<td>0.21%</td>
</tr>
<tr>
<td>Private sector</td>
<td>0.03%</td>
</tr>
<tr>
<td>Renewables Obligation</td>
<td>0.30%</td>
</tr>
<tr>
<td>Broader sectoral contribution</td>
<td>0.90%</td>
</tr>
</tbody>
</table>

(WAG, 2010b: 3).

The Welsh Government's greatest capacity and devolved competences are in the agriculture and land use sector, the resource efficiency and waste sector. However, Table 1 illustrates that they are amongst the lowest contributors to the 3% target. The greatest contribution is expected from a broader sectoral contribution defined as business, the public sector, the Third Sector, communities and individuals (WAG, 2010b: 5). This explains the strong emphasis on developing a comprehensive approach to behaviour change (WAG, 2010a: 27), elaborated in a Climate Change Engagement Strategy. In terms of its success in coordinating work across all areas, the Climate Change Commission for Wales has been slightly critical by calling on the Welsh Government to, 'continue to demonstrate leadership on this agenda by considering carbon impacts in all spending decisions, while highlighting the need for renewed efforts to engage the private and third sectors to better define the wider contributions that are needed to deliver the 3% emission reduction target.' (WG, 2012a: 5)

In terms of the multi-level nature of climate change, the strategy fully recognises the overlaps and inter-relationships with UK and EU level competences in regulatory, legislative, fiscal and taxation powers. The strategy's ministerial foreword refers to: 'the importance of UK and EU interventions to achieving our targets in Wales' (WAG, 2010a: 2). Each sector-by-sector outline of emissions reduction targets and actions sets out the UK Committee on Climate Change’s key actions; highlights the relevance and implications of UK and EU policies and programmes and identifies the Welsh Government’s main levers and powers to influence emissions in a particular policy area. Each sector includes a statement worded similar to: 'UK and EU policies and programmes, including major regulatory regimes and fiscal measures, will play a significant role in driving emission reduction in this sector. We will work closely with the UK Government to influence developments in this area.' (WAG, 2010a: 63).
The statistics outlining the relative contribution of different spheres to achieve the 3% target are particularly illustrative (WAG, 2010b: 2).

The contribution of Wales' policies to the 3% 0.89%
The contribution of the UK's policies to the 3% 1.21%
Broader sectoral contributions to the 3% 0.91%

The Welsh Government has the most limited potential to contribute to achieving the 3% target with the greatest role being that of the UK Government. Referring to these statistics, The Emission Reductions Plan, explains: 'The Assembly Government component ... is based only on the additional measures that we are taking over and above that which is already assumed within the UK base package.' (WAG, 2010b: 1). It clearly illustrates the multilevel competences for emissions relating to buildings, transport and industry in Wales with different policy, regulatory and legislative tools in the remit of the EU, UK and Welsh Governments (WAG, 2010a: 105). On this basis, the Welsh Government’s approach is to recognise the competence constraints and to attempt to maximise the effect of its current devolved competences.

The Welsh Government has acted on its ambitious aims to be involved internationally on sustainable development and climate change (WAG, 2010a: 19; see Royles, 2012). It has held leadership roles in networks such as nrg4SD (network of regional governments for sustainable development) and the Climate Group. As with other regional governments, this has provided opportunities to engage with the UN and participate in UN-related events. It has enabled promoting international recognition of sub-state government's role in tackling climate change and created opportunities for policy learning and exchange (see Galarraga et al, 2011). It has also been a platform for Wales' own climate change credentials and facilitated developing connections with other active sub-state governments and with UN bodies. This activity has led to its international sustainable development and climate change activity, particularly the Territorial Approaches to Climate Change (TACC) project with the Mbale region of Uganda (WAG, 2010a: 19). Its aim is to encourage North / South partnerships to support adaptation to climate change. Further developments include a Climate Change Partnership between Wales and Lesotho to assist the latter in developing a climate change strategy (WG, 2012c).

Finally, the Welsh Government's climate change activity reflects the literature's stress on the potential of the sub-state level to develop crosscutting and innovative policies. Addressing climate change from a sustainable development perspective has resulted in innovative crosscutting policies. The most notable programme relates to energy efficiency. In other cases, sub-state governments can often draw on a wider range of policy instruments including energy taxation (Galarraga et al, 2011). Wales has utilised subsidies and energy standards. Arbed is a strategic energy, performance and investment programme based on delivering energy efficiency in low-income communities in Wales' regeneration areas, co-funded through European convergence funds. The merits of the programme are the way that it combines environmental (emissions reductions) with economic benefits (use of local companies) and social benefits (addressing fuel poverty). According to the government, there is no equivalent programme in England. The limitations are that it has been too small scale (WG, 2012a: 26). Furthermore, Wales has developed innovative policies that could be applied elsewhere. The Sustainable Travel Centres
was one example cited in interviews. Other research identified that Wales' spatial zoning framework for wind energy development was the most significant planning renewable energy policy innovation arising from devolution across the UK (Cowell et al, 2013: 8).

To sum, in some respects, Wales is at the forefront of developing a climate change policy agenda due to its targets and the development of a cross-cutting and embedded approach to tackling climate change elaborated in the Climate Change Strategy and related documents. It has approached the multi-level nature of competences relating to climate change and the constraints on the Welsh Government's autonomy in a realistic way. Its policies aim to add value to the actions at other levels of government and respond to distinctive Welsh circumstances. Whilst reports on delivering the 2011 targets will be produced later in 2013, reviews of activity to date commend progress to date but the Welsh Government needs to 'strengthen policies to ensure that Wales is on track to meet its emission reduction targets' particularly in developing activity associated with the 'wider contribution of others' (Climate Change Commission for Wales, 2013).

**Vertical integration and policy coordination in climate change policy**

Examining Welsh climate change policy in practice has underlined the centrality of vertical integration with the UK Government. Further research will be conducted in this area and these findings are tentative.

At the highest level of intergovernmental relations lies ministerial level engagement. Usage of the formalised structures, and the Joint Ministerial Committee (JMC) in particular, has been limited. Renewable energy issues were discussed at a plenary meeting in June 2008 and a number of JMC (Europe) meetings in preparation for European Councils discussed climate change (Cabinet Office, 2012; NAFW, 2012a). Alternatively, two 'work sectors' of the British-Irish Council (Environment and Energy), have met more regularly and thus provided a multilateral forum to discuss these topics.5

The main relevant UK Government departments with regards to climate change are the Department of Energy and Climate Change (DECC) due to its emissions reduction role and the Department for Environment, Food and Rural Affairs (DEFRA) due to its functions around climate change adaptation. The Department for International Development is the main department for international sustainable development activity. In addition, there is joint working with UK-level bodies established due to the Climate Change Act 2008. They include the UK Committee on Climate Change (UK CCC), the UK Climate Change Risk Assessment (CCRA) and the UK Climate Impacts Programme (UKCIP). The first two are co-funded by the UK administrations.

As regards relations between officials, the Welsh Government recognises that building close relations with Whitehall departments is important in order for Welsh interests and needs to be taken into account in the development and delivery of UK climate change actions, securing policy coordination. Across the majority of sectors, the Climate Change Strategy utilises a similar wording to refer to the inter-governmental dimension: 'We will continue to work closely with the UK Government to influence developments in this area' (WAG, 2010a: 53; 58; 63; 73).
In practice, it seems that there are good working relations with those bodies that the Welsh Government co-funds. For example, in relation to the CCRA, the Climate Change Commission for Wales (2012: 13) reported that the Welsh and UK Governments were 'directly and consistently involved'. There is a high level of institutionalisation of the formal governance structures surrounding climate change associated to legal requirements and obligations arising from the Climate Change Act 2008 and the EU Emission Trading Scheme. Whilst the arrangements vary from policy to policy, these are essentially Whitehall based and the devolved administrations have no formal representation. Arrangements to involve devolved administration officials are pragmatic as they are invited to attend when appropriate. As a result, coordination between Whitehall and Welsh officials is largely informal. Welsh officials make an effort to foster links and there is regular contact between officials. Again, the nature of relations seemed to vary from policy to policy and there were moves to revise the bilateral concordat between the Welsh Government and DECC.

Relations on a ministerial level have been more difficult, viewed by one interviewee as 'more hostile than constructive'. This is partly as Welsh Labour, First Minister Carwyn Jones is responsible for this energy portfolio, the main area of contention with regards to climate policies. Growing public protests in mid Wales around wind energy developments has also exacerbated tensions regarding Welsh energy competences. Wales' policies have focused on maximising the potential from renewable energy, particularly community scale micro-generation (WAG, 2010d). However, since 2005, there have been repeated attempts to gain energy production powers over 50 MW but these have been consistently refused by the UK Government. The Scottish Government has executive powers to consent to large power stations or to substantial energy developments and its activity has been commended (Cowell et al, 2013). The 2011 Programme for Government's (WG, 2011: 4) outlined its intention to request 'responsibility for energy consents up to 100 MW on land and sea and for the Renewables Obligation to support delivery of our low carbon energy agenda.' Recent arguments for transferring competence (apart from nuclear energy) included enabling Welsh Ministers to substantially reform the planning system, developing more integrated and efficient decision-making on energy infrastructure that would give proper consideration to sustainability and the environment (WG, 2013: 10, 22-3). It must be noted, that the previous Labour Governments were no more accommodating to these requests. Nevertheless, energy has played a very public part in intergovernmental debates and the UK Government's position that there is no compelling case for further powers in this area was clearly made in 2011 (WG, 2012c) and in its submission to the Silk Commission (UK Government, 2013).

More generally, some interviewees considered that the variable quality of vertical coordination was, in some instances, affecting climate policy in Wales by creating potential policy gaps. With some UK-level policies, it seemed that Wales was having an input. With the Energy Company Obligation (ECO), discussions aimed to ensure that 'Wales maximises its share of the ECO and can align our own programmes, Nest and arbed alongside ECO.' (WG, 2012a: 71). In other cases, it seemed that Wales wasn't having sufficient input into the formulation of UK-level policies and, as
a consequence, was unable to prepare and respond quickly enough to UK plans. In 2010, one interviewee explained:

 Possibly areas of weaknesses would be you know are we quick enough and smart enough in supporting the implementation of measures in Wales that come from outside Wales?... Have we been quick enough? Probably not. We should be a bit smarter on that. (Interview 35, October 2010).

Similar comments were made in 2012 surrounding the Green Deal programme to support domestic energy efficiency. The suggestion was that rather than influencing the policy’s development, the Welsh Government’s approach was more responsive, awaiting the details, then responding and adapting as appropriate. The potential limitations of the situation are that Welsh needs might not be adequately taken into account and difficulties for Wales in preparing for policy implementation. A National Assembly for Wales report into Energy and Planning in Wales found that compared to local government in England, Welsh local authorities were behind in the work of implementing the Green Deal (NAfW, 2012b: 18). The committee recommended that the Welsh Government and Welsh Local Government Association encourage local authorities to prepare by drawing on examples of good practice in England (NAfW, 2012b: 20). Similarly in 2013 the Committee on Climate Change and the Climate Change Commission for Wales raised issues regarding the Welsh Government’s role in this programme. The former called on the Welsh Government to, ‘set out its strategy for promoting the Green Deal and ensuring Wales continues to receive a commensurate share of funding from supplier programmes (i.e. ECO)’ (2013: 9). The same report pointed to ‘signs that renewable power development is falling behind the rest of the UK’ (2013: 9). Overall, it seems that in some cases the nature of relations created policy coordination issues as regards UK-wide policies in Wales.

What factors influence the nature of intergovernmental coordination in this area? Most accounts of IGR across the devolved UK have stressed the ad hoc and piecemeal approach to the intergovernmental arrangements since 1999. In the case of climate change, the formal and institutionalised mechanisms to coordinate across Whitehall and informality do not fully guarantee strong working relations with the devolved administrations.

Another factor that may impact on the nature of intergovernmental coordination is the political implications of party incongruence between Wales and Westminster. Following a long period of party congruence, as Labour was the main governing party in Westminster and in Wales from 1999 to 2010, there has been a new dynamic in relations following establishment of Conservative-Liberal Democrat coalition Government in Westminster post-2010. Welsh Ministers have demonstrated a new willingness to publically draw attention to tension between both governments, as in the case of energy discussed above (see Wyn Jones and Royles, 2012). In practice, day-to-day official-level relations can often continue unaffected by such public ministerial positioning. However, ministerial-level relations may influence official-level relations. This party political dynamic is a new element to the relationship. Its can effects vary. It was mentioned above that bilateral concordats are revised, a sign of intergovernmental relations in a period of party incongruence. During the first decade of devolution, such documents were rarely pulled out of drawers. In relation to the Green Deal, the suggestion was that party incongruence had contributed to a policy gap:
I'm always slightly questioning in my mind whether the politics of the situation: if the Green Deal was a Labour Government initiative in Westminster, whether we would have seen more enthusiasm for it from the administration in Cardiff. There is politics tied up in the relationship. (Interview 39).

Another increasingly pronounced implication of political incongruence evident in climate change policy is the growth of policy divergence between Wales and the UK. On the one hand, since 1999 there has been a growing aspiration within Wales to develop distinctively Welsh policy responses, 'made in Wales'. This has resulted in Wales investigating policy learning and best practice from a range of other international contexts, which feeds into developing Welsh policies. Examples relating to climate change include how Wales' zero waste strategy has been influenced by Flanders. A possible negative side effect is that, either consciously or unconsciously, there may be less time for engagement with Whitehall.

On the other hand, it can be suggested that greater distinctiveness of policy agendas relating to climate change also reflects the diverging ideologies guiding the Westminster and Welsh governments. Under the UK Labour governments, climate change policy tended to be characterised by a mixture of taxation and regulatory provisions (Rabe, 2007: 441). The current Conservative-Liberal Democrat UK Government is introducing greater use of market-based mechanisms and incentivisation in its climate change actions, evident in initiatives such as the Green Deal and the Green Investment Bank. Some interviewees argued that the Welsh Government, in contrast, attempts to utilise the range of policy tools at its disposal in the context of climate change activity. This includes using its relatively new legislative powers at one end and behavioural change work at the other end.

Overall, the area of climate change reflects the findings of a series of other investigations into intergovernmental relations. They identify continuing tendencies of variations in the quality of relations between different Whitehall and Welsh Government departments and Wales' dependence on Whitehall and Westminster that are largely the result of the devolution arrangements (see for instance Richard Commission 2004; House of Commons, 2010). The findings of the Environmental Audit Committee in 2008 on intergovernmental relations were similar: 'In this case, there were good relations in key areas of joint working but difficulties 'around communication and the nature of the devolution settlement' (House of Commons, 2008: 32-3). With regards to climate change, coordination with the UK-level is most important to Wales, as it is dependent on Whitehall and other bodies who have greater resources and capacity in the area of climate change. This compares to the more limited numbers of civil servants dealing with climate change issues in the Welsh Government. The situation is compounded by climate change being a cross-sectoral issue and the requirement for expertise across a range of different areas in order to develop appropriate policies. In such a context, working to enhance relations with Whitehall where their perspectives and priorities are to different political masters and diverging is challenging.

**Explaining Welsh 'leadership' in a broader context**

Based on considering the effects of competences and intergovernmental coordination on Welsh climate change activity, can Welsh 'leadership' be justified?
Its approach to climate change from a sustainable development perspective is a strength and 'leadership' could be associated with the targets, its forerunner position in developing strategies in this area, its crosscutting approach, and international engagement on climate change. Its limited autonomy certainly questions the basis for such leadership claims. In this context, the paper argues that the strength of the Welsh approach and any claims to being an exemplar are based on having embraced the multi-level nature of climate change policy. In doing so, it has incorporated EU and UK level activity into its plan side by side its own activities. This approach can promote vertical integration whilst also developing autonomous policies at the sub-state level to add value to the activity of other levels of government.

In some respects, Welsh activity is similar to other sub-state governments. Galarraga et al (2011) consider 23 cases of sub-state governments. From this perspective, Wales seems to bear similarities to both regions with more ambitious goals, on a longer timescale and with European regions that have adopted the targets of the state level (Galarraga et al, 2011: 170). The range of Welsh activity seems to reflect other cases: energy efficiency, renewable energy, transport and waste, though the Welsh focus on agriculture may be different (Galarraga et al, 2011). There are also commonalities in the nature of international engagement and the role that networks have played in this context (Galarraga et al, 2011: 169).

In the European context, perhaps the most contrasting case to Wales is Belgian regions. Here, substate governments have extensive autonomy relating to climate change. Based on an analysis of the climate policies of the three regions, Happaerts (2012) argues that they are not laboratories of experimentation; they have low ambitions to be proactive and low political will resulting in potential risks of policy failures. He argues that the features of Belgian federalism itself creates a number of problems:

all competences are exclusively yet very incoherently divided among levels of government, facilitates the governments' tendencies towards each other to take action on such a complex domain as climate change where their own political ambitions are low.' (Happaerts, 2012: 12)

The Belgian cases therefore indicate that a high level of sub-state autonomy doesn’t guarantee ambitious action on climate change.

In contrasting Welsh conditions of limited autonomy but relatively ambitious action, what factors have then provided an impetus for sub-state activity? This is important in developing an understanding of the potential significance of sub-state governments in tackling climate change. In developing a tentative initial analysis of this issue, we can draw upon Bomberg and McEwen's work (forthcoming) that identifies a number of motivations that explain pioneering behaviour by sub-state governments on climate change and present hypotheses for why some sub-state governments are pioneering. The first hypothesis is that climate policy ambition or leadership is more likely based on 'constitutional capacity to develop distinctive policies, the fiscal capacity to invest, and the natural, renewable resource capacity to exploit.' (Bomberg and McEwen, forthcoming: 23). In the Welsh case, the paper has clearly illustrated limitations on constitutional and fiscal capacity. However, it must be noted that the sustainable development statutory duty has formed a crucial basis for activity and has been a legal requirement that has been extremely important in
promoting Welsh action. The natural, renewable resource capacity has not been discussed in this paper but is a very strong feature in Wales. Wales recognises its economic potential evident in how the Energy and Environment sector is one of the key sectors identified in the Welsh Government's economic strategy, Economic renewal: a new direction. The second key element to Bomberg and McEwen's hypotheses is that 'strong identity nations and regions may be more likely than weak identity regions to pursue ambitious climate action' (forthcoming: 24). The territorial politics dimension in the Welsh case is particularly interesting. It is undoubtable that political will has been key to Welsh action on climate change. At the most basic level, there is strong recognition within the Welsh Government of the reality of climate change and the need to act, bolstered by cross-party consensus within the Assembly on the political importance of acting to address climate change. Given the tendency in other governments to question and indeed deny climate change, this recognition is fundamental to any meaningful government action. Cowell et al's comparative work on renewable energy in a devolved UK makes similar points regarding political will. In addition to powers, there is a need for 'disposition, capacity or will to deploy them in an effective manner for renewable energy' (Cowell et al, 2013: 12). This 'leadership' is not simply a direct consequence of broader nationalist mobilisation in the Welsh case given that Welsh Labour, part of a state-wide party, has been the main party in government since 1999. The linkage between territorial identity and the influence of distinctive territorial policy networks on climate policy in the Scottish case (Bomberg and McEwen, forthcoming, 18) serves to underline the value of research into Welsh policy networks surrounding climate policy. What seems to best reflect Welsh circumstances is Bomberg and McEwen's assertion that 'climate ambition may be an opportunity to assert territorial distinctiveness on the national and international stage through non-constitutional means, bypassing the issue of whether or not the territory's constitutional autonomy should be extended.' (forthcoming: 24). These issues deserve further investigation.

Conclusion
A small nation but a global leader? An international exemplar? Rarely do we associate Welsh Government policy with such terms. Its ability to make such claims in relation to Welsh climate change policy has been the topic of this paper. Its leadership credentials with regards to its domestic activity is associated with its targets and strategies that recognise and work within the constraints and adding value to the multi-level competence setting of climate policy. The multi-level context has also enabled developing a leadership role internationally as successive committed Labour-led Welsh Governments have engaged internationally on climate change. Key tests remain for Wales in terms of its ability to implement the proposals that it has developed to achieve the goals that it has set.

Similarly, the key challenges of climate change targets and policies are in their implementation in the context of multi-level governance. Galarraga et al (2011: 168) explain that the IPCC, the UN and other international organisations 'call for cooperative coordinated efforts between municipal, regional, national and international institutions.' The paper has demonstrated that vertical coordination is key to Wales' climate change activity. The same applies to Belgian regions in the context of high levels of autonomy (Happaerts, 2012). The Welsh Government faces the challenge enhancing vertical coordination on a policy issue as complex as climate change.
Wales reflects the rising trend in sub-state government climate change activity and this paper has considered key factors affecting its domestic and international activity. Welsh climate change activity and the distinctive circumstances surrounding these policy suggestions that there is a clear potential for sub-state governments of various degrees of autonomy to take up the challenge of responding to key global problems, such as climate change. They face particular challenges and further research is needed to identify whether sub-state governments deserve greater recognition for their efforts to address issues that are utmost on the global political agenda, issues that pose challenges to states themselves.

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1 This paper utilises 'Welsh Government' consistently to refer to the devolved government of Wales to
3 The Memorandum of Understanding and related concordats were agreed between 1998 and 2001 and were revised in 2010 and 2012 (Ministry of Justice, 2012).
4 Definition of the target of 3%. 'The target will include all “direct” greenhouse gas emissions in Wales except those from heavy industry and power generation, which are being broadly defined as those installations covered by the EU Emissions Trading Scheme (EU ETS)...because we recognise the importance of reducing electricity consumption in order to reduce emissions, we will also be including these emissions within the 3% target by assigning them to the end-user of electricity' (WAG, 2010a: 34)
5 The Energy work stream focuses on electricity grid infrastructure and marine energy.
6 Mitigation-related bodies: Carbon Reduction Commitment (CRC) Project Board; CRC Performance League Table Review Group; Climate Change Agreements Working Group; Marine Climate Change Impacts Partnership Adaptation-related bodies: National Adaptation Programme Policy Advisory Group; UK Domestic Adaptation Programme Board; Adaptation Analyst Group European Union Emission Trading Scheme: EU ETS Project Board; EU ETS Aviation Project Board; EU ETS Small Emitters Working Group.
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