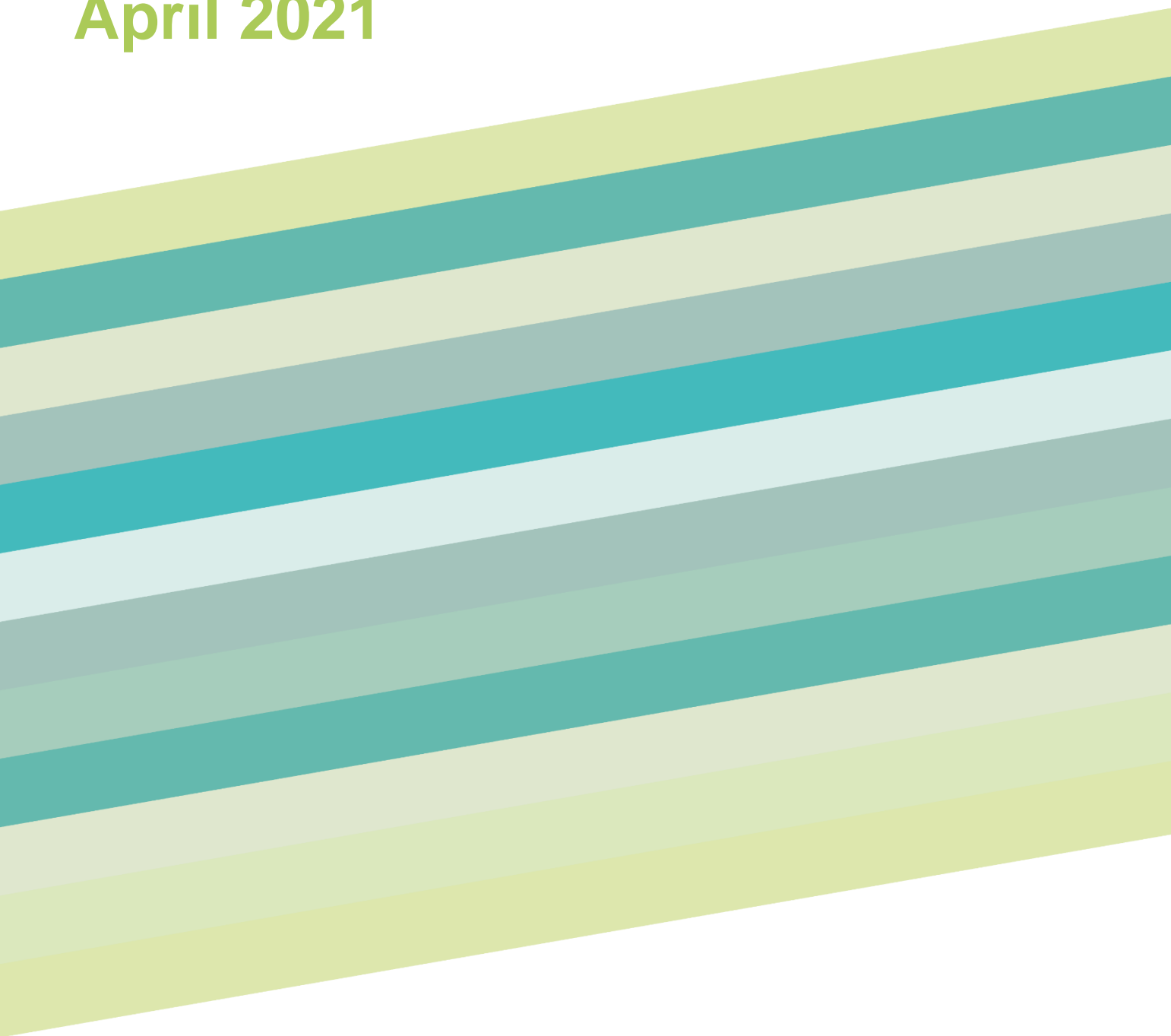


CLIMATE EMERGENCY RESPONSE GROUP

Scotland's green recovery and climate emergency response:

Final assessment of progress – achievements and recommendations

April 2021



1. Introduction

1.1 Background

In spring 2019, Scotland declared a climate emergency, and made it the focus of its Programme for Government. Nearly two years later, the [Climate Emergency Response Group](#)¹ 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 by the forthcoming new Government. There is just six months 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. An interim assessment of the Government's progress was published by CERG in November 2020, prior to the Climate Change Plan Update (CCPu), 2021 Budget, final Infrastructure Investment Plan and key sectoral policies and plans such as the Heat in Buildings Strategy, National Transport Strategy Delivery Plan etc. Within the interim report we identified specific recommendations that we would like to have seen included within the CCPu and 2021-2 Budget.

This report provides a final assessment of progress, 18 months 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.

The assessment 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	Adam Liddle
Teresa Bray	Daisy Narayanan
Kathryn Dapré	Stefanie O'Gorman
Lucy Frankel	Claire Rampen
Sam Gardner	David Reay
Iain Gulland	Hannah Smith
Alex Irwin	Sara Thiam
Andy Kerr	Mike Thornton
Sarah-Jane Laing	Raphaelle Vallet
Fabrice Leveque	Morag Watson
	Paul White
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 analysis of progress against CERG's 20 proposals concludes:

- **35% 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
 - Accelerate energy efficiency retrofit (budget)
 - Scottish heat pump sector deal
 - Dedicate the Scottish National Investment Bank (SNIB) to responding to the climate emergency
- **58% rated high amber, amber or low 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 (policy)
 - Complete plans for renewable electricity generation to support net-zero
 - Mobilise £11bn of annual public procurement to support the climate emergency response (policy)
- **7% 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 (budget)
 - Public guidance on sustainable, climate-friendly, healthy diets

The following Tables 1 and 2 summarise the ratings for each proposal and provide a comparison with the findings from our interim assessment. The tables show that since November there has been positive progress against our proposals – with particular progress made around buildings (retrofit and standards) and procurement. In the majority of cases however, progress has not been significant enough to increase our overall rating – either because timescales

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/>

are not ambitious enough, or there is an absence of clear targets and policy signals (eg an over-reliance on proposals and programmes within some sectors in the CCPu), and/or significant enabling barriers are yet to be overcome (e.g. public sector resource capacity, financing mechanisms, policy incoherence).

We have downgraded our ratings in two areas – Green Future Skills and Rural Jobs. For Green Future Skills we have changed our analysis from green to light green based on our assessment of the Climate Emergency Skills Action Plan (CESAP). The CESAP did not provide the necessary clarity on funding, scope and timescales of new training initiatives to allow us to confidently assess our proposal as ‘met and on track’. We have downgraded our rating for Rural Jobs from green to light green for similar reasons – the Green Jobs Fund is welcomed but there’s little detail on how it will be delivered, in particular for rural areas. There are also gaps in training and advisory services for agriculture and the lack of long term certainty on rural support funds could hold back jobs growth. Both areas will be revisited as we monitor the CESAP and Green Jobs Fund.

Section 3 outlines our assessment of the overarching achievements and our cross-cutting recommendations to overcome some of these policy and funding barriers.

Section 4 provides the detailed assessment and rationale for each rating plus our outstanding asks on policy and budget. These outstanding asks will be taken forward into CERG’s next report containing updated proposals to be published early in the next Parliamentary session.

Table 1: Key & summary of assessment







































		Interim Assessment			Final Assessment		
Definition of Red / Amber / Green ratings		Budget	Policy	Overall %	Budget	Policy	Overall %
GREEN - CERG proposal met / on track and at appropriate scale / urgency		3	4	33%	1	2	35%
LOW GREEN – CERG proposal largely met but response needs to be upscaled and/or progressed with more urgency.		5	1		8	3	
HIGH AMBER - CERG proposal broadly met with a few gaps, but progress is slow and/or not at scale.			1	57%		4	58%
AMBER - CERG proposal met in part, but scale of response is inadequate or delayed and/or details of policies and programmes absent.		10	12		9	9	
LOW AMBER – Some steps forward to address CERG proposal but significant gaps, and scale and pace of response inadequate.						1	
RED - CERG proposal not met in a meaningful way with little or no progress made.		2	2	10%	2	1	7%

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

8 Policy Packages for a Green Recovery ⁴	Interim Assessment – Nov 2020		Final Assessment – March 2021		Comment
	Budget	Policy	Budget	Policy	
City & Town Infrastructure Transformation Programme					Good policy progress but sticking points around targets, scale of investment, capacity to develop & deliver change at scale means rating doesn’t change.
Retrofit buildings for net-zero Scotland					Progress on budget and standards so rating increased but timescales too slow.
Rural jobs creation programme					Welcomed emphasis & investment in green jobs. Notable progress in funding, skills & incentives for forestry. More detail required on how Green Jobs Fund will target rural transition & clarity on rural support, so rating reduced.
Green Enterprise Support					Potential through roll out of Green Jobs Fund & support to enterprise agencies but more detail required. Gap in business support services.
Unlocking private investment now with greater policy certainty					New financing models need to be developed rapidly and stronger policy signals in some sectors.
Green Scrappage Scheme					More needed to support industrial decarbonisation and non-domestic buildings
Green Future Skills					CESAP shows potential but didn’t provide required level of clarity on timescales, scope, budget so rating reduced until more detail.
Expanded Capital Investment Stimulus					Multiyear Low Carbon Fund provides valuable certainty but roll out slower than desirable and would like to see higher % low carbon within IIP.

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

12 Immediate Actions for Scotland's Response to the Climate Emergency ⁵	Budget		Policy		Comment
	Budget	Policy	Budget	Policy	
Mobilise the £11bn of annual public procurement	●	●	●	●	New Procurement Policy Note and guidance so rating increased but significant enabling barriers remain. Funds (capital + resource) & incentives required to deliver net zero plans.
Produce public guidance on sustainable, climate-friendly, healthy diets	●	●	●	●	No progress though commitment reaffirmed.
A £100m Agricultural Modernisation Fund	●	●	●	●	More detail required on targeting, monitoring outcomes to net zero. Lacks training / business support.
Regional land use plans	●	●	●	●	Timescales slow and reliant on net zero rural support funding
Initiate 4 new Green City Region Deals	●	●	●	●	Delayed. Awaiting details.
Signal that every one of Scotland's city centres will be vehicle emission free by 2030 (Zero-emission cities)	●	●	●	●	Good progress on buses and active travel but requires scale and local capacity to secure investment.
Establish a public-interest company to invest in and operate Carbon, Capture & Storage (CCS) infrastructure	●	●	●	●	Progress welcomed but mainly focuses on demonstrator sites over infrastructure. Needs long term financing model – who pays?
Enhance building standards to deliver zero-carbon homes and buildings	●	●	●	●	Progress on domestic and non-domestic new build standards but timescales slow
Accelerate Scotland's energy efficiency retrofit scheme	●	●	●	●	Good progress and significant uplift in budget but timescales need to be earlier.
Create a Scottish Heat Pump Sector Deal	●	●	●	●	No change awaiting report back later in 2021
Complete plans for how we generate the renewable electricity needed to reach net-zero climate emissions	●	●	●	●	Positive noises through NPF4 and CCPu but requires interim measures to address planning barriers now.
Dedicate the Scottish National Investment Bank to delivering on the Climate Emergency	●	●	●	●	Further capitalisation welcomed.

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. Cross-cutting analysis – positive progress and recommendations

- **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: “we have committed to a ‘green recovery’ from COVID-19, one which captures the opportunities of our just transition to net zero.”⁶
- **Targeting of Green Jobs and Skills** - Priority has been given to green jobs, apprenticeships, and enterprises in the Programme for Government 2020, the CCPu and Budget, as part of the Government’s commitment to delivering a green recovery. 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 which all focus on the provision of green skills to support Scotland’s transition to net zero. The CESAP includes a further suite of initiatives to support green jobs, enterprises and skills, although more detail on the scope, scale and funding of these is required to ensure this will be achieve its potential. We will continue to monitor the development and roll out of these two initiatives to ensure they are effectively targeted to the sectors and areas where a rapid and just transition to net zero is most needed and the opportunities are greatest.
- **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. These commitments are welcome particularly at a time when the Scottish Government is working under severe financial constraints. However, to achieve the ambitious emissions envelopes set out in the CCPu, the rate of investment needs to be increased severalfold and used strategically to leverage in the required additional finance and stimulate new markets and supply chains.
- **Investment Frameworks & Market Signals** - Leveraging private finance is identified as critical for delivery of the policies and proposals across sectors (including bus decarbonisation, EV charging & infrastructure, heat, woodland & peatland). New investment frameworks are being developed to help piece together the necessary finance for the transition to net zero. For example, 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 and the £3 billion Green Investment Portfolio 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. The Government needs to leverage as much private capital per public pound spent as possible and must strategically target its investments to build investor confidence in new technologies and markets and commercialise projects as quickly as possible. This requires strong conditionality and careful monitoring and accountability.
- **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 in other areas such as industrial decarbonisation, procurement, circular economy and agriculture.
- **New Sustainable Travel and Infrastructure Investment Hierarchies and positive signals for NPF4** – will inform future investment decisions, prioritise sustainable travel, and maintenance over new build, offering significant opportunities to facilitate the shift to low carbon and circular economy practices. Similarly, the prominence given to concepts such as 20-minute neighbourhoods could also play a significant role in driving the transition to net zero. The implementation of these into practice requires careful monitoring and significant changes in our planning system (NPF4 pending) including more integrated alignment of transport, planning and active travel.
- **Priority for low carbon infrastructure** - The Infrastructure Investment Plan shows an actual and percentage increase of low carbon capital spending from 31% to 35% in 2020/21 and 37% in 2021/22. However, spending

⁶ Update to the Climate Change Plan (2018 – 2032) (page 2)

on high carbon activities remains approximately constant (road / airport infrastructure) albeit with a stronger emphasis on maintenance. There is an urgent need to exploit all opportunities to increase the percentage of low carbon infrastructure spend across the IIP, not only those projects with a 'green' label (eg all City Deals and business support funds should align with net zero). We are aware that the current method for assessing this percentage can be a blunt tool, nevertheless we are interested in how the Scottish Government reviewed infrastructure plans for its final IIP in terms of mitigating the carbon impact now and going forwards.

3.2 Cross-cutting recommendations to address concerns

Budget



- **Multi-year investments need to be front-loaded** to maximise impact for jobs, achieve early emissions reduction and to reduce lock-in of high carbon behaviours. The Comprehensive Spending Review Framework⁷ and 2021/22 Budget spending profile for low carbon indicates a slow increase which will fail to deliver on these aims. For example, only 8% of the Low Carbon Fund and 14% of the Green Jobs Fund are allocated in 2021. Early investment in low-risk high-return initiatives delivering multiple benefits for a green recovery, green jobs and achieve a just transition should be a priority (e.g. buildings retrofit) alongside the maintenance / adaptation of existing assets and infrastructure.
- The £2bn Low Carbon Fund and new financing models (such as SNIB, Green Investment Portfolio, GGAs) need **clear conditionality and careful targeting of funds** to ensure investments deliver maximum 'bang for buck' in reaching emissions targets, leveraging in private sector investment and transforming sectors and places. There remains a lack of detail on many of the financial models to support blending private finance with public investment / borrowing which need to be developed and piloted rapidly.
- **Capacity and expertise** for the effective development and delivery of big programmes remains a significant problem which must be addressed urgently. This includes the capacity and skills to build investible propositions to attract public/private blended finance. We estimate that **resource spend should be at least 10% of capital spend** (additional) and is necessary to secure jobs and investment. The Scottish Government should explore the opportunity to use all of its fiscal powers to increase resource funding.

Policy

- 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. This requires firm targets accompanied by a credible policy framework with urgent timescales which give confidence policy outcomes and targets will be achieved. As an example, within the CCPu, emissions abatement plans within some sectors rely on processes and technologies which will take several years before having any impact.
- 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.
- The Draft Public Engagement Strategy and Skills Action Plan published alongside the CCPu are welcome – **specific skills and engagement programmes should form a key part of all sectoral policies**. This has been achieved for buildings and food and similar efforts are required for policies such as 20 minute neighbourhoods, regional land use plans, and reducing car usage.

4. Summary of Final assessment and recommendations for each proposal

4.1 Eight policy packages for a green recovery

City & Town Transformation	BUDGET	POLICY
		

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

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 prioritisation
- 20 minute neighbourhood ambition incorporated into policies, plans and budget
- Funding support for zero emission buses (Scottish Ultra-low Emissions Buses - ULEBS) and stakeholder group with bus industry to produce a pathway for transition (Bus Decarbonisation Taskforce)
- Rapid active travel and bus measures for COVID-19 response
- Investments in cycling infrastructure / facilities

Update - Feb 2021 (Budget, Strategic Transport Projects Review & CCPu)

Transport:

- STPR & NTS Delivery Plan strong focus on managing demand and reducing need to travel unsustainably and link transport, placemaking and planning (note NPF 4 will be critical).
- Buses - New targets (by 2024 majority of new bus purchases are zero emission) and funding
- Date for phasing out of new petrol / diesel cars and vans brought forward to 2030.
- New target 20% reduction in car kilometres by 2030 (with routemap due in 2021)
- Proposals and funding around road re-allocation for active travel (Active Freeways received £50m but this is insufficient) & public transport
- Education & advocacy to encourage active travel / behaviour change
- Increased initiatives on EV financing and infrastructure
- STPR & NTS Delivery Plan refer to exploring / establishing innovative financing models in EV / bus / public sector but lack detail.
- Overall investment in Active Travel is still insufficient in ambition compared with the overall Transport Budget and ongoing investment in road building as shown in the 5 year IIP.

Planning / Regeneration:

- Investment in town centre regeneration (through Place-based Investment Programme & Town Centre Fund) & transforming vacant & derelict land.
- Position Statement on NPF4 shows promising framing around the Place-Principle, 20 minute neighbourhoods, permitted development for renewable energy, resilient communities and net zero. Careful tracking required to ensure this concept leads to transformative action.
- There is a significant need to design communities in a different way going forward – housebuilding and regeneration initiatives have not changed.
- Digital connectivity:
- Boost to investment in digital transformation and connectivity (R100 programme)
- Heat Networks Scotland Bill passed by Scottish Parliament February 2021 and new regulatory regime will be operational by the end of 2023 (HBS) – will facilitate the growth of heat networks in cities and towns.

Gaps and concerns

- Overall investment in active travel and public transport remains insufficient given the increase in policy ambition.

- Despite progress in specific sectors there is still no overarching clear trajectory and policy commitment to achieving zero-emission cities.
- There is a significant need to design communities in a different way going forward – housebuilding and regeneration initiatives have not changed. The concept of 20-minute neighbourhoods needs to be translated into clear policies, programmes and construction projects.
- The devil will be in the detail of the final National Planning Framework, the rate at which transformations take place, the capital and resource investment to facilitate the change, and the capacity of our public sector to deliver and regulate future development.
- Transformation of our towns and cities requires effective mobilisation of private investment – public funding will not achieve this alone. (see Unlocking Private Investment)

Outstanding Asks – Financial

- Increase spending envelope to ensure annual spend on active travel reaches a minimum of £160m by 2025, with longer term ambition that 10% of the transport budget will be allocated for active travel. New spend (eg Active Freeways) should come on line as early as possible in the new Parliament.
- Resource and capacity support to local authorities to deliver on Government ambitions and employ new financial models to transform our cities and towns in a rapid, effective, democratic & equitable way. Based on experience of other projects, resource spend should be 10% of capital spend – in addition. At least £6m investment to enable four cities to develop Green Growth Accelerator Schemes.
- Transition temporary measures delivered through the Bus Priority Rapid Deployment Fund into permanent priority measures; engage with local authorities to ensure nationwide involvement with the Bus Partnership Fund; accelerate efforts to facilitate bus partnerships and support public transport operators as we transition out of social distancing so that the bus network is a comprehensive and attractive alternative to car use.
- Continued support for zero emission buses through SULEBS; further investigation into other financing models that could accelerate the process of a large-scale transition to zero-emission 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 e bike 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.

Outstanding Asks - Policy

- Ambition for four city and town centre transformation plans by 2022 taking a ‘whole system’ view incorporating mobility, public space, green infrastructure, public and private buildings, and connectivity. This needs central government working with local government and local business to reshape our city centres to be thriving, green social and economic places adjusted to our (post) COVID world, facilitating new patterns of work, shopping and leisure.
- A financing facility to support local capacity building / skills to build investible propositions for public/private blended finance and operationalise their net zero strategies.
- Routemap, timescale, and measures to address existing barriers that stand in the way of delivering zero emission cities (vehicles) by 2030. Bus priority and active travel investment plans to be taken forward together with guidance and support to local authorities.
- Target for increasing percentage of mobility space for walking and cycling.

- Final NPF4 & planning policy operationalises 20 minute neighbourhoods and better designed communities that reduce the need to travel where there are credible, affordable public transport alternatives to the car.
- Regeneration schemes and new developments are required to include infrastructure and services for an attractive bus offer and have clear targets for renewable energy & energy efficiency.
- Clear policy direction & financing initiatives for freight consolidation centres / last minute mile aligned to the initiative to shift freight from road to rail.

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 – November 2020

- 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

Update - Feb 2021 (Budget, HBs & CCPu)

- Standards and regulations for owner-occupied homes to be energy efficient (EPC C or equivalent) brought forward to 2035 (we recommend 2030), private rental sector by 2028.
- EPC Assessment methodology review to ensure alignment with net zero (2021).
- Review of the Energy Efficiency Standard for Social Housing 2 to 2023 / Zero Emissions Social Housing Task Force
- Target of over 1 million homes and 50,000 non-domestic buildings with zero-emission heating system by 2030, and will set a new target for heat network deployment in Scotland, aligned with a new low carbon and zero emission heat target expected in final HBS.
- Imminent launch of Net Zero Carbon Public Buildings Standard (voluntary) & Scottish Green Public Sector Estate Scheme
- £201m committed in 2021-2 Budget for energy efficiency (mainly domestic) & fuel poverty (increase of 39%)
- Commitment to phase out public funding for fossil fuel heating systems by 2024 (with caveat around fuel poverty)
- Local Heat & Energy Efficiency Strategies to be in place by 2023.
- Commitment to increase advice & support services and bespoke public engagement strategy for heat in buildings
- HBS embeds just transition principles through its commitment to jointly deliver fuel poverty and heat decarbonisation objectives
- New tenure-neutral Housing Standard covering all homes new or existing, including agricultural properties, mobile homes and tied accommodation, aligned to the proposed regulatory standards for energy efficiency and heating (draft Standard in 2023 and progress legislation in 2024/25, for phased introduction from 2025 to 2030)

- ‘Help to Improve’ policy approach set out in Housing to 2040 Strategy. New support for repairs and improvements which work alongside existing and planned support for energy efficiency and zero emissions heating systems delivered under the draft Heat in Buildings Strategy, allowing us to take a whole-house approach where possible.

Gaps and concerns

- Would like to see a definitive policy signal in terms of regulating energy performance standards for existing buildings.
- 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.
- 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.

Outstanding Asks - Budget

- Whilst we welcome a significant increase in funding for energy efficiency (mainly domestic) in the 2021 budget, further increases are required to reach our target of £240m for the retrofit of domestic buildings in 2021/22.
- To achieve the target of doubling heat pump installation year on year in existing homes to achieve 64,000 homes /yr by 2025 requires an estimated £650m over 3 years 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.

Outstanding Asks - Policy

- Accelerate Energy Efficient Scotland route map – target of EPC C by 2030 and zero carbon by 2040, with early introduction of trigger points to achieve emissions reduction, develop supply chains and culture change.
- 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 on-gas boilers (2030)- with support and incentives for early replacement of on-gas boilers pre-2030.
- 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.
- Early introduction of LHEES with implementation starting 2022 (a year earlier than planned) and with adequate financial and technical support to local authorities to ensure quality delivery.

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 – November 2020

- Long-term multi-year investment in forestry / woodland creation, incentives and targets to increase investment in the woodland carbon market, 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.

Update - Feb 2021 (Budget & CCPu)

- 2021 budget investment in public forestry agencies specifically aligned to doubling rural / youth employment / skills development, and increase in woodland grants extremely welcomed.
- Green Jobs Fund (£14m investment in 2021 with rapid increase in 2022/3) and green recovery support for rural tourism (but not specifically aligned with nature-based / sustainable tourism).
- Climate Emergency Skills Action Plan shows good ambition and initiatives such as Green Jobs Skills hub, Green Jobs Workforce Academy, National Transition Training Fund but lacks clear timescales, scope and scale, and unclear how resources and effort will be allocated between industrial & rural jobs transformation.
- CCPu sets out increase in annual tree planting & peatland restoration, commitment to growing the carbon market for woodland and peatland, and emphasis on building as construction material – all of which will deliver rural jobs.
- Small overall reduction in budget for agri-environment measures in 2021, following allocation of additional funds in the budget.
- CCPu sets out welcomed language around shifting to low carbon sustainable agriculture and rural support system but still lacks the detail required to stimulate long term investment in job creation. Resistance to change the rural payment system will hold back the necessary innovation, enterprise and new jobs in this sector.

Gaps and concerns

- Details are still emerging around the delivery of the Green Jobs Fund and other initiatives in the CESAP / CCPu. We are waiting to see more details on how funds will be allocated and targeted to ensure they reach those rural areas and rural sectors where the need for a green recovery is greatest and the greatest opportunities for transformation lie.
- Only small portion of Agriculture Transformation Fund issued in 2020, and £45m assigned in 2021. Concern that not all the measures that can be funded are low carbon.
- Gaps remain around training, skills and farm advisory service.
- Need for more explicit links to regional land use plans to guide job creation.
- Future policy for rural support unclear and process is being through a voluntary approach led by industry groups which doesn't provide the long-term certainty the farming industry needs to invest in new farming practices / enterprises.

Outstanding Asks - Budget

- Resource funding for training and rural advisory services to complement capital spend on equipment through Agriculture Transformation Fund and a long-term funding commitment to provide certainty for farmers.

- Expand business support services for business innovation in circular economy approaches to help drive rural enterprise innovation / green recovery.
- Investment to build strong and resilient supply chains for net zero
- Rapid funding and implementation of initiatives within the CESAP

Outstanding Asks - Policy

- Much clearer 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). With a timeline 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.
- Emission reduction conditionality and careful targeting / monitoring of impact of the Agricultural Transformation Fund.
- Integrate findings of NatureScot’s assessment of nature-based jobs and skills for net zero into the roll out of Green Jobs Fund / Green Jobs Skills Hub to deliver on identified opportunities to increase rural jobs and employment to deliver nature-based solutions.

Green Enterprise Support

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 and supply chains.
- Local Food Strategy which could support efforts to stimulate demand for local produce and help local food businesses grow.

Update - Feb 2021 (Budget & CCPu)

- Commitment in CCPu to growing the carbon market for forestry and peatland and use of wood in construction.
- Launch and first tranche of Green Jobs Fund in 2021 budget (£14m) to support local businesses and supply chains to grow around sustainable and/or low carbon products and services (see above on the need for careful alignment of this with priority sectors and geographies).
- 2021 increase in budget to Enterprise Agencies (£17m additional).
- Trial of local work hubs and other innovative workplace settings
- Low Carbon Fund supports innovation in industrial decarbonisation and will help stimulate new supply chains and businesses.
- Demand Responsive Transport & Mobility as Service included within STPR2 (but no funds assigned)

Gaps and concerns

- Details are lacking on the Green Jobs Fund - 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.
- Good Food Nation Bill.

Outstanding Asks - Budget

- 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 and create markets / supply chains in net zero and circular economy practices.

Outstanding Asks - Policy

- Local food strategy and ambition for reducing emissions, linkages to sustainable diet guidance and its implementation, including consideration of how financial support to the food system can support lower-carbon and higher value local food systems.
- Further investment and incentives to encourage circular economy business models through public sector procurement and reuse of public sector buildings and assets.

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 – November 2020

- 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 19); and SNIB launched 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.
- Encouraging private investment in forestry through Woodland Carbon Market and use of timber as construction material.

Update - Feb 2021 (Budget, STPR, HBS, NPF4 Position Statement & CCPu)

- Welcomed indications in NPF4 position statement which sends strong signals to private investors around decarbonised energy generation and distribution, but we await details and certainty in the delayed NPF4.
- Further capitalisation of SNIB in 2021 budget (but still remains too little) and first investment.

- Leveraging private finance identified as critical for delivery of the policies and proposals across the CCPu (bus decarbonisation, EV charging & infrastructure, heat, woodland & peatland) but details on the financing schemes need to be developed with urgency.
- Commitment to increase the woodland carbon market by at least 50% by 2025 & increased use of the Peatland Code (CCPu).
- Further behind the scenes work in 2020 by SFT on GGAs and £1m allocated in 2021 budget (unspent in 2020).
- CCPu showed some progress in setting strong standards and targets for buildings and cars, but significant gaps remain eg for agriculture, zero-emission cities, industrial decarbonisation and rapid financing remains a barrier.
- Some progress in starting to create a sustainable and investible market for low / zero carbon heat networks through strengthened regulations, new Building Standards, rates relief, Green Heat Finance Task Force, though most at a concept / proposal stage.

Gaps and concerns

- Lack of clear policy signals (transformation pathways, regulation, fiscal incentives, targets) to provide attractive environment for investment (e.g. buildings, agriculture, transport, energy efficiency).
- Need for even more focus on building partnerships for delivery – public, private, and civic organisations.
- There is a 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.
- Regional and local capacity to bring in new financial models and private investment.
- 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.
- Public procurement – limited progress in this area misses the opportunity to shape & grow markets.

Outstanding Asks - Budget

- Enabling funding for pump priming, facilitation, and capacity building for local authorities (in particular) to develop pipeline of strategic net zero projects for partnership financing (e.g. £1m dedicated to GGAs in 2021 is insufficient).

Outstanding Asks - Policy

- Clear policy signals as detailed in other packages and proposals
- Greater clarity and transparency on how projects to be funded through SNIB will be assessed and prioritised for alignment with net zero.
- More rapid development of innovative financing projects.
- Closer working between Government and the private sector (at national and local levels) to unlock investment through clear pipelines and ensuring the Government is best able to use its budget to overcome investment hurdles and risk barriers and ensure delivery at scale.

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, Scottish Ultra Low Emission Bus Scheme).
- Boosted HES and SME cashback scheme for zero emissions heating technologies and energy efficiency measures. (PfG 2020)

Update - Feb 2021 (Budget & CCPu)

- Further £40m for Agriculture Transformation Fund and the Sustainable Agricultural Capital Grants Scheme (2020 budget underspent) though a mechanism to secure the required funding for training/tools/advice still lacking.
- Continuation of Resource Efficient SME Scheme

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. Resource Efficient cashback scheme for SMEs helps to address this gap but would like to see more focus on this.
- Industrial machinery: a scrappage scheme could work in conjunction with financing from SNIB or commercial loans to improve energy efficiency of operations.

Outstanding Asks - Budget

- 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.

Outstanding Asks - Policy

- Policy signals (accompanied by incentives such as scrappage schemes) for net-zero pathway to drive individual and business investment and early uptake of zero carbon technologies 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 and priority given to skills and jobs support with green recovery and net zero. 'New, good, and green jobs' are a significant focus of the PfG 2020, CCPu and the 2021 Budget.
- Increased investment in green apprenticeships, placements, and green skills for youth and to support existing workers to reskill.
- Climate Emergency Skills Action Plan and NatureScot's skills gap analysis to feed into design of Green Skills Development Package.
- Launch of £25m National Transition Training Fund, Energy Transition Fund to boost the supply of skills in sectors hard hit by COVID and support Scotland's transition to a net zero economy.

Update - Feb 2021 (Budget & CCPu)

- Welcome publication of CESAP alongside CCPu with some good examples of integrating skills and jobs into sectoral analysis (eg buildings and heat).
- Further tranches of NTTF launched focusing on digital and green technologies.⁸
- Climate Emergency Skills Action Plan (CESAP) identifies gaps and opportunities in different sectors and sets out some good initiatives (Green Jobs Workforce Academy, Green Jobs Skills Hub, Climate Emergency Economic & Investment Leadership Group). However, the plan lacks clear timescales, scope, scale or budget for these initiatives so it is hard to assess the likely impact and whether the initiatives can be rolled out at scale quickly enough.
- Budget uplift for Skills Development Scotland and Enterprises in 2021 (but unclear where funds go)
- Some examples of joined up planning in CCPu bringing together policy, skills and public engagement (eg heat), but this needs to be explicit for all sectors.
- Suite of funding to support Women in Agriculture / Rural Economy develop their skills and businesses.

Gaps and concerns

- Ensure transition skills development is well integrated into all low carbon initiatives such as the Energy Transition Fund, Land Use Frameworks, Agricultural Transformation Programme, Future Transport Fund, Energy Efficient Scotland.
- Detail lacking within the CESAP and needs to be taken forward with urgency to address jobs crisis with careful monitoring to ensure it fits with need (in terms of scale, geography, and sector). The Implementation Group needs to move quickly to provide details on the scope, scale & funding and ensure these are sufficient to respond to the need and opportunity.

Outstanding Asks - Budget

- As with Green Enterprise, expand business support services to help SMEs prepare to take on placements and apprenticeships and take advantage of other opportunities to innovate and gain new skills.
- Expand investment in circular economy skills and training.
- Support for all public bodies to deliver promised green apprenticeships (building on good examples within Forest and Land Scotland, and Forestry Scotland).
- Ensure that skills initiatives within the CESAP are adequately and rapidly resourced focusing on industry, manufacturing, energy efficiency and rural land management.

Outstanding Asks - Policy

⁸ [Futureproofing careers – gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/futureproofing-careers/pages/10.aspx) (27th November)

- Make joining up of skills and public engagement programmes explicit as part of CCPu / sectoral decarbonisation plans (as done for buildings and heat), and ensure green jobs and skills training initiatives target the sectors where the transition of skills is most urgent to deliver a green recovery and net zero plans.
- 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.
- Integrate findings of NatureScot’s assessment of nature-based jobs and skills for net zero into the roll out of Green Jobs Fund / Green Jobs Skills Hub etc. to deliver on identified opportunities and deliver nature-based solutions.
- Ensure Training Funds are invested strategically and carefully targeted to deliver a just transition to net zero, not propping up high carbon / unsustainable sectors – roll out of funds require careful monitoring by the CESAP Implementation Group.

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.

Update - Feb 2021 (Budget, IIP& CCPu)

- Disappointing slow roll out of the Low Carbon Fund doesn’t match required rate of change or investment to meet 2030 target. 8% Low Carbon Fund to be dispersed this year and slow investment in the Green Jobs Fund – 14% this year.
- The IIP shows an increase in the percentage of low carbon infrastructure spend but high carbon spend remains stubbornly high albeit with an increase in allocation to road maintenance).
- Small resource budget uplift to local authorities in 2021 but likely to be aligned to COVID response.

Gaps and concerns

- Scale of investment - £2bn over five years – is welcome and a good start. Advice from UK CCC (2020) suggests transition to net-zero requires less than 1% UK’s GDP annual investment, due to decreases in the cost of technology and renewable electricity and the net impact will become positive if we invest soon. Significant effort and innovative financing models required to attract private investment to address the shortfall.

Outstanding Asks - Financial

- 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.

Outstanding Asks - Policy

- Mechanism for assessing level of private investment that is levered in; is it enough and what is working to attract that investment.
- Need to exploit all opportunities to increase the percentage of low carbon infrastructure spend across the whole IIP – particularly in the areas of regeneration programmes and public sector building to mitigate the carbon impact now and going forwards.
- Careful targeting of public sector investment as part of a wider strategy to finance the net zero transition (maximising the roles of public and private investment). Public financing should be focused on enabling the private sector to invest in higher-risk, more ‘difficult’ sectors (CCUS, hydrogen and nature-based solutions) and to use these investments to demonstrate bankability or financing models.
- Careful monitoring to ensure an equitable distribution of the costs and benefits from the net zero transition across society, and careful consideration of who pays vs who benefits (Just Transition).

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 £12.6bn 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 – November

Leadership:

- PfG 2019, PfG 20, CCPu commit to mobilise public procurement to support the climate emergency response.
- Public bodies legal requirement to set net zero targets and embed climate into procurement by 2021 (SSI).
- Climate & Procurement Forum established and engagement with Public Sector Leadership Forum
- New infrastructure investment hierarchy focuses on asset management.

Energy Efficiency & Heat:

- £95m over 5 years to decarbonise public sector estate is a good start.
- Commitment to facilitate uptake of zero emission heat solutions across the public sector building stock and address problems within NDEE Framework.

Procurement guidance & tools:

- 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. New procurement tools & guidance.

Transport:

- Commitment to phase out new petrol / diesel vehicles by 2030.
- Commitment to reduce emissions from ferries (but not net zero).

Update - Feb 2021 (Budget & CCPu)

- Scottish Procurement Policy Note on Climate & Circular Economy (Jan 2021), aligning with Scottish Procurement Policy Note on [Measuring Social Impact in Procurement \(Dec 2020\)](#).
- Call to Action for public sector leaders (March 2021), targeting CEOs / Directors of Finance.
- Climate Literacy e-learning launched (March 2021)
- Action to embed climate commitments in corporate procurement strategies and reporting.
- Progress on working across SG functional/policy boundaries, for example, Home Energy Efficiency Programme. Climate messaging embedded in SG Project Delivery and Senior Responsible Officer training.
- Supply Chain Development Programme and Community Wealth Building Programme.
- Net Zero Carbon Public Buildings Standard (voluntary) to launch 2021;
- Scottish Green Public Sector Estate Scheme to launch 2021
- Additional untied resource funding for local authorities in 2021 budget which councils could use to invest in this area.
- EE targets for Learning Estate are a good step forward but would like to see more wide-ranging targets on renewable energy and embedded carbon.
- Strong language / messaging to public sector leaders outlining their responsibility to drive change in this area supported by guidance and Procurement Policy note.

- Some progress around energy efficiency – await details of the Building Standard and Estate Scheme.
- Still, generally a need for greater resource investment and clear, strong targets.

Gaps and concerns

- Concern at slow progress on shifting public sector spend to low/zero carbon products and services and putting in place enabling policies to drive change (see below). This is a highly complex area, with responsibilities laying across Government Departments and the wider public sector. However, given procurement 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 government departments, policy makers and local leaders understand their shared accountability and role in driving change. They need to work across traditional boundaries, developing integrated roadmaps towards net zero, identifying and addressing policy contradictions and barriers.
- A culture change is required with leadership at all levels. Guidance, reporting and training is insufficient – mandatory standards, financial incentives and methods are also required to drive change.
- Need greater resource and support services plus flexible, multi-year draw-down capital funding to public sector agencies deliver on their net zero plans.
- Progress will be limited until wider policy and procedural conflicts are addressed that are preventing procurement processes delivering on net zero. Particular barriers exist around the prioritisation of whole life costing and net zero within the preparation of corporate Business Cases for programmes and projects and, therefore in subsequent cash flows including procurement and grant activity. Also within construction (which accounts for approx./ £4bn of public sector spend and the most significant area of emissions) where contradictions within Building Standards are holding back progress.
- Lack of progress around food.

Outstanding Asks – Budget

- New or repurposed spend to meet targets for transition to low/zero carbon products and services (similar to target to decarbonise fleet).
- Flexible, multi-year draw-down funding to allow agencies to develop robust net zero routemaps and deliver on net zero plans.

Outstanding Asks - Policy

- Use of targets with timescales for all zero-emission buildings (not just new build), renewable electricity, circular economy practices (inc. reduced consumption, maintenance, re-use, remanufacturing) and food.
- Addressing conflicts and contradictions within public sector purchasing / commissioning processes that prevent net zero procurement being achieved – i.e. making whole life costing and net zero a key requirement within corporate Business Cases, taking operational and embedded carbon into consideration in cost-benefit analyses, conditionality of SG funding.
- Stronger corporate governance and accountability systems to drive the shift to net zero public expenditure, incentivize good practice and pinpoint where additional support is required.
- Mandatory Public Sector Building Standards to drive early uptake by public sector.
- Forthcoming guidance on what public agencies should include within Net Zero plans must include methods to calculate Scope 3 emissions and offset residual emissions. Requires support, incentives and accountability mechanisms.
- Stronger cooperation and dialogue between public sector and supply chain to allow innovation to meet required public sector outcomes.

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, statement of policy on food) included in PfG 20 which may progress this agenda.
- Consultation on a mandatory national food waste reduction target and mandatory reporting of Scotland's food surplus and waste by food businesses (2021; PfG 2020); and commitment to engage with public around food waste.

Update - Feb 2021 (Budget & CCPu)

- Reiterated commitment in CCPu to work with business, the public and the third sector to develop guidance so that more people are encouraged to eat locally-produced, sustainable and healthy food that supports our aims to tackle climate change, and the development of a Local Food Strategy for Scotland.

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 a holistic response to climate emergency.
- Good Food Nation Bill (outlined in PfG 2019) could have provided a framework for joined up food policy but not introduced due to the global pandemic.
- Commitment to develop non-legislative statement of policy on food welcome but need statutory National Food Plan to follow.
- Commitment to engage with the public around food waste is welcome, but also would like to see a strategy for discussing consumption in line with CCC targets for reducing meat / dairy. Changing diets are a core part of the net zero transition and can deliver improved human health outcomes too. Opportunity for greater leadership by public and private sectors on this issue.

Outstanding Asks - Policy

- Sustainable diet guidelines to be agreed (e.g. short-life expert working group), including requirements for avoidance of food waste. Interim report by November 2021 (COP26) with guidelines completed in 12 months.
- Public sector food provision to be informed by these sustainable diet and food waste avoidance guidelines. Need for greater leadership by public and private sectors through procurement.

- Integrated, whole system approach to food policy, that secures meaningful emissions reductions linked to a green recovery and transformation of the agricultural system.

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.

Update - Feb 2021 (Budget & CCPu)

- £45m capital in 2021 budget (although possibly an underspend in 2020) but no dedicated resource budget for skills and training and no long term funding plan.
- CCPu represents an important shift in language and aspiration around agriculture and rural support payments towards low carbon sustainable farming. Phased introduction of environmental conditionality is welcome, but lacks clear targets and detailed initiatives.

Gaps and concerns

- Progress slow in delivering programme in 2020 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

Outstanding Asks - Budget

- Appropriate split between capital and resource spending to ensure advice and training are funded and commit to equivalent multi-year funding.

Outstanding Asks - Policy

- Clear package of policies and proposals for emissions reduction from agriculture, prioritising key interventions and supported by tailored advice, funding through Agriculture Transformation Programme, aligned to RLUPs and monitoring to measure outcomes.
- More detail on environmental conditionality – scope, scale, measures and must rapidly shift to mandatory conditionality.

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- November 2020

- 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.

Update – Feb 2021 (Budget & CCPu)

- Land Use Strategy published end March.
- Delay to roll out of RLUFs with only pilot partnerships in 2021 with frameworks in place by 2023.
- CCPu still doesn't provide sufficient clarity on future rural support programme to provide the long-term clarity required by landowners. Also some uncertainties around the potential scale of land use required for BECCS as promoted in CCPu.
- Nitrogen Balance Sheet – on track for legislation by 2022.

Gaps and concerns

- Progress on regional partnerships is welcome, though delay in getting partnerships in place 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.
- 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.
- Concern about the significant role earmarked for BECCS within CCPu and potential for conflict with other forms of land use, unless very carefully assessed and integrated through RLUFs.

Outstanding Asks - Budget

- Funding for piloting good land use practice which aligns with net zero priorities.
- Training and advice for land managers (see above)

Outstanding Asks - Policy

- 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.
- Roll out of Regional Land Use Plans needs to speed up.

- 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.

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.

Update - Feb 2021 (Budget & CCPu)

- GGA feasibility budget in 2020 unspent – included in 2021 budget (but still is too low).
- SFT have done behind the scenes work in 2020
- Round of new City Deals announced in 2021 don't appear to have been amended to be in line with net zero targets
- Methodology to assess the carbon impact of the Budget in development, which will provide greater transparency on the impact of key investment decisions such as City Deals.

Gaps and concerns

- Awaiting clear outcomes and KPIs on GGAs to ensure focus on delivering low carbon transformations.
- GGA 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 and risks locking ourselves into a higher carbon future and missing the chance to move us towards netzero more quickly.
- Concerns about capacity within local authorities to develop proposals in this area.

Outstanding Asks - Budget

- Bigger pot of resource funding to build capacity and encourage local authorities to develop transformational projects to operationalise their net zero plans, and access GGAs and other forms of public / private blended finance.
- £6m in Yr 1 of GGA followed by rapid scale up.

Outstanding Asks - Policy

- Existing and emerging growth deals should be screened and modified to be in line with net zero targets.
- Target for 4 GGA in Scotland's major cities (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 – November 2020

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.

Update — Feb 2021 (Budget, NTS Delivery Plan, STPR & CCPu)

- Range of targets and investment for bus decarbonisation / active travel announced in CCPu, including target for reduction in car kilometres (see City & Town Transformation for details).
- Bus Partnership Fund (capital fund primarily aimed to reduce congestion) launched with an indicative budget of £35m for 2021/22. Future Transport Fund recapitalised with £118m.
- NTS Delivery Plan and STPR place strong emphasis on demand management and addressing climate change based around the Sustainable Travel and Investment Hierarchies. Highlights include initiatives to reallocate road space to public transport / active travel; facilitate more integrated public transport services; and to support households to make shift to zero emission vehicles and sustainable travel through loans, grants, behaviour change marketing and communications. Gaps remain around last mile delivery,
- Ambition for zero emission buses by 2024 and establishment of Bus Decarbonisation Taskforce to explore financing / delivery options.
- Achievement of the above would require significant increase in capital and resource investment (public and private)

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
- Lack of clarity regarding freight consolidation hubs for last-mile delivery.
- Risk that the increase in ambition set out in CCPu will increase demand which can't be met through the current set of policy / practice or scale of investment.

Outstanding Asks — Budget

See recommendations under City and Town Transformation policy package

Outstanding Asks — Policy

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 - November

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 developing and using CCS as part of the net-zero pathway – the only viable technology capable of mitigating industrial scale CO2 emissions in intensive industrial processes, for BECCS negative emissions and as a means to unlock large scale hydrogen production — an industrial opportunity.
- Investment in ACORN demonstrator, research and NECCUS and engagement with UK Government. Confident Acorn/St Fergus will be operational by 2024.

Update – Feb 2021 (Budget & CCPu)

- NECCUS awarded £1.23m funding from UK Gov Industrial Decarbonisation Challenge to analyse Scottish industrial emissions and investigate routes to decarbonising large sections of Scotland's industry. (Jan 2021)
- CCPu showed a significant reliance on rapid uptake and scale out of high-risk CCS and NETS solutions – requiring roll out at scale before 2030.
- Additional £180m through Low Carbon Fund for Emerging Energy Technologies (Hydrogen, CCS, NETS)

Gaps and concerns

- CCS remains an unproven sector with a very long lead time for major capital projects and its potential to provide net emissions removals should not be used to reduce effort in sectors where there are proven scaleable and effective technologies which can be taken forward immediately, for example demand reduction and renewables in the heat and transport sectors.
- CCU Challenge Fund – must ensure it focuses on permanent sequestration of CO2 and that it will contribute to net zero with the CO2 captured in Scotland.

- Dependency on decisions and investment at UK level to build investor confidence and engage with emitters.
- Disappointing that the CCPu contained no targets for industrial decarbonization and resource efficiency – it is high risk to achieve a 43% reduction by 2032 through a voluntary approach alone (note the CCC recommends some targets for industrial, eg by 2030 steel making near zero emissions, by 2040 cement zero).

Outstanding Asks - Policy

- Current policy very focused on securing immediate objective of demonstrator. Would benefit from a longer term, more holistic strategy that also sets out plans for onshore transport infrastructure, engagement with industry, understanding of how and where CCS should be pursued, and criteria for CCU to ensure it secures CO2 mitigation and how these are achieved acting in the public interest.
- Long term financing strategy which clearly sets out who pays for CCS.
- Set clear expectation for progress in industrial sector on resource efficiency and decarbonisation.
- Prioritise carbon capture on existing sources of biogenic CO₂ emissions - such as energy-from-waste plants, fermentation, biogas refining etc before committing to new dedicated BECCS.

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 – November 2020

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

Update - Feb 2021 (HiBS, Budget & CCPu)

- New Build Zero Emissions from Heat Standard will be introduced from 2024 - earlier if feasible. (CCPu). Similar requirements to be phased in from 2024 for new non-domestic buildings (HBS)
- Net Zero Carbon Public Buildings Standard 2021 (voluntary) – to be progressively applied to new build and major refurbishment projects from early 2021;
- Energy Efficiency Standards for most recent tranche of Learning Estate Investment Programme (but no standards on heat or zero emissions)
- New tenure-neutral Housing Standard covering all homes new or existing, aligned to the proposed regulatory standards for energy efficiency and heating (draft Standard in 2023 and progress legislation in 2024/25, for phased introduction from 2025 to 2030).
-

Gaps and concerns

- Only looking at new buildings - not looking at application of standards at point of major refurbishment. Net zero building standards so far are limited to public sector & voluntary – significant gap around social housing in particular.
- Unclear if timber as a building material will be included in standards review.

- Lag time in terms of implementation on the ground.
- Lack of action to transform Social Housing.
- Timescales are too slow to achieve required rate of change in building stock.

Outstanding Asks - Budget

- Support and incentives for early implementation of Standards.

Outstanding Asks - Policy

- Programme to support and incentivise (and require where funded by public sector) early implementation
- Reduce delays in implementation following planning permission.
- Develop regulations to apply energy performance standards at point of major refurbishment for domestic.
- Shift to Mandatory Building Standard for Public Buildings and address barriers within public sector planning & procurement processes.
- Net zero building standards for all non-domestic properties.

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 Transition Deal & Heat Decarbonisation Policy Statement expected in December 2020.
- Heat Networks Bill will provide regulatory framework and licensing system.

Update - Feb 2021 (Budget, HiBs & CCPu)

- Heat Networks Scotland Bill passed by Scottish Parliament February 2021 levels up the playing field and will make investment in the sector more attractive. New regulatory regime will be operational by the end of 2023 (HBS). Proposed rates relief to support business case for new heat networks.
- HBS has a strong focus on addressing fuel poverty and ensuring a just transition in the decarbonisation of heat (but see below).
- Heat Pump Sector Deal will report to the Scottish Government by Summer 2021 and review of evidence on heat pumps to be published March 2021 (HiBS).
- Commitment to develop a new supply chain programme along with skills development to increase supply / roll out of heat pumps (HBS).
- Increase to Warmer Homes Scotland budget and commitment to £450m over 5 years for next phase of LCITP which is likely to include funding to install heat pumps.

Gaps and concerns

- Recent consultation and funding allocation of LCITP to £450m is welcomed but insufficient (cf CERG request for £650m over 3 yrs just for heatpump installation)
- Policy signals on expectations for decarbonisation of heat (where, pace, technology) now in development but details and timescales still lacking.
- Commitment within HBS to address fuel poverty but more detail required on how risks will be mitigated to ensure that decarbonisation of heat will not disadvantage fuel poor.

Outstanding Asks - Budget

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

Outstanding Asks - Policy

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.

Update - Feb 2021 (Budget, NPF 4 Position Statement & CCPu)

- NPF 4 Position Statement sets out expectation that ‘the Global Climate Emergency should be a material consideration in considering [planning] applications but no clear policy detail. Also refers to strengthening our support for re-powering and expanding existing wind farms and updating the current spatial framework for onshore wind.
- Commitment in CCPu to review energy consenting process and to reduce timescales for planning for energy generation & infrastructure, including the development of between 8 and 11 GW off offshore wind capacity by 2030. Support for green hydrogen from offshore wind.
- Energy Strategy Update & Energy Statement delayed and expected early 2021
- Still no assessment of the overall electricity generation capacity (GWh) required by 2045.
- Delays to Scotwind offshore leasing of windfarms.

Gaps and concerns

- Difficult to progress on assessing electricity generation capacity without clearer government policy direction on options to decarbonise heat and transport or an updated assessment of the generation capacity (GWh) required to meet net-zero emissions in Scotland by 2045, setting a new generation ambition for 2030 and setting indicative ambitions for 2045 under different scenarios.
- Delay to the NPF4 and lack of interim policy to ensure climate emergency is given significant weight in planning decisions is concerning. Also awaiting a delayed Energy Statement.
- Repowering debate and its implications for planning ongoing with no clear indication of how this will be addressed until NPF4 published.

Outstanding Asks - Policy

- Refocus the planning process to deliver net-zero. NPF 4 should ensure the climate emergency is embedded at the heart of planning decision-making giving it “significant material consideration” in planning decisions- i.e. via a test of special regard to the climate emergency to ensure more weight given than currently adopted by decision-makers.
- Interim measures initiated urgently (e.g. via a letter by the Chief Planner), ahead of the next stage of the NPF4 being progressed, including an explicit presumption in favour of repowering and life extension of existing projects to prevent backsliding against progress to date towards Net Zero.
- Conduct an urgent review of the energy consenting regime to ensure the system is facilitating timely decisions and that stakeholders have the appropriate resourcing to ensure they can engage effectively in the system.

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 – November

- 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.

Update - Feb 2021 (Budget & CCPu)

- Further capitalisation of SNIB in 2021 Budget of £200m and first investment made.

Gaps and concerns

- Unclear how SNIB will report against ethical standards and its zero carbon objective. It is not precluded from investments that have negative environmental impacts.
- Clear assessment criteria

Outstanding Asks - Policy

- Clarity on accountability measures and assessment criteria to ensure SNIB meets its zero carbon objective and invests in a way that offers the most 'bang for its buck' in unlocking further investment and achieving our net zero targets. Align with EU Green Recovery Plan's language around 'no detrimental projects'.
- Share knowledge and learning with UK National Infrastructure Bank.
- Careful targeting to ensure Government's investment in SNIB used to leverage as much private capital per public pound spent as possible, and to de-risk important projects which are not yet commercially viable at scale with the intention of enabling future investibility.

5. Conclusion

This final analysis of progress on the Scottish Government's response to the climate emergency (based on the Climate Emergency Response Group's proposals) covers the period from summer 2019 to spring 2021. It updates our interim assessment completed in November 2020 prior to the publication of the Climate Change Plan Update, the final IIP and the Budget. We have reviewed the content of these major milestones and other key sectoral policies and strategies (including but not limited to the Heat in Buildings Strategy, NPF4 Position Statement and NTS Delivery Plan), alongside input from CERG members.

This final report takes place at the end of a 'second wave' of COVID-19 cases in Scotland. Ministers and officials have been '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.

We were pleased to see the emphasis on Green Recovery and net zero within major publications such as the PfG, CCPu and Budget. Similarly, announcements on green jobs and skills development to support the transition to net zero are welcomed. These commitments are particularly important as Scotland will be on the world stage when the UN COP 26 comes to Glasgow in November 2021, when the Scottish Government can demonstrate how it is both meeting its world-beating statutory climate targets in practice and at the same time growing a vibrant net zero economy.

Our analysis shows some good progress on over half of our recommendations, with one-third of our recommendations largely met. Despite the publication of the CCPu and other major sectoral strategies, our ratings have improved for only 4 of our 20 proposals (20%) since November (procurement, retrofit and Building Standards) and has actually reduced for Green Skills and Rural Jobs due to the lack of detail within the CESAP and the Green Jobs Fund meaning we cannot confidently assess the proposals as proportionate in scale and scope. Overall, we felt that the strong ambition and positive statements which we have welcomed by Government now need to be matched by clear targets, policy frameworks and urgent delivery timescales, and the rapid mobilisation of capital and resource funding and capacity to deliver on the ground. Capacity and expertise for the delivery of big transformative programmes remains a significant problem which must be addressed urgently.

The report highlights achievements and identifies outstanding concerns that must be met in the coming years by a new Government and through the delivery of major policy instruments such as NPF4 and the Infrastructure Investment Plan. We will publish a new report within the first 100 days of the new Government outlining in detail the steps that the new Government should take to build on the progress made to date and to take further action to ensure that Scotland's ambition to become a net zero nation into tangible changes in our communities, buildings, infrastructure and land management practices.

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.

