



WWF *for a living planet*

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Towards A Low Carbon Economy For Scotland - WWF Scotland Response
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WWF Scotland welcomes the publication of the discussion paper 'Towards a Low Carbon Economy For Scotland.' Securing a future where we live within our environmental limits – a 'One Planet' future - will require a transformation of our economy and this requires us to re-think the purpose of our economy, how progress towards this aim can be better measured and how and what economic interventions can best drive progress towards sustainability.

The environmental imperative to transform Scotland's economy towards one consistent with a One Planet future also presents a massive opportunity for Scotland to capitalise on its huge potential – natural resources, skill base and scale to move quickly and responsively and position itself at the forefront of a global green competitive economy showcasing progressive ideas and solutions.

Summary

- **A transition towards a low carbon economy must become a central pillar of Scotland's overall economic strategy. Ultimately Scotland's economic strategy should be focused on supporting ecological and human wellbeing - a zero carbon economy is a key component of such a system.**
- **Transformation of Scotland's economic framework is essential if we are to deliver Scotland's emission reduction targets as established in the Climate Change (Scotland) Act. The forthcoming Report on Proposals and Policies will set out how Scotland's reductions are to be achieved and the economic strategy must act to guide and focus investment in support of this.**
- **Many opportunities may exist to deliver both an increase in GDP and carbon reductions however the strategy should highlight that whilst GDP growth has become the dominant global goal for our economic systems this measure does not distinguish between expenditure that helps or hinders progress to achieving a more sustainable society. The pursuit of economic growth per se can deliver the wrong things and undermine progress towards achieving sustainable development and as such more sophisticated indicators of progress are required. The Scottish Government's commitment to 'sustainable economic growth' begins to recognise this.**
- **We support the Government commitment to develop Scotland's renewable energy potential and the extent to which these provide economic and low carbon opportunities. To date opportunities in other sectors have not been sufficiently articulated, championed and stimulated and we therefore welcome the recognition in this document that opportunities for 'green jobs' exist in many sectors. Ultimately all jobs in Scotland need to become 'green jobs' – i.e. compatible with a sustainable economy.**
- **Whilst this strategy identifies many low carbon opportunities we've identified some sectors where greater scope exists e.g. in transport and food and some supporting measures that will help realise this potential and ensure that a low carbon Scotland becomes reality.**



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- **We recognise the constraints on public spending and hence the need for public finance to be used effectively and efficiently to lever in private investment to support the development and roll out low carbon technologies and activities. To realise this potential the Scottish Government needs to work closely and more strategically with the private investment community to overcome barriers to investment in key sectors and address issues around investment confidence and inertia and this will require close liaison with UK government efforts too given constraints on Scottish Government powers in this area.**

Question 1

Does this document sufficiently communicate the vision, drivers and implications of a low carbon Scottish economy?

The Scottish Climate Act as a driver of a low carbon Scottish economy:

- The prominence given to delivering the emissions reduction targets as set out in the Climate Change (Scotland) Act is welcome. The forthcoming Report on Proposals and Policies necessary to deliver emission reduction targets to 2022 must become a central pillar of our economic strategy. The Scottish Government commitment to largely decarbonise the power sector by 2030 is another major driver. Ultimately Scotland needs to develop and implement a zero carbon action plan and the economic strategy needs to be seen as a component of this plan. Scotland's overall economic strategy must therefore become a low carbon economic strategy, rather than having low carbon action as a side activity.
- The reduction targets set out in the Climate Change (Scotland) Act relate to Scotland's production emissions rather than our consumption emissions – although the Act does require reporting on consumption. Transformation of Scotland's economy needs not only to support measures relating to reducing Scotland's production emissions but also those associated with addressing our consumption emissions. Such an approach will also support delivery of the Scottish Government commitment to reduce Scotland's ecological footprint – a measure of our overall global resource demand and pollution. A significant part of this footprint is a result of climate emissions.

Implications of a low carbon Scottish economy:

- The discussion paper re-iterates the Government commitment to increasing sustainable economic growth and highlights that to enable growth increases in GDP will need to be decoupled from emissions. Decoupling of growth from carbon emissions is certainly possible and as an interim measure this is to be supported however the strong correlation to date between GDP and carbon suggests that decoupling of the rate required is unlikely to be sufficient to deliver the scale of carbon cuts required to meet the Climate (Scotland) Act commitments and reduce our carbon consumption footprint. Carbon reduction therefore needs to take precedence over GDP growth as part of a vision for a truly sustainable economy and the strategy should make this explicit.
- The document highlights opportunities to improve the efficiency of our resource use and support Scotland's Zero Waste Plan. Whilst the text emphasises opportunities to support recycling and secure greater efficiency an important component of cutting the impact of our consumption will also require us to consume less. This highlights the contradictions between economic objectives to increase GDP whilst developing a truly sustainable economy - ultimately increasing GDP is often predicated on growing levels of consumption and this is unsustainable.

- Scotland's low carbon economy strategy needs to acknowledge weaknesses of GDP as a measure of progress. Pursuit of economic growth as measured by GDP has become the dominant global goal for our economic systems however GDP does not distinguish between expenditure that helps or hinders progress to achieving a more sustainable society and the pursuit of economic growth per se can deliver the wrong things and undermine progress towards achieving sustainable development. If Scotland is to make the transition towards a sustainable low carbon economy consistent with environmental limits much greater prominence must be attached to additional indicators of progress beyond the traditional focus on GDP growth alone (e.g. reducing global ecological footprint, improving wellbeing, and reducing inequality).
- The progression from Scotland's existing economy towards a low carbon one requires ultimately that all jobs become 'green jobs'. This transition process will require support for those currently employed in areas incompatible with a low carbon Scotland into alternatives and this will require training and skills development.

Question 2

Section 2 identifies a range of low carbon economic opportunities based on Scotland's key strengths and opportunities and aligned with growing global market opportunities and domestic regulatory and legislative drivers.

a) are there significant additional opportunities that should be addressed by the Low Carbon Strategy?

b) in the light of the Government's objective of accelerating Scotland's rates of productivity and economic growth, which are the opportunities of greatest economic potential within a global context? Which opportunities should we focus on in the short-to medium-term?

Energy efficiency and housing: We support in particular the recognition that the necessary investment in improving the energy efficiency of Scotland's homes could create or safeguard 10,200 jobs over the 10 years to 2020. The Government home insulation scheme is a welcome initiative but to deliver the scale of reductions required a ten-fold increase in this funding stream is required.

Transport: Transport in Scotland is responsible for a quarter of Scotland's climate emissions and our transport system will need to be transformed to deliver a low carbon Scotland. The low carbon strategy discussion paper should reflect significant job opportunities available as a result of a greater role for the public transport sector (e.g. jobs in driving, crew/ maintenance/ticket sales, conversion, construction)¹ and in promoting active travel. Active travel and public transport must play a central role in supporting a low carbon transport plan for Scotland.

The discussion paper identifies a role for electric vehicles and this is an area that WWF Scotland would strongly support. Our recent report highlights that at least one in ten vehicles on Scotland's roads must be electric by 2020 if we are to achieve Scotland's climate change targets². There are substantial economic opportunities in Scotland associated with the development of electric vehicles, battery technology, charging facilities and infrastructure.

¹ <http://assets.wwf.org.uk/downloads/smartsotland.pdf>

² http://assets.wwf.org.uk/downloads/evs_report_web2.pdf

Food: The low carbon economy strategy should also set out the significant job opportunities in Scotland associated with supporting a more extensive agricultural and food production system³. Changing our food consumption patterns to reduce our reliance on meat and dairy has an important role to play in cutting climate emissions⁴ and presents job/economic opportunities associated with increasing the supply of locally grown fruit, vegetables and cereals.

Climate Challenge Fund: The Climate Challenge Fund has stimulated a fantastic level of activity and engagement by communities across Scotland in support of cutting Scotland's carbon emissions. Many people are now employed directly and indirectly in the co-ordination and implementation of Climate Challenge Funded Projects and Scotland's low carbon economic strategy should recognise this and commit to an ongoing programme of support for this work.

Question 3

Already, many sectors and businesses are actively exploiting low carbon market opportunities. But an effective transition towards a low carbon economy requires much greater awareness, activity and collaboration. How should the Scottish Government and wider public sector join up to best support business to exploit low carbon opportunities?

Scotland's planning system: Scotland's low carbon economy strategy needs to integrate with a planning system that supports such a transition to realise low carbon economic opportunities and initiatives at an appropriate scale, maximising synergies between developments.

Scottish Enterprise: Business funding from the Enterprise Network and through local authorities should be more closely targeted on low-carbon economic activity including requiring an assessment of the impact of funding on contributing towards Scotland's emissions reduction commitments.

Strategic Environmental Assessment (SEA): Scotland's SEA approach should require a detailed assessment of the proposed strategy, plan and policy development in contributing towards Scotland's emission reduction targets.

Carbon budget assessment: The requirement to produce a carbon assessment of the Scottish budget is welcome. The assessment process should be further developed to support decision making in an iterative process focusing on high impact policies and infrastructure and delivery of the Report on Proposals and Policies to deliver the Climate Change (Scotland) Act, and extended to considering the budget impact on Scotland's production emissions (currently the approach focuses on consumption).

Transport policy alignment: The discussion makes welcome recognition of the fact that the efficiency of the transport system needs to be improved through the introduction of low-carbon technologies, improved fuel efficiency of fossil-fuelled vehicles and reductions in the amount of fuel levels consumed however these goals are not entirely reflected in the key responsibilities attributed to Transport Scotland of

- '- To plan and provide an effective national transport infrastructure which will facilitate sustainable economic growth
- To minimise its carbon footprint in carrying out its duties
- To future proof its infrastructure, as far as possible, to the inevitable effects of climate change
- As a major procurer of services, to promote market innovations in the supply of transport related goods and services.'

³ <http://www.soilassociation.org/LinkClick.aspx?fileticket=60CVIT1Nw0U%3D&tabid=387>

⁴ http://www.wwf.org.uk/wwf_articles.cfm?unewsid=4040

Transport Scotland should have a much greater role in focusing on delivering a low carbon transport system and this should extend beyond infrastructure decisions but also include engagement in issues around planning and behaviour change options which help facilitate a low carbon travel system.

Public procurement – even in these straitened times the public sector purchases a large quantity and variety of goods and services. Building on the recent sustainable procurement guidance, this public spend should be harnessed to drive the development of greener products, services and job in the Scottish economy.

Question 4

Building on the recent National Economic Forum discussion, how should the Scottish Government, in partnership with the wider public sector, research base and investment community, help increase the level of innovation, investment and skills support to match the scale of opportunity in low carbon markets?

Investment mechanisms: Given constraints on Scottish Government powers in this area it will also be key to liaise closely with the UK Government in similar efforts – for example supporting the development of appropriate financial products and influencing the establishment of the forthcoming UK Green Investment Bank so as to support priority Scottish low carbon investment opportunities.

Scotland is home to a number of financial institutions and this presents opportunities for the Scottish Government to work with these institutions to build their support for the necessary investment decisions.

Investment confidence: Strong policy commitments by Government including the establishment of firm goals and targets in the future are essential to provide investor confidence. As an example Scotland's momentum on renewables has been supported by strong signals in the form of firm renewable targets and commitments by successive governments and this has provided a good framework for securing investment. The RPP provides an opportunity to establish this across all key emission sectors.