

CLIMATE EMERGENCY RESPONSE GROUP

Scotland's green recovery and climate emergency response:

Interim assessment of progress –
achievements and recommendations
one year on

November 2020



1. Introduction

1.1 Background

In spring 2019, Scotland declared a climate emergency, and made it the focus of its Programme for Government. Over a year later, the Climate Emergency Response Group¹ looks at the many achievements in Scotland's response to the climate emergency. The group also highlights remaining gaps and concerns which can and must be filled in the coming months with the opportunities presented by the Scottish Budget for 2021/22 and the Climate Change Plan Update, along with associated policy announcements. There is just one year to go until COP 26 - the UN Climate Change Conference - in Glasgow, and Scotland can and should showcase world-leading policies to reach net-zero emissions which match its world-leading climate change targets.

Without a doubt, this has been a very challenging year due to the global pandemic. However, while some commitments have been delayed, in other areas we have seen opportunities taken to accelerate action which support public health measures and are part of a green recovery to the economic crisis. Our belief is that a bold response to the climate emergency will create and sustain jobs, improve health and well-being, and support community resilience.

CERG has been working since summer 2019 to inform the Scottish Government's response to the climate emergency by providing practical solutions that can be implemented now². This report provides an interim assessment of progress, just over one year later, against the recommendations in our reports, taking account of the changed circumstances due to COVID-19. These recommendations are not a comprehensive list of all the leadership actions that the Scottish Government needs to take to respond to the climate emergency, but immediate priorities which are practical and fit well with the green recovery.

This is an interim analysis because we expect there will be further announcements in the coming months. It has been based on Scottish Government documents along with input from CERG members, stakeholders, and Scottish Government officials. We accept that we may be missing some information, or that we may not have interpreted published information correctly, but we have made best efforts to provide a fair and objective assessment.

1.2 CERG membership

CERG Steering Group	
Andrew Bissell	Claire Mack
Teresa Bray	Daisy Narayanan
Kathryn Dapré	Stefanie O'Gorman
Lucy Frankel	Claire Rampen
Sam Gardner	David Reay
Iain Gulland	Hannah Smith
Andy Kerr	Sara Thiam
Sarah-Jane Laing	Mike Thornton
Fabrice Leveque	Paul White
Adam Liddle	
Secretariat	
Elizabeth Leighton	Kate Studd

¹ <https://www.changeworks.org.uk/cerg>

² August 2019: 12 immediate actions for Scotland's response to the climate emergency. <https://www.changeworks.org.uk/resources/12-immediate-actions-for-scotlands-response-to-the-climate-emergency>.

January 2020: Funding the 12 immediate actions for Scotland's Climate Change response. <https://www.changeworks.org.uk/resources/cerg-funding-the-12-immediate-actions-for-scotlands-climate-emergency-response>.

April 2020: Priorities for the Climate Change Plan Update. <https://www.changeworks.org.uk/resources/scotland%E2%80%99s-climate-emergency-response-priorities-for-the-climate-change-plan-update>.

July 2020: 8 policy packages for a green recovery. <https://www.changeworks.org.uk/resources/eight-policy-packages-for-scotlands-green-recovery>

2. Overall findings

2.1 Summary

Overall, there has been good progress against many of CERG's proposals, though few have been met in full. Of course, the pandemic has had a big impact on progress – with work paused due to staff redeployment, or programmes stopped because of lock-down or physical distancing requirements. Some work is just getting underway again. However, in some areas we were disappointed there was not more progress in the development of policies and programmes in the months before the pandemic, losing valuable time. We find our analysis chimes with the UK Committee on Climate Change's recent progress report for Scotland³, which noted good commitments and actions on sustainable travel, tree planting, and offshore wind; partial progress on buildings, and gaps in setting out the future direction of agricultural support.

Our interim analysis of progress against CERG's 20 proposals concludes:

- **33% rated green or light green meaning the proposal was met or broadly met:**
 - City & town transformation & zero-emission cities (budget commitments)
 - Retrofit buildings (budget commitments)
 - Rural jobs creation
 - Green enterprise support
 - Green future skills
 - Scottish heat pump sector deal
 - Dedicate the Scottish National Investment Bank (SNIB) to responding to the climate emergency
- **57% rated amber or high amber, meaning they have been met in part but there are concerns with the pace of progress and/or critical gaps:**
 - City & town transformation & zero-emission cities (policy commitments)
 - Retrofit buildings (policy commitments)
 - Unlocking private investment
 - Green scrappage scheme
 - Expanded capital investment
 - £100m Agriculture Transformation Fund
 - Regional land use plans which support the climate emergency response
 - Green city region deals
 - Carbon Capture and Storage infrastructure
 - Building standards for zero-carbon buildings
 - Accelerate energy efficiency retrofit
 - Complete plans for renewable electricity generation to support net-zero
- **10% of our proposals are rated red, meaning they have not been met in a meaningful way, even though the government has committed to taking them forward:**
 - Mobilise £11bn of annual public procurement to support the climate emergency response
 - Public guidance on sustainable, climate-friendly, healthy diets

³ Reducing Emissions in Scotland. 2020 Progress report to the Scottish Parliament. Committee on Climate Change. October 2020. <https://www.theccc.org.uk/publication/reducing-emissions-in-scotland-2020-progress-report-to-parliament/>

The following tables summarise the ratings for each proposal, and section 4 provides the detailed rationale for each rating. We are hopeful that forthcoming announcements surrounding the Scottish Budget and the Climate Change Plan Update will give reason to upgrade our assessment.

Table 1: Key & summary of assessment






Totals				
Definition of Red / Amber / Green ratings		Budget	Policy	Overall %
GREEN - CERG proposal met / on track		3	4	33%
LOW GREEN - CERG proposal broadly met but reliant on future policies / plans, and/or needs more urgency		5	1	
HIGH AMBER - CERG proposal broadly met but progress slow & a few gaps			1	57%
AMBER - CERG proposal met in part but gaps remain, scale of response inadequate and/or delayed.		10	12	
RED - CERG proposal not met in a meaningful way		2	2	10%

Table 2: Overview of progress against CERG’s key recommendations

8 Policy Packages for a Green Recovery ⁴	Assessment of response	
	Budget	Policy Commitments
City & Town Infrastructure Transformation Programme		
Retrofit buildings for net-zero Scotland		
Rural jobs creation programme		
Green Enterprise Support		
Unlocking private investment now with greater policy certainty		
Green Scrappage Scheme		
Green Future Skills		
Expanded Capital Investment Stimulus		
12 Immediate Actions for Scotland’s Response to the Climate Emergency ⁵	Budget	Policy
Mobilise the £11bn of annual public procurement to support the product and service innovation the climate emergency response needs		
Produce public guidance on sustainable, climate-friendly, healthy diets		
A £100m Agricultural Modernisation Fund		
Make regional land use plans for maximising the potential of every part of Scotland’s land to contribute to the fight against climate change		
Initiate 4 new Green City Region Deals		
Signal that every one of Scotland’s city centres will be vehicle emission free by 2030 (Zero-emission cities)		
Establish a public-interest company to invest in and operate Carbon, Capture & Storage (CCS) infrastructure		
Enhance building standards to deliver zero-carbon homes and buildings		
Accelerate Scotland’s energy efficiency retrofit scheme, using regulation & public funding to support almost all homes & buildings in Scotland to reach at least EPC Band C by 2030 & zero-carbon by 2045		
Create a Scottish Heat Pump Sector Deal that provides clear long-term market signals for the accelerated installation of heat pumps in Scotland		
Complete plans for how we generate the renewable electricity needed to reach net-zero climate emissions		
Dedicate the Scottish National Investment Bank to delivering on the Climate Emergency		

⁴ "Eight policy packages for Scotland’s Green Recovery" (CERG, July 2020)

⁵ "12 immediate actions for Scotland’s response to the Climate Emergency" (CERG, August 2019); "Funding the 12 immediate actions for Scotland’s Climate Emergency Response" (CERG, January 2020)

3. Achievements and positive commitments

- **Green Recovery** - The Scottish Government has shown a strong commitment in words and actions to a green recovery in its response to the economic crisis caused by the global pandemic: “Our economic recovery must be a green recovery...giving us the opportunity to meet our climate and environment ambitions, whilst building a better economy and creating jobs.”⁶
- **Targeting of Green Jobs and Skills** - Priority has been given to green jobs, apprenticeships, and enterprises in this year’s Programme for Government as part of the Government’s commitment to delivering a green recovery. For example, over the next 5 years, the Government will create a £100 million Green Jobs Fund, more opportunities for public sector ‘green’ apprenticeships and an initial £25 million National Transition Training Fund.
- **Multi-year funding commitments** - Multi-year funding capital commitments will facilitate much needed long-term planning and private investment. Over the period of the next parliament, the Government will invest nearly £1.6 billion in eliminating emissions from heat and improving energy efficiency in buildings and £1 billion in active travel and bus priority measures. However, investments should be front-loaded wherever possible to maximise impact for jobs, early emissions reduction and to reduce lock-in of high carbon behaviours. Capital spend will also need to be accompanied by resource funding for quality planning, delivery, and maintenance.
- **Investment Frameworks & Market Signals** - New investment frameworks are being developed to help piece together the necessary finance for the transition to net zero. As part of its ‘Green New Deal’, The Scottish Government has committed £2 billion to capitalise the Scottish National Investment Bank with net zero central to its mission, the £3 billion Green Investment Portfolio and is continuing to develop the Green Growth Accelerators to attract green finance into Scotland. A heat pump sector deal will generate clear long-term market signals for the accelerated installation of heat pumps.
- **Policy signals (regulation, fiscal incentives, targets)** - Some important policy signals have been provided to set the direction of travel to net-zero, however significant gaps remain (see recommendations). An example of good progress includes a proposed revision of standards for new buildings requiring them to use renewable or zero emission heating. CERG would like to see similarly strong signals for existing buildings.
- **Priority for low carbon infrastructure** - The draft Infrastructure Investment Plan shows an actual and percentage increase of low carbon capital spending in 2020/21 from 31% to 35%. However, spending on high carbon activities remains approximately constant (road / airport infrastructure). The new proposed Infrastructure Investment Hierarchy offers significant opportunities to facilitate the shift to low carbon and circular economy practices by encouraging more integrated alignment of transport, planning and active travel.

3.2 Cross-cutting recommendations to address concerns

Scottish Budget

- Multi-year investments need to be front-loaded to maximise impact for jobs and achieve early emissions reduction. The Comprehensive Spending Review Framework⁷ spending profile for low carbon indicates a slow increase which will fail to deliver on these aims.

⁶ Protecting Scotland, Renewing Scotland, September 2020, Programme for Government, Scottish Government, page 4

⁷ <https://www.gov.scot/publications/investing-jobs-capital-spending-review-framework-2021-22-2025-26/>

- Capital spend must be accompanied by adequate funding for capacity and expertise to ensure rapid and effective development and delivery of programmes throughout Scotland. We estimate that resource spend should be at least 10% of capital spend (additional) and is necessary to secure jobs and investment.

Climate Change Plan Update (and associated policy announcements)

- The welcomed increase in public spending must be matched by strong policy signals across the board to provide a certain and attractive environment for private investment in retrofitting buildings for greater energy efficiency, renewable energy, district heating, and e-mobility.
- Policies, regulations, and programmes need to be developed with urgency, working to ambitious timescales so the public and private sector know what they need to do and when.

3.3 Summary of sector specific recommendations to fill gaps

The Climate Change Plan Update and the 2021-22 Scottish Budget present significant opportunities for the Scottish Government to fill the fiscal and policy gaps we have identified through our interim assessment. We have identified our top asks for each sector in the table below. A more detailed set of assessments and recommendations against each of our asks are presented in Section 4.

Table 3: Key sector specific recommendations for Scottish Budget 2020/21 and the Climate Change Plan update

Sector	Scottish Budget 21/22	Climate Change Plan Update
Transport	<p>Rapid acceleration in spend on bus priority measures / decarbonization and active travel to lock-in low carbon travel behaviour.</p> <p>Funding for local authorities to develop pipeline of city/town centre transformational projects.</p> <p>Increase funding for EV programmes to provide continued stimulus and underpinning of the market.</p>	<p>Policy signal to deliver zero emission cities (vehicles) by 2030 which will also support commitment to phase out sale of ICE vehicles throughout Scotland by 2032.</p> <p>Planning policy to reduce the need for travel and require sustainable travel infrastructure to bring to life the concept of 20-minute neighbourhoods.</p> <p>4 city Green Growth Accelerators (or similar financing mechanism) for city centre transformations by 2022</p>
Buildings	<p>Increase funding for domestic and non-domestic energy efficiency. Front-load spend to enable the year on year doubling of heat pump installation. (plus accompanying technologies such as thermal storage and time of use tariffs)</p> <p>Scrappage scheme to encourage replacement of gas and oil boilers with low-carbon alternatives in non-domestic buildings.</p>	<p>Accelerate Energy Efficient Scotland Route map to ensure all buildings achieve EPC C by 2030.</p> <p>Clearer strategy and plan for non-domestic buildings to achieve net zero targets.</p> <p>Signal plan for regulation of energy performance standards for all buildings, phase out of high carbon fossil fuel boilers (off-gas grid) and set expectations for transition from gas boilers.</p>

	<p>At least £50million ring fenced to develop low carbon heat networks. Allocate 10% of this budget towards increasing local authority capacity to develop new projects.</p> <p>Create a central Heat Network Accelerator Delivery Team.</p>	<p>Incentivise early implementation of new build zero emission standards, particularly for publicly funded buildings.</p> <p>Set a heat networks target of 2 TWh by 2025 and 10 TWh by 2030.</p>
Land Use	<p>Maintain / extend commitment to Agriculture Transformation Programme, including funding for training and advisory services to support agriculture transformation to net zero.</p> <p>Funding to pilot net zero land use practices aligned to completed regional land use plans whilst providing opportunities for green jobs.</p> <p>Continued resourcing / support for Regional Land Use Planning. Specifically, creation of pilot Regional Land Use Partnerships and capacity within them for development of Regional Land Use Frameworks.</p>	<p>Set a clear policy signal that post-2024 rural support payments will support climate outcomes and are informed by Regional Land Use Plans.</p> <p>Clear signal that Ministers will use their powers under the Agriculture Act to apply rural support payments to invest in early action to encourage climate-friendly farming practices.</p> <p>As part of plan for achieving ambitious tree planting targets, clarify the mix of native and non-native trees in new planting and restocking to achieve the ‘right trees in the right places’.</p> <p>Develop and implement guidance on sustainable, climate-friendly, healthy diets – linked to Local Food Strategy and procurement.</p>
Industry		<p>Longer term strategy for CCS as last resort measure for key industries in the net-zero pathway.</p> <p>Criteria for Carbon Capture and Use to ensure it secures long term climate change mitigation.</p> <p>Targets and plan for the decarbonization of industrial energy and resource efficiency.</p>
Electricity (Renewable Energy)		<p>NPF 4 should ensure the climate emergency is a material consideration in planning decisions. Urgent need for interim planning statement (pending NPF4) along these lines.</p>
Public sector	<p>Flexible, multi-year draw down funding to deliver net-zero buildings and operations against net zero plans.</p>	<p>Strong targets with timescales to align public sector procurement against Scotland’s net zero target and a zero-emission public estate.</p>
Green Jobs/Skills	<p>Expand business support services.</p>	<p>Alignment of Green Jobs Fund, skills, and apprenticeship programmes with net zero priorities.</p>

4. Summary of interim assessment and recommendations for each proposal

4.1 Eight policy packages for a green recovery

City & Town Transformation

BUDGET



POLICY



Summary of CERG's ask

This package builds on the glimpses that lockdown has provided of what better city living could be like. It starts over the next 6-12 months by addressing social distancing challenges (walking, cycling and public transport) and develops into a large-scale infrastructure stimulus (across buildings, transport and digital infrastructure), accelerating the necessary transformations of our cities and towns to make them lower-carbon and more liveable.

Areas of positive progress

- Multi-year capital commitment to active travel and bus prioritization
- 20 minute neighbourhood ambition
- Funding support for zero emission buses (Scottish Ultra-low Emissions Buses - ULEBS) and stakeholder group with bus industry on transition
- Rapid active travel and bus measures for COVID-19 response
- Investments in cycling infrastructure / facilities

Gaps and concerns

- Lack of clear trajectory and policy signal for zero emission cities (vehicles) by 2030
- Active travel budget remains dwarfed by roads budget and trajectory for spend unclear
- Pop up measures need to be made permanent where appropriate to capture behaviour changes in travel

What CERG would like to see in the Scottish Budget 2021-22

- Increase spending envelope to ensure annual spend reaches £160m by 2025 and spending is front-loaded. In addition, resource spending for local authorities is critical to ensure rapid and effective delivery. Based on experience of other projects, resource spend should be 10% of capital spend – in addition.
- Bring forward spend on bus priority measures for quick wins through another round of Bus Priority Rapid Deployment Fund; transition temporary measures to permanent priority measures; and accelerate efforts to put in place partnerships and plans.
- Continued support for zero emission buses through ULEBS and introduce attractive leasing arrangement for zero emission buses (SNIB) to level playing field with ICE buses.
- Increase levels of funding for EV programmes with at least three-year commitment to provide continued stimulus and underpinning of the market. Demand is already high and expected to increase with the broadening of the scheme to include used EVs.
- Maximise opportunities to respond to increase in cycling through expansion of ebike loan scheme and concessionary scheme for city bike hire schemes (free access to young people under 25).
- Support creation of freight consolidation hubs and e-cargo bikes for last mile delivery.

What CERG would like to see in the Climate Change Plan Update

- Ambition for four city and town centre transformation plans by 2022 which take a ‘whole system’ view incorporating mobility, public space, green infrastructure, public and private buildings, and connectivity, with Scottish Government working with local government and local business to shape the city / town transformations required by the post-COVID context of new patterns of work, shopping and leisure.
- Plan, timescale, and measures to deliver zero emission cities (vehicles) by 2030. Bus priority and active travel investment plans taken forward together with guidance and support to local authorities.
- Target for increasing percentage of mobility space for walking and cycling.
- NPF4 requires implementation of 20 minute neighbourhoods and more generally to reduce the need to travel.
- Regeneration schemes and new developments are required to include infrastructure and services for an attractive bus offer.

Retrofit of Buildings for a net-zero Scotland

BUDGET



POLICY



Summary of CERG’s ask

Investment in the energy efficiency and low carbon heating of Scotland's existing buildings is a readily expandable infrastructure project that will deliver a job creation stimulus in the building trades in every part of the country, with numerous social, health, and economic co-benefits. This means accelerating and scaling up the Energy Efficient Scotland Programme, including a clear regulatory pathway. This is a stimulus programme that delivers a steady stream of activity over the next decade.

Areas of positive progress

- High profile, large multi-year funding commitment
- Doubling of heat pump installations and heat pump sector deal
- Expert group for Heat Pump Sector Deal with clear timetable
- Cashback schemes to support homeowner and SME action on heat and energy efficiency
- Target of zero emissions from heating buildings by 2040

Gaps and concerns

- Lack policy signal in terms of regulating energy performance standards for existing buildings.
- Unclear how funding will be allocated and how it compares to existing programmes.
- The strategy for non-domestic buildings remains unclear which is disappointing given the known challenges and complexities of decarbonising this sector.
- Funding for public sector estate is welcome, though unlikely to be enough on its own to ensure the public sector are leaders and can meet national goals on zero carbon.
- Issues around public sector capacity to deliver heat networks remain unresolved, preventing increased capital spend in the long run.
- Concerns regarding alignment of the underpinning methodology for EPCs with net zero remain unresolved.
- Lack of a ‘whole community’ retrofit approach, including public space, natural assets, energy generation and building retrofit which combine commercially viable elements (development,

renewables) with those that require subsidy (building retrofit) – this would help tackle funding gaps and enable public funding to attract private investment.

What CERG would like to see in the Scottish Budget 2021-22

- Increase funding for domestic energy efficiency and fuel poverty programmes to £240m.
- £32m required to achieve a first doubling of heat pump installations (approximately 3,000 – along with accompanying technologies such as thermal storage and time of use tariffs) in existing housing stock using current programmes – Warmer Homes Scotland, Area-Based Schemes, Home Energy Scotland loans and incentives and social housing decarbonisation .
- Increased funding for non-domestic energy efficiency and scrappage scheme for heat transition.
- At least £50m ring fenced for heat networks with a proportion of this to increase local authority capacity/create a central Heat Networks Accelerator delivery team.

What CERG would like to see in the Climate Change Plan Update

- Accelerate Energy Efficient Scotland route map – target of EPC C by 2030.
- Clear policy signal of mandatory standards for all buildings – EPC band C by 2030.
- Policy signal to phase out high carbon fossil fuel boilers in existing off-gas properties from 2025 and for later phase out of gas boilers - with support and incentives for transition.
- Strategy for bringing non-domestic properties to zero emissions by 2040 – baseline data, scaling up existing programmes, seizing opportunity of repurposing buildings due to impacts of pandemic.
- Heat networks target of 2 TWh by 2025 and 10 TWh by 2030.

Rural Jobs

BUDGET



POLICY



Summary of CERG's ask

With rural areas likely to be particularly badly hit by the economic effects of this crisis, and with large amounts of climate emergency work that needs to take place on our land, we propose a specific programme of rural job creation and support.

Areas of positive progress

- Long-term multi-year investment in forestry / woodland creation, incentives for investment through Woodland Carbon Code and targets to increase woodland creation and peatland restoration.
- Good alignment of skills training and employment for rural areas through Green Jobs Fund and assessment of nature-based jobs.
- Welcome ambition for revitalising rural areas through 20-minute neighbourhoods, digital connectivity (R100) and creation of local working hubs.

Gaps and concerns

- Only small portion of Agriculture Transformation Fund issued and concern that not all the measures that can be funded are low carbon. Gaps remain around training and farm advisory service
- Need for more explicit links to regional land use plans guiding investment.
- Future policy for rural support unclear – need to publish the policy group report and consult on new schemes

What CERG would like to see in Scottish Budget 2021-22

- Resource funding for training and advisory services to complement capital spend on equipment through Agriculture Transformation Fund.

What CERG would like to see in CC Plan Update

- Policy signal that post-CAP, post-2024 rural support payments will align with net-zero, are informed by Regional Land Use Plans and support climate outcomes (integrated land use strategy – food, climate and nature together) and timelines for transition that match interim emissions reduction targets. This will provide certainty for rural businesses and create more demand for transformation fund and rural jobs programmes.
- As part of plan for achieving ambitious tree planting targets, clarify the mix of native and non-native trees in new planting and restocking to achieve the ‘right trees in the right places’.
- For consistency with peatland restoration plans, introduce a ban on extraction and sale of horticultural peat in Scotland.

Green Enterprise

BUDGET

POLICY



Summary of CERG’s Ask

Additional financial support for companies emerging as a result of the systemic shock to the economic system that is occurring. This can ensure that new enterprises take advantage of the disruption in the system, embedding new businesses or social enterprises where this can contribute to accelerated action and wider public benefits, and in doing so creating additional jobs.

Areas of positive progress

- Green Jobs Fund, Unlocking Ambition programme and other sector or geographic specific funding to support investment in local green enterprises.
- Local Food Strategy which could support efforts to stimulate demand for local produce and help local food businesses grow.

Gaps and concerns

- Details are lacking and these programmes will need careful design, targeting, alignment with net zero priorities and careful use of net zero investment criteria.
- Local Food Strategy needs more detail on how it will help reduce emissions. This should be tied to previous commitments to sustainable diet and mobilizing procurement for the climate emergency response as well as securing green jobs.

What CERG would like to see in Scottish Budget 2021-22

- Expand existing support services (e.g. circular economy business support service) to help existing and new businesses to make business case for investment by Green Jobs Fund.

What CERG would like to see in CC Plan Update

- Local food strategy and ambition for reducing emissions, linkages to sustainable diet guidance and its implementation.

Unlocking private investment now with greater policy certainty

BUDGET



POLICY



Summary of CERG's Ask

The recovery must be investment-led, and the demand for high-quality investments remains much greater than the supply – evidenced by very low interest rates, resilient stock markets, etc. The Scottish Government can secure additional investment by creating an attractive policy environment for investors, resulting in stronger business cases for a climate neutral economy and channeling investment in the right direction. This securing of private investment through greater policy certainty will be at least as important as the role of public sector investment.

Areas of positive progress

- Multi-year spending commitments will provide some certainty for investment and allow for longer-term planning.
- Welcome investment / activation of new funding models / investment frameworks. For example, there is continued commitment to develop and launch the Green Growth Accelerator model though progress has been slow since announced in September 2019; and SNIB is on time to launch in late 2020.
- Welcome updated Wind Policy Statement and intention to look for options to enable greater scale and speed in the growth of wind energy – progressing without delay is key to inspiring investor confidence.
- Woodland Carbon Code which will encourage private investment in forestry including use of timber as construction material.

Gaps and concerns

- Need for even more focus on building partnerships for delivery – public, private, and civic organisations.
- Lack of clear policy signals (transformation pathways, regulation, fiscal incentives, targets) to provide attractive environment for investment (e.g. buildings, agriculture, transport, energy efficiency).
- Lack of urgency in bringing forward solid programmes for investment – Green Investment Portfolio is largely a list which will struggle to attract investors – more engagement with private investors is needed to understand their requirements and latest financial models.
- Unclear what the status is of PfG 19 commitment to £1m enabling funding for Green Growth Accelerator.
- Lacking transformation pathways; timescales for regulation plus incentives / subsidies etc. for several sectors (e.g. agriculture, bus decarbonisation)
- Delay to the NPF4 and lack of interim policy to ensure climate emergency is given significant weight in planning decisions.
- Procurement – limited progress in this area misses the opportunity to shape & grow markets.

What CERG would like to see in Scottish Budget 2021-22

- Enabling funding for pump priming, facilitation, and capacity building to develop pipeline of projects for partnership financing (e.g. GGA).

What CERG would like to see in CC Plan Update

- Clear policy signals as detailed in other packages and proposals

Green Scrappage

BUDGET

POLICY



Summary of CERG's ask

Using public money carefully to unlock additional investment from businesses in the capital projects and machinery needed to accelerate our response to the climate emergency. This public finance will support firms to become more competitive whilst reducing their emissions and support supply-chain industries that are vital to the net-zero transition through a challenging period

Areas of positive progress

- The LEZ Mobility Fund to incentivise removal of a non-compliant vehicle in LEZs for low income households and micro-businesses.
- While the 'scrappage' mechanism has not been used beyond the LEZ mobility fund to accelerate transformation to low/zero carbon technologies, in some areas alternative incentives/mechanisms have been deployed to achieve similar outcomes (e.g. Agriculture Modernisation Fund, heat pumps, Ultra Low Emission Buses).

Gaps and concerns

- Non-domestic buildings: scrappage scheme would incentivize shift to heat pumps (some in combination with thermal storage and time of use tariffs) and heat networks as currently this is not a financially viable option. Recent announcement of cashback scheme for SMEs will help address this gap.
- Industrial machinery: a scrappage scheme could work in conjunction with financing from SNIB or commercial loans to improve energy efficiency of operations.

What CERG would like to see in Scottish Budget 2021-22

- Expand LEZ mobility fund to support more households and businesses to transition away from ICE vehicles.
- Scrappage scheme for non-domestic buildings heat and industrial machinery.

What CERG would like to see in CC Plan Update

- Policy signals (accompanied by incentives such as scrappage schemes) for net-zero pathway to drive individual and business investment in buildings, capital projects and machinery needed to accelerate the response to the climate emergency.

Green Future Skills

BUDGET

POLICY



Summary of CERG's ask

The economic recession will impact young people disproportionately and skills and education investment can help avoid this. We propose a package of measures, opening new educational opportunities for young people as an alternative to unemployment/underemployment and providing reskilling and retraining opportunities for already established workers. This package will prepare the whole workforce to contribute to the next phase of Scotland's accelerated climate emergency response.

Areas of positive progress

- Overt alignment of skills and jobs support with net zero.
- Increased investment in green apprenticeships, placements, and green skills for youth and to support existing workers to reskill.
- Alignment with Climate Emergency Skills Action Plan and NatureScot's skills gap analysis to feed into design of Green Skills Development Package.

Gaps and concerns

- Build skills development into other initiatives such as the Energy Transition Fund, Land Use Frameworks, Agricultural Transformation Programme, Future Transport Fund, Energy Efficient Scotland.
- Important these funds are focused on the transition, not propping up high carbon sectors.
- Detail lacking and needs to be taken forward with urgency to address jobs crisis and monitored to ensure it fits with need (in terms of scale, geography, and sector).

What CERG would like to see in Scottish Budget 2021-22

- As with Green Enterprise, expand business support services which will help them prepare to take on placements and apprenticeships.
- Support for public bodies to deliver promised green apprenticeships.

What CERG would like to see in CC Plan Update

- Overt assessment of skills requirements for net zero, the process for addressing needs at a national and long term level, and a framework for identifying and meeting local and regional skills priorities that aligns with the sequencing of green jobs creation and investments for COVID-19 recovery. The Climate Emergency Skills Action Plan will be very useful in setting out this context but will have to be one of several iterations to provide the more granular advice and evidence base for green skills policy.
- Policy signals for net-zero pathway to drive demand and capture growth in jobs for Scotland – e.g. through Heat Pump Sector Deal, EES route map.

Expanded Capital Investment Stimulus

BUDGET



POLICY



Summary of CERG's ask

As well as the specific urgent infrastructure priorities we have highlighted, a wider programme of capital investment across the next few years is necessary as part of our climate emergency response and will provide a steady stream of work. Low borrowing costs and the need to create sustained jobs make this the right time to deliver an expanded capital investment stimulus.

Areas of positive progress

- Multi-year funding capital commitments on active travel, transport, energy efficiency & heat, forestry, peatland restoration, green jobs – maintained or increased.
- Capital investments and challenge funds for industrial sectors to support innovation and transition to decarbonisation inc. new technologies, demonstration projects.

Gaps and concerns

- Scale of investment - £2bn over five years – is welcome and a good start. However, advice from UK CCC suggests transition to net-zero will require 1-2% of GDP annual investment – public AND private sources advised by CCC = £1.8-£3.6bn per year (based on pre-COVID Scottish GDP £180bn) and more public funding will be required alongside significant efforts to attract private investment to address the shortfall.

What CERG would like to see in Scottish Budget 2021-22

- Multi-year spend needs to be front-loaded in order to maximise impact for jobs and early emissions reduction.
- Capital spend must be accompanied by adequate resource spend to ensure rapid and effective delivery throughout Scotland.

What CERG would like to see in CC Plan Update

- Mechanism for assessing level of private investment that is levered in; is it enough and what is working to attract that investment.

4.2 12 Immediate actions for Scotland's response to the climate emergency

Mobilise public procurement for climate emergency response needs

BUDGET



POLICY



Summary of CERG's ask

The public sector spends £11bn on procurement each year. Ministers should use public procurement to respond to the climate emergency and use procurement with the purpose of leading markets for climate-friendly goods and services. Set out a clear pathway to net-zero carbon purchasing including new procurement guidance, training and capacity building within the public sector, identification of key 'climate-friendly' products and services, and linking public procurement directly to the achievement of high profile targets and deadlines on, for example, electric vehicles, circular economy, renewable energy and energy storage.

Areas of positive progress

- PfG 2019 commits to mobilise public procurement to support the climate emergency response.
- Public bodies to set net zero targets and embed climate into procurement by 2021 (SSI).
- Initiating engagement with Public Sector Leadership Forum.
- New infrastructure investment hierarchy and focus on asset management.
- £95m over 5 years to decarbonise public sector estate is a good start.
- Commitments to broaden and advance the Sustainable Procurement Duty to support climate targets, green recovery & circular economy, and guidance on whole-life approaches to asset management. Proposals for new procurement tools & guidance.
- Maintaining commitment to decarbonise public sector fleet by 2025 and reduce emissions from ferries (but not net zero).

Gaps and concerns

- Concern at slow progress on changing procurement spend to low/zero carbon products and services and putting in place enabling policies (e.g. targets, finance systems, accountability mechanisms) to drive change. Acknowledge it is a highly complex area but given it represents the largest source of emissions for the public sector and has the ability to influence and drive improved behaviours across the supply chain, it is crucial that the challenge is addressed.
- A culture change is required with leadership at all levels. Guidance / reporting / training is insufficient.
- Need greater resource and support services plus flexible, multi-year draw-down funding to deliver on net zero plans.
- Need to address conflicting priorities in procurement (cost vs. net zero etc.) plus concerns around impact of UK Internal Markets Bill on public procurement.

What CERG would like to see in Scottish Budget 2021-22

- New or repurposed spend to meet targets for transition to low/zero carbon products and services (similar to **target** to decarbonise fleet).

What CERG would like to see in CC Plan Update

- Strong targets with timescales for all zero-emission buildings (not just new build), renewable electricity and energy storage, circular economy practices (inc. reduced consumption, maintenance, re-use, remanufacturing) and food.

Public guidance on sustainable, climate-friendly, healthy diets

BUDGET



POLICY



Summary of CERG's Ask

Developing public guidance, in consultation with Food Standards Scotland, on climate-friendly, sustainable, and healthy diets over the next 12 months. The public guidance should include consideration of how sustainable food choices can help cut global climate change emissions and support sustainable Scottish agriculture. The process should be science-based and expert-informed and should provide practical advice that is helpful to both individuals and organisations.

Areas of positive progress

- Some good concepts (e.g. Local Food Strategy) included in PfG 20 which may progress this agenda.

Gaps and concerns

- No obvious progress around developing guidance.
- Missed opportunity if PHS / FSS work on healthy eating does not include climate-friendly / sustainable foods.
- Lack of coherent strategy / approach to food - hard to see how the range of policies, plans, strategies, initiatives join up to respond to climate emergency.
- Good Food Nation Bill (outlined in PfG 2019) could have provided a framework for joined up food policy but will no longer be introduced in this parliamentary term due to the global pandemic.
- Commitment to develop non-legislative statement of policy on food welcome but need statutory National Food Plan to follow.

What CERG would like to see in CC Plan Update

- Sustainable diet guidelines to be agreed (e.g. short-life expert working group), including requirements for avoidance of food waste. Interim report by March 2021 with guidelines completed in 12 months.
- Public sector food provision to be informed by these sustainable diet and food waste avoidance guidelines.

A £100m Agricultural Transformation Fund

BUDGET

POLICY



Summary of CERG's Ask

Support for farmers in the transition to climate-friendly farming through creating a Fund, with Funds committed for the length of the Spending Review, to bridge the current cost gap to new technologies, data gathering and monitoring, advice and training.

Areas of positive progress

- Commitment to £40m in 20/21. Initial tranche of £10m in pilot Sustainable Agriculture Grants Scheme. If successful, more funding could be forthcoming.
- Research on Decision-Support Tools ongoing but these need to be fully incorporated into policy / funding processes / advisory services.
- Success depends on appropriate targeting / coordination through regional Land Use Frameworks, accessible and bolstered training and support services, and the focus of post-2024 rural support packages.

Gaps and concerns

- Progress slow in delivering programme and still unclear what interventions will be targeted at or how outcomes to net zero will be measured.
- Loans programme still under development, complications with state aid and complementing commercial offers.
- Constraints around resource spend so difficult to resource the significant need for advice / skills / training to use new technologies / equipment properly.

What CERG would like to see in Scottish Budget 2021-22

- Maintain PfG 19 commitment to Agriculture Transformation Fund with appropriate split between capital and resource spending to ensure advice and training are funded and commit to equivalent multi-year funding.

What CERG would like to see in CC Plan Update

- Clear package of policies and proposals for emissions reduction from agriculture, prioritising key interventions and supported by tailored advice, funding through Agriculture Transformation Programme and monitoring to measure outcomes.

Regional land use plans

BUDGET

POLICY



Summary of CERG's ask

Make regional land use plans for maximising the potential of every part of Scotland's land to contribute to the fight against climate change, including proposals for how regional partnerships and frameworks are developed, Establishing a regional land use partnership for every part of Scotland by 2021, Using any future rural support regime to support the activities and areas that contribute most to our climate ambitions, allocating the necessary resource to develop the partnerships and frameworks, and the necessary capacity and skills in local authorities to oversee implementation.

Areas of positive progress

- Commitment in PfG 19 to make regional land use framework by 2023.
- Work moving in positive direction with new team, third Land Use Strategy in preparation and Land Commission interim report published – alignment between policy and delivery is critical.
- Nitrogen Balance Sheet (PfG 20) will help inform decision-making.

Gaps and concerns

- Progress on scoping for regional partnerships is welcome, though it is unclear if we are on track to have partnerships emerge across all of Scotland by 2021.
- Real concerns remain about how the plans will be delivered if future rural policy is not transformed. Short term signals indicate a maintaining of the status quo and there is a lack of any future long-term signal that incentives and regulation will be reformed to align with delivery of net zero.
- Delay in publishing recommendations for the Farming and Food Production Future Policy Group.
- Lack of policy signals to encourage land managers to take strategic long-term actions for the climate emergency – opportunity missed to set out clear direction of travel in Agriculture Act.

What CERG would like to see in Scottish Budget 2021-22

- Funding for piloting good practice which aligns with net zero priorities.

What CERG would like to see in CC Plan Update

- Opportunity for piloting good practices and nature / climate-based agri-payment systems, cross compliance requirements, payment capping under powers given through the Agriculture Act. Need to move quickly and align pilots to local net zero regional land use priorities / opportunities for skills diversification.
- Post- 2024 rural support payments enable effective delivery of nature and climate outcomes and are informed by Regional Land Use Plans.

4 new Green City Region Deals

BUDGET

POLICY



Summary of CERG's Ask

4 Green Growth Accelerator projects – develop and use innovative co-funding arrangements involving local authorities, Scottish Government, and the private sector to finance the essential place-based, multi-stranded infrastructure projects that will enable Scotland's transition to net-zero.

Areas of positive progress

See *City / Town Transformation* for details on analysis of progress on active travel, bus decarbonisation etc.

- PfG 19 commits to a Green Growth Accelerator model to combine public and private investment to transform cities and regions (multi-year funding £200m).
- After being on backburner due to COVID-19, apparently GGAs now gathering momentum, and will be part of future portfolio for financing infrastructure.
- Some positive signals that new City / Growth deals include 'green' activities but no clear change in policy.

Gaps and concerns

- Awaiting clear outcomes and KPIs on GGAs to ensure focus on delivering low carbon transformations.
- Unclear if £1m in 20/21 budget for feasibility has been allocated. Development work has been delayed due to COVID-19.
- Infrastructure Investment Plan makes no reference to 'green' growth deals, only £525m for growth deals which include high carbon aspects.

What CERG would like to see in Scottish Budget 2021-22

- Bigger pot of resource funding to build capacity and encourage local authorities to develop transformational projects for GGA.

What CERG would like to see in CC Plan Update

- Existing and emerging growth deals should be screened against net zero targets.
- Target for 4 GGA (and/or similar financial mechanism for large scale green city transformations) to be developed by 2022.

Signal zero emission (vehicles) cities by 2030

BUDGET



POLICY



Summary of CERG's Ask

Signal that Scotland's city centres will be vehicle emission free by 2030, maximising the use of public transport, walking and cycling, and creating more liveable and healthy cities. This will also support the same transition throughout Scotland.

Areas of positive progress

See City / Town Transformation for details on analysis of progress on active travel, bus decarbonisation etc.

- Acknowledge delays caused by impact of COVID-19 on transport systems, public transport companies, plus uncertainties around public confidence, attitudes, and behaviour in relation to future transport patterns.
- Significant funding on bus priority and active travel which is extended in PfG 20 to more than £1bn over five years. Bus Partnership Fund delayed but expected to be launched soon.
- National Transport Strategy vision and ambition to decarbonise transport, manage demand and prioritise active travel and sustainable travel modes.
- Positive signals through Place Based Investment Programme, 20-minute neighbourhood concepts and local place plans – shift to integrated investment between transport, planning & active travel.
- Demand is strong for E-mobility loans.

Gaps and concerns

- Decision not to consult on zero or ultra-low emission centres by 2030. Focus is on LEZs, incentivizing ULEBs plus voluntary action and place-based approaches but this is unlikely to deliver transformation required in travel modes and e-mobility at pace required.
- Need much more clarity on key investments – e.g. Future Transport Fund, Bus Partnership Fund (shortly to be launched). Bus decarbonisation needs clear expectation of trajectory to zero emission buses alongside financial support.
- Lack of clarity regarding freight consolidation hubs for last-mile delivery.

What CERG would like to see in Scottish Budget 2021-22

See recommendations under City and Town Transformation policy package

What CERG would like to see in CC Plan Update

See recommendations under City and Town Transformation policy package

Public-interest company to invest in and operate CCS infrastructure

BUDGET



POLICY



Summary of CERG's Ask

The Scottish Government should support the development of Scotland's CCS infrastructure, ready to take advantage of future carbon price controls. CCS infrastructure (piping, transportation infrastructure etc.) will operate most efficiently under collective public operation. The Programme for Government should commit to identifying the appropriate model and establishing the public-interest company within the coming 12 months. Establish Scotland as a global centre of net-zero industrial expertise.

Areas of positive progress

Note – Scot Gov are not pursuing a public interest company to deliver on CCS. CERG's assessment has focused on the action that is being taken to achieve the same outcome through another route.

- Commitment to supporting the development and deployment of CCS as part of the net-zero pathway – the only viable technology capable of mitigating industrial scale CO² emissions in some intensive industrial processes, for BECCS negative emissions and as a means to unlock large scale blue hydrogen production - an industrial opportunity.
- Investment in Acorn CCS Project, feasibility and research as a key UK CO² transport and storage solution, establishment of the industry alliance NECCUS and on-going engagement with UK Government on CCS regulatory and business framework. Supportive of the Acorn CCS Project partners' business plan objective of CCS becoming operational in Scotland by 2024.

Gaps and concerns

- CCU Challenge Fund – must ensure it focuses on permanent sequestration of CO² and that it will contribute to net zero with the CO² is captured in Scotland.
- Dependency on decisions at UK level to build investor confidence and engage with emitters, with decisions on the range of business models to support CCS due end of 2020.

What CERG would like to see in CC Plan Update

- Current policy very focused on securing immediate objective of operational CCS project(s) in Scotland by the mid-2020's.
- Would benefit from a longer term, more holistic strategy that also sets out plans for onshore transport infrastructure, engagement with industry, understanding of CCS as 'last resort' measure, and criteria for CCU to ensure it secures CO² mitigation and how these are achieved acting in the public interest.

Enhance building standards to deliver zero-carbon homes and buildings

BUDGET



POLICY



Summary of CERG's Asks

The upgrading of building standards for new build properties to ensure every new building built in Scotland is climate-proof and will not require net-zero retrofitting, and so that building standards are supporting the retrofit of existing buildings to be zero-carbon by 2045.

Areas of positive progress

- Positive progress in upgrading standards although timescales slower than we would like.
- Focus of timber as building material in PfG 20.

Gaps and concerns

- Only looking at new buildings - not looking at application of standards at point of major refurbishment.
- Unclear if timber as a building material will be included in standards review.
- Lag time in terms of implementation on the ground.

What CERG would like to see in Scottish Budget 2021-22

- Support for early implementation of standards.

What CERG would like to see in CC Plan Update

- Bring forward implementation date and incentivise (and require where funded by public sector) early compliance. Reduce delays in implementation following planning permission.
- Develop regulations to apply energy performance standards at point of major refurbishment.

Accelerate Scotland's energy efficiency retrofit scheme

BUDGET



POLICY



Summary of CERG's Ask

Increase pace and scale of energy efficiency improvements to buildings, which offer the simplest and most cost-effective way to reduce emissions and reduce demand for heat. Use regulation and public funding to support almost all homes and buildings in Scotland to reach at least EPC Band C by 2030 and zero-carbon by 2045.

See Retrofit of buildings for a net-zero Scotland green recovery policy package for commentary and recommendations.

Heat Pump Sector Deal

BUDGET



POLICY



Summary of CERG's Ask

Create a Scottish Heat Pump Sector Deal that provides clear long-term market signals for the accelerated installation of heat pumps in Scotland, creating and sustaining manufacturing and installation businesses.

Areas of positive progress

- Aim for renewable heat installations to double every year up to 64,000 homes/year by 2025 and 250,000 homes / year in 2030.
- Expert group to advise on Heat Pump Sector Deal which we hope will unlock long term investment & build supply chain.
- Planned increase in spend and ambition on heat decarbonisation in PFG 20 but details / breakdown needed to understand investment in heat pumps compared with other renewable heat options, including combination with thermal storage and time of use tariffs.
- Heat in Buildings Strategy expected in December 2020.
- Heat Networks Bill will provide regulatory framework and licensing system.

Gaps and concerns

- Public investment in this area unclear/lacking after suspension of Heat Transition Fund in May 2020.
- Policy signals on expectations for decarbonisation of heat (where, pace, technology) needed for engagement with householders, businesses, and supply chain.
- Programme needs to provide confidence decarbonisation of heat will not disadvantage fuel poor (through advice, design of measures, and financial support).

What CERG would like to see in Scottish Budget 2021-22

See Retrofit of buildings for a net-zero Scotland green recovery policy package for commentary and recommendations.

What CERG would like to see in CC Plan Update

See Retrofit of buildings for a net-zero Scotland green recovery policy package for commentary and recommendations.

Planning renewable electricity for net-zero

BUDGET



POLICY



Summary of CERG's Ask

The integrated decarbonisation of heating and transport will require very significantly increased renewable electricity generation and an energy systems approach. The new Sectoral Marine Plan for Offshore Wind and combined Scottish Planning Policy and National Planning Framework currently being prepared by Scottish Government should be designed to deliver the potential renewable energy requirements of a net-zero Scotland, across all types of renewable electricity generation, all scales of generation, and all forms of ownership (including local and community owned, as well as commercially developed).

Areas of positive progress

- Positive signals regarding ambition to increase marine offshore wind capacity (Offshore Wind Policy Statement / Sectoral Marine Plan) but less progress with onshore wind.

Gaps and concerns

- Difficult to progress on assessing electricity generation capacity without clearer government policy direction on options to decarbonise heat.
- Delay to the NPF4 and lack of interim policy to ensure climate emergency is given significant weight in planning decisions is concerning. Also awaiting Energy Statement.
- Repowering debate and its implications for planning ongoing with no clear indication of how this will be addressed until NPF4 published.

What CERG would like to see in CC Plan Update

- Refocus the planning process to deliver net-zero. NPF 4 should ensure the climate emergency is a material consideration in planning decisions.

Dedicate the Scottish National Investment Bank to delivering on the climate emergency

BUDGET



POLICY



Summary of CERG's Ask

The Scottish National Investment Bank (SNIB) has a vital role in directly funding the zero-carbon transition, as well as mobilising funds elsewhere in the private sector in support of Scotland's climate objectives. The Bank should have this zero-carbon purpose written into its DNA, in its articles of association. The Bank should not be allowed to invest in any high carbon projects and will have to regularly report on how its investments are aligned with Scotland's climate change targets.

Areas of positive progress

- Welcome that Government is on track for SNIB to start investing in 2020.
- Articles require ethical investment standards in line with its objects and processes to ensure investment decisions in accordance with these.
- Long term funding commitment welcome, and more will be needed. Bigger concern is the perception that SNIB can solve all the funding challenges of the transition to zero carbon. Instead it must complement other sources of funding (e.g. prudential borrowing of local authorities etc.) that can help lever in private finance, alongside wider policy frameworks to be conducive to private investment into Scotland.
- SNIB needs to be creative with its limited capital - play a role as first loss or other equivalent higher risk tranche and a focus on aggregating smaller projects.
- Welcome consideration of potential role of SNIB in supporting leasing arrangements for zero-emission buses.

Gaps and concerns

- Unclear how SNIB will report against ethical standards and zero carbon objective.

What CERG would like to see in CC Plan Update

- Clarity on accountability measures for ensuring SNIB meets its zero carbon objective.

Conclusion

This interim analysis of progress on the Scottish Government's response to the climate emergency (based on the Climate Emergency Response Group's proposals) takes place in the midst of a concerning 'second wave' of COVID-19 cases in Scotland. Ministers and officials are 'laser focused' on the pandemic and the economic crisis it has caused. We are pleased the government has also made clear their determination to have a green recovery and that there is no stepping away from the climate crisis.

We have undertaken this analysis cognizant of the impact COVID-19 has had on Scottish Government priorities and capacity, while also highlighting the new opportunities the crisis has created for accelerating a just transition to net-zero. We are more than ever convinced of the importance of the Scottish Government's leadership role in driving forward change having experienced how quickly and effectively we have responded to the public health crisis.

Our analysis shows some good progress on over half of our recommendations, while one-third of our recommendations have largely been met. Just two of our recommendations have not yet been met in a meaningful way, though we believe the Scottish Government remains committed to taking forward action in both areas – procurement and sustainable diet guidelines. The report highlights achievements and recommends how outstanding concerns can be met in the coming months through decisions on the Scottish Budget 21/22 and the Climate Change Plan Update (and associated policy announcements). Our report on priorities for the Climate Change Plan Update, published in April 2020, provides more detailed recommendations and will be of interest in this regard. We will produce a final analysis once these important policy milestones have been published.

We agree with the UK CCC's view that the main priority is to “deliver a Climate Change Plan update before the end of 2020 to put Scotland on a path to sharper emissions reduction in the near-term, and establish a course to Net Zero by 2045”⁸ and this will need to include a strategy for zero emission buildings, rural support which is aligned with net-zero, support for sustainable travel, supported and informed by engagement with wider society and business.

We conclude that multi-year funding commitments are a very welcome start and will need to be supplemented in future budgets. Even more important will be the policy signals for all sectors which clearly set the expectation – through regulation, incentives, targets and timescales – of how each sector, and indeed all of us, need to change and invest for Scotland's net-zero future. We think the Climate Change Plan Update, supported by the Scottish Budget and Infrastructure Investment Plan, can and must set an exciting net-zero pathway with great prospects for a greener and more inclusive economy.

⁸ Reducing Emissions in Scotland. 2020 Progress report to the Scottish Parliament. Committee on Climate Change. October 2020.

This report is the synthesis and conclusions of the Climate Emergency Response Group only. The following organisations are proud to support the group's important work to enable informed net-zero and green recovery policy development.

