



WWF *for a living planet*

WWF Scotland

Little Dunkeld, Dunkeld

Perthshire PH8 0AD

t: 01350 728200

f: 01350 728201

ISDN: 01350 728276

wwfscotland.org.uk

Scotland's Low Carbon Economy debate – 23 September 2010

Parliamentary Briefing

Context

Our economic system has an important role to play in securing a future where we live within environmental limits – a 'One Planet' future. A low carbon economy is a key component of such a system and will be central to delivering Scotland's Climate Act commitments. Ultimately as part of an economic model which ensures a long term future for people and the planet, our entire economy needs to be zero carbon. With the right framework and approach, Scotland can establish a sustainable economy and reap the huge job opportunities presented.

Summary

- **A low carbon economy must become a central pillar of Scotland's overall economic strategy if we are to deliver Scotland's emission reduction targets as established in the Climate Change (Scotland) Act and reduce our global footprint.**
- **As part of a more sophisticated approach to measuring Scotland's economic progress much greater emphasis needs to be placed on cutting carbon emissions rather than the traditional focus on GDP growth alone.**
- **An immediate priority for Scotland's economic strategy is for it to support the delivery of all the measures required in the Government's Report on Proposals and Policies to ensure Scotland's emissions reductions to 2022 are achieved.**
- **Scotland's Low Carbon Economy Strategy must support all jobs becoming low carbon jobs. As well as renewable energy there are significant specific opportunities in Scotland in energy efficiency, public transport, food production and waste prevention and recycling.**
- **Government spending plans need to be compatible with delivering a low carbon future and lever in private investment to support the development and roll out of low carbon technologies and activities. The Scottish Government method for assessing the climate impact of the budget must be developed and applied in an iterative manner to support this process.**
- **A low carbon economy needs to be supported through our planning system, the Enterprise Network, the Scottish Budget approach and education and training programmes and Scotland's Low Carbon Economy Strategy must reflect this.**



INVESTOR IN PEOPLE

Director of WWF Scotland: Dr Richard Dixon
President: HRH Princess Alexandra,
the Hon Lady Ogilvy KG, GCVO
Chair: Ed Smith
Chief Executive: David Nussbaum

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A Sustainable Economy Strategy for Scotland

Whilst economic policy in Scotland has made steps towards a broader purpose beyond economic growth 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. cutting carbon emissions in order to reduce our global ecological footprint, improving wellbeing, and reducing inequality).

We should aspire to economic development rather than economic growth as part of a move to achieving sustainable development. Such an approach would recognise that improved quality, activity, stability and strength of the economy are more important than increasing quantity and that 'growth' per se as measured by GDP can undermine progress towards environmental or social goals that in turn can impact on our economic wellbeing. Achieving a level of decoupling of GDP from carbon is unlikely to deliver the scale of carbon cuts required over the long term. Carbon reduction therefore must take precedence over GDP growth as part of a vision for a truly sustainable economy.

The Scottish Climate Act and a Low Carbon Scottish Economy

A low carbon economy must become a central pillar of Scotland's overall economic strategy if we are to deliver Scotland's emission reduction targets as established in the Climate Change (Scotland) Act. Scotland's economic strategy should include a specific objective of cutting Scotland's emissions by at least 42% by 2020 and 80% by 2050. Scotland's Low Carbon Economic Strategy must focus investment to deliver those measures in the Government Report on Proposals and Policies which will set out how Scotland's emissions reductions to 2022 are to be achieved.

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 support Climate Change (Scotland) Act commitments to report on Scotland's emissions and also support delivery of the Scottish Government commitment to reduce Scotland's footprint – a measure of our overall global resource demand and pollution. A significant part of this footprint is a result of climate emissions.

Beyond Renewables

It is estimated that low carbon employment in Scotland could increase to around 130,000 by 2020. As well as ongoing support for renewable energy development equivalent focus should be directed at supporting and stimulating economic activity in a number of sectors that can contribute to a low carbon economy:

- **Energy efficiency and housing:** Improving the energy efficiency of Scotland's homes could secure 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 to deliver on carbon and fuel poverty targets.
- **Transport:** 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), promoting active travel and supporting work and personal journey travel plans. There are substantial economic opportunities in Scotland associated with the development of electric vehicles, battery technology, charging facilities and infrastructure.
- **Food:** Changing our food consumption patterns to reduce our reliance on meat and dairy has an important role to play in cutting climate emissions and presents job/economic opportunities associated with increasing the supply of locally grown fruit, vegetables and cereals.

Making a Low Carbon Economy a Reality:

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

2) 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.

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

4) The requirement to produce a carbon assessment of the Scottish budget is welcome but this assessment process should be further strengthened to support decision making in an iterative manner, minimising the carbon consequences of all public spending decisions.

5) A joined up approach linking the provision of necessary skills and training to low carbon opportunities ahead is required. This is an important component of a just transition for those currently employed in areas that are not incompatible with a low carbon economy future.

6) Given Scotland's limited economic powers on important areas such as tax raising and borrowing influencing UK government efforts around developing a low carbon economy will be key (for example proposals for the development of a UK Green Investment Bank and ensuring a greater roles for environmental taxes).

Conclusion

The environmental imperative to transform our economy 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 low carbon competitive economy showcasing progressive ideas and solutions.

For more information:

Dan Barlow, Head of Policy – dbarlow@wwfscotland.org.uk 01350 728200
Eva Groeneveld, Public Affairs Manager – egroeneveld@wwfscotland.org.uk 01350 728200