ENVIRONMENT, CLIMATE CHANGE AND LAND REFORM COMMITTEE

AGENDA

33rd Meeting, 2018 (Session 5)

Thursday 15 November 2018

The Committee will meet at 9.30 am in the Robert Burns Room (CR1).

1. **Climate Change (Emissions Reduction Targets) (Scotland) Bill:** The Committee will take evidence on the Bill at Stage 1 from—

   John Ferguson, Eco Idea M;

   Dave Moxham, Deputy General Secretary, STUC, on behalf of Just Transition Partnership;

   Suzy Goodsir, Greener Kirkcaldy, on behalf of the Climate Challenge Fund;

   Angus McCrone, Chief Editor, Bloomberg New Energy Finance (via video conference).

2. **Climate Change (Emissions Reduction Targets) (Scotland) Bill (in private):** The Committee will consider evidence heard earlier in the meeting.

Lynn Tullis
Clerk to the Environment, Climate Change and Land Reform Committee
Room T3.40
The Scottish Parliament
Edinburgh
Tel: 0131 348 5240
Email: ecclr.committee@parliament.scot.
The papers for this meeting are as follows—

**Agenda item 1**

Climate Change (Emissions Reduction Targets) (Scotland) Bill cover note
PRIVATE PAPER
Introduction

1. The Climate Change (Emissions Reductions Targets) (Scotland) Bill was introduced on 23 May 2018 and under rule 9.6 of the Standing Orders, the Parliamentary Bureau referred the Bill to the Environment, Climate Change and Land Reform Committee to consider and report on the general principles.

2. The Scottish Government has published the following documents in relation to the Bill:
   - Climate Change (Emissions Reductions Targets) (Scotland) Bill
   - Policy Memorandum
   - Explanatory Notes
   - Financial Memorandum
   - Delegated Powers Memorandum
   - Statement on Legislative Competence

3. In addition, the Cabinet Secretary for Environment, Climate Change and Land Reform wrote to the Committee to highlight an information and analysis document to support discussion of the Bill. This is included at Annexe A.

4. No secondary Committee was appointed to scrutinise the Bill. However, the Finance and Constitution Committee will consider the Financial Memorandum to the Bill. Provisions relating to delegated powers within the Bill will be considered by the Delegated Powers and Law Reform Committee at Stage 1.

5. This paper sets out the purpose of the meeting and background to the Bill and the Environment, Climate Change and Land Reform Committee’s approach to consideration of the Bill at Stage 1.

Purpose of the Meeting

6. At this meeting, the Committee will explore innovation for and potential solutions to climate change, including new approaches to resource management and finance. The Committee will hear from:
   - Dave Moxham, Deputy General Secretary, STUC on behalf of Just Transition Partnership
7. Written submissions from witnesses can be found at **Annexe B**.

### Background

8. In December 2015, signatories to the United Nations Framework Convention on Climate Change met in Paris for the annual Conference of the Parties. In December 2015 the **Paris Agreement (UNFCCC 2015)** was adopted under the United Nations Framework Convention on Climate Change (UNFCCC). The Scottish Parliament Information Centre (SPICe) produced a briefing on provisions of the Paris Agreement and what these might mean for Scotland.

9. The key provisions of the agreement were:

   - Global temperature rises should be limited to “well below” 2°C and to “pursue efforts” to limit temperature increase to 1.5°C above pre-industrial levels (See Article 2);
   - Parties to the agreement are to aim to “reach global peaking of greenhouse gas emissions as soon as possible”;
   - Parties are to take action to “preserve and enhance” carbon sinks;
   - To conduct a “Global Stocktake” every five years, starting in 2023;
   - For developed countries to provide financial support for developing countries to mitigate climate change;
   - Creation of goal of “enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change”.

10. Following the adoption of the agreement, the First Minister (who attended the summit) welcomed the agreement and said:

    “COP21 has, as we had hoped, achieved a big step forward in the international fight against climate change….Devolved administrations, like the Scottish Government, will be strong drivers of a progressive climate agenda. We look forward to working with our international partners to secure the successful implementation of the Paris agreement.”

11. In its **Programme for Government 2016-17**, the Scottish Government signalled its intentions to legislate to create new, more pressing climate change targets via new legislation in order to address the Paris Agreement. In its **2017-18 Programme for Government**, the Scottish Government stated the Bill would be included in the programme of legislation that year and said:
“The Climate Change Bill will respond to the historic Paris Agreement by setting more ambitious targets to reduce greenhouse gas emissions. The Bill will increase transparency, demonstrate our commitment to sustainable economic growth and signal to the international community that Scotland is the place to do low carbon business.

12. The Scottish Government requested advice from the Committee on Climate Change (CCC) in October 2016 and received this advice in March 2017. Between 30 June and 22 September 2017, the Scottish Government consulted on provisions and policy for inclusion in the Bill. The main themes of the consultation were:

- Updating the 2050 target in the Climate Change (Scotland) Act 2009 by increasing this from 80% to 90% lower than baseline levels;
- Whether the Bill should contain provisions to allow for a net zero emissions target to be set at a later date;
- To update the interim target for 2020 contained in the Climate Change (Scotland) Act 2009 from 42% to 56% lower than baseline levels;
- To add further interim targets of 66% by 2030 and 78% by 2040;
- To change the presentation of annual targets from tonnes of emissions to percentages to be consistent with the interim targets;
- For these annual targets to be presented as equidistant linear points between the interim targets;
- For targets to be set on the basis of actual emissions, rather than adjustments for crediting systems such as the European Union Emissions Trading Scheme (EU ETS);
- Whether the interim and 2050 emissions targets should be allowed to be changed;
- Reporting, including Climate Change Plans; and
- The impacts of the Bill on people, businesses and the environment.

13. The Scottish Government received 19,365 responses, of which 273 were non-campaign generated. An analysis document published in December 2017 highlighted the views of consultees.

14. In October 2017, the Scottish Government sought further advice, due to revisions to emissions estimates, which was received in December 2017. The Environment, Climate Change and Land Reform Committee took evidence on this advice from the Cabinet Secretary for Environment, Climate Change and Land Reform on 8 May 2018.
Content of the Bill

15. The Bill proposes to increase the 2050 target for reduction of greenhouse gas emissions from the 1990 baseline from 80% (as laid out in the Climate Change (Scotland) Act 2009) to 90%. The Bill also allows for a target of the 100% reduction (known as a net zero target) from the baseline to be created at a future date.

16. The Bill contains 5 Parts and 1 Schedule.

- **Part 1** allows for the creation of a net zero emissions target at a future date and updates the 2009 Act 2050 target from 80% to 90%. It also creates new interim targets for 2030 and 2040, as well as updating the previous 2020 interim target. The Bill creates a new provision for modification of these targets. Part 1 also includes sections proposing annual targets be presented in percentage terms in future and on advice the Scottish Government must seek in setting targets.

- **Part 2** is concerned with Emissions Accounting and how the emissions will be calculated in relation to the targets. This includes restricting the use of carbon units which can be purchased to contribute towards emissions reductions.

- **Part 3** is about the reporting and planning duties of the Scottish Government on the targets. It also includes detail of proposals for how reports on policies and proposals, suggested to be renamed Climate Change Plans, will be created and published in the future.

- **Part 4** provides further detail on the meaning of terms within the Bill and further consequentials to the 2009 Act.

- **Part 5** contains final general and miscellaneous provisions such as:
  
i. Meaning of the 2009 Act
  
ii. Ancillary Provision
  
iii. Commencement
  
iv. Short title

Environment, Climate Change and Land Reform Committee Scrutiny

17. The Committee has agreed to conclude its evidence taking at Stage 1 of the Bill prior to Christmas 2018. The Committee’s timetable for consideration of the Bill at Stage 1 is:

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>19 June 2018</td>
<td>Bill team evidence session</td>
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<tr>
<td>26 June 2018</td>
<td>Consideration of approach paper</td>
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<tr>
<td>June – August 2018</td>
<td>Call for views</td>
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<tr>
<td>October – November</td>
<td>Evidence sessions</td>
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18. In addition, the Committee held a call for views in July and August 2018. You can read the responses received [here](#).

19. The Committee plans to consider its draft Stage 1 report following the Christmas recess 2018 and report to Parliament by the end of January 2019.

**Evidence sessions**

At its meeting on 19 June 2018, the Committee heard from the Scottish Government Bill Team. In advance of the meeting, the Committee wrote to the Bill Team and received a response on 12 June 2018. The Committee also wrote to the Bill Team after the session and received a response on 27 July 2018.

20. On 23 October, the Committee heard from:

- ClimateXChange
- Intergovernmental Panel on Climate Change
- The Committee on Climate Change

21. The official report of the meeting can be found [here](#).

22. Following the meeting, the Committee wrote to the Scottish Government on the Financial Memorandum to the Bill and to the Committee on Climate Change.

23. On 30 October, the Committee heard from:

- Anders Wijkman, Chair, Climate-KIC and former Swedish Parliamentarian; and
- Stefan Nyström, Director of Department for Climate Change and Air Quality at the Swedish Environment Protection Agency

24. The official report of the meeting can be found [here](#).

25. On 6 November the Committee heard from:

  **Panel One - Behaviour Change**
  
  - Dr Rachel Howell, Lecturer in Sociology/Sustainable Development
  - Mary Sweetland, Chair, Eco-Congregation Scotland
  - Shane Donnellan, Senior Behaviour Change Specialist, Changeworks
  - Jamie Stewart, Policy Officer, Citizens Advice Scotland
Panel Two - Governance

- Chris Wood-Gee, Chair of the Sustainable Scotland Network
- Mai Muhammed, Energy Manager, Aberdeen City Council
- Tom Thackray, Director of Infrastructure and Energy, CBI Scotland
- Paul Gray, Chief Executive, NHS Scotland

26. The Official report of the meeting can be found [here](#).

27. On 13 November the Committee will hear from:

Panel One - Agriculture

- Charles Bestwick, SEFARI
- Patrick Krause, Scottish Crofter’s Federation
- Sarah-Jane Laing, Scottish Land and Estates
- Andrew Midgley, NFUS
- Dave Reay, University of Edinburgh
- Pete Ritchie, Nourish Scotland
- Kate Rowell, Quality Meat Scotland

Panel Two – Freight Transport

- Seamus Leheny, Freight Transport Association
- Chris Little, Road Haulage Association
- Neil Robinson, Sustainable Aviation

Panel Three – Active and Public Transport

- Jennifer Fingland, Cycling Scotland
- Colin Howden, Transform Scotland
- Ian McCall, Paths for All
- Alexander Quayle, Sustrans

Clerks
Environment, Climate Change and Land Reform Committee
Cabinet Secretary for Environment, Climate Change and Land Reform
Roseanna Cunningham MSP

T: 0300 244 4000
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Graeme Dey MSP

24 May 2018

Dear Graeme,

_When to set a net-zero greenhouse gas emissions target year: Information and analysis to support discussion of the Climate Change (Emissions Reduction Targets) (Scotland) Bill._

As you will be aware the Climate Change (Emissions Reduction Targets) (Scotland) Bill was introduced to the Scottish Parliament on 23 May 2018.

The Bill includes the target levels that were advised by the UK Committee on Climate Change and that the Scottish Government consulted on last year, including a 90% emission reduction target for 2050.

The Bill establishes a net-zero target but it does not set a date for that target. In light of the large number of consultation responses calling for a net-zero target to be set for 2050 or sooner, the Bill requires that Ministers regularly consider the earliest achievable year for such a target.

I considered a range of information and analysis in coming to my view on the target levels, and to support the Committee in debating the issue I have today laid a paper in Parliament that summarises that information and analysis. The paper is annexed to this letter for your ease of reference.

Yours,

ROSEANNA CUNNINGHAM

PAPER LAID IN SCOTTISH PARLIAMENT – “_WHEN TO SET A NET-ZERO GREENHOUSE GAS EMISSIONS TARGET YEAR: INFORMATION AND ANALYSIS TO SUPPORT DISCUSSION OF THE CLIMATE CHANGE (EMISSIONS REDUCTION TARGETS) (SCOTLAND) BILL_”
About the Just Transition Partnership

The Just Transition Partnership was formed by Friends of the Earth Scotland and the STUC in 2016. Membership includes Unite Scotland, UNISON Scotland, UCU Scotland, CWU Scotland, PCS Scotland and WWF Scotland.

This submission

We welcome the opportunity to submit evidence to the Environment, Climate Change and Land Reform Committee on the Climate Change Bill. Our input covers the following areas identified by the Committee: Scope of the Bill; Reports on emissions reductions targets; Climate Change Plans; Challenges associated with implementation of the Bill; what actions and behaviour change will be required of individuals and organisations if Scotland is to meet more ambitious climate change targets.

1. Just Transition and the Climate Change Bill

A Just Transition to respond to Climate Change

Ambitious targets for decarbonisation of our economy are essential in the context of climate change and our commitments under the Paris Agreement to take responsibility for our fair share of global efforts to limit temperature increases to 1.5°C. However, achieving these targets must not be made at the expense of the workforce and communities which currently extract or depend on the use of fossil fuels.

Substantial changes are needed to decarbonise our economy and support good quality employment. This will require large-scale investment in transformation of the production and consumption of energy, as well as reductions in overall energy use. The positive opportunities which are presented by meeting the technical challenges of energy transformation should be embraced: done in the right ways, the transition to a low carbon economy can create good new jobs, yield significant economic and social benefits, as well as avert the potentially catastrophic environmental consequences of climate change.

That is the purpose of Just Transition, endorsed through inclusion in the Preamble of the Paris Agreement which takes into account “the imperatives of a just transition of
the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities”.2

A Just Transition means moving to a modern low-carbon economy in a way which protects workers’ livelihoods, creates a new industrial base and delivers a fairer Scotland. This concept is central to a successful response to climate change, the implementation of existing Scottish greenhouse gas (GHG) emission reduction targets, and those proposed under the new Climate Change Bill. Bold targets need strong delivery plans, public enthusiasm and engagement in achieving them. The Just Transition approach to the achievement of GHG reduction targets encompasses all of these. It reflects the need to ensure popular support by taking the needs of workers and communities into account and bringing wider socio-economic benefits for citizens of Scotland.

Just Transition and emission reductions targets

The draft Bill increases targets under the 2009 Act, and requires sectors to report on emissions reductions, while the Climate Change Plan identifies the current GHG sources and future reductions according to sector. It is important to both show how these are practically achievable and commit to ensuring they will be delivered fairly, in order to secure broad support for implementation.

Just Transition requires the integration of industrial policy with climate change targets to secure investment in change while addressing who will be affected and how. Considering the impacts on jobs and communities and ensuring that the process of decarbonisation sustains and creates employment opportunities, generates greater inclusion and protects the people and places affected, is essential to the delivery of targets. In this way the Government can ensure that there are good quality employment opportunities for all workers whose jobs currently depend on extracting or using fossil fuels as the energy system transitions to reliance on renewable sources.

Just Transition embodies principles which should characterise the Scottish approach to climate change mitigation: enshrining this approach in this legislation is key to sending a clear and positive signal to workers, citizens, employers, industry and business about the way in which Scotland’s response to climate change will be made to happen.

Role of the Just Transition Commission

We therefore welcome the Scottish Government’s decision to accept the case made by the Just Transition Partnership3 and Stop Climate Chaos Scotland to set up a Just Transition Commission. Such a Commission can assist the Scottish Government overcome barriers to change and engage the active participation of civic society.

Setting up the Commission provides an opportunity to consider how to put in place a proper Industrial Strategy that supports offshore workers and the development of

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2 Paris Agreement, Preamble
3 https://foe.scot/resource/proposals-for-just-transition-commission/
renewables and decommissioning in a way which captures value within the Scottish and UK economy, supports post-industrial communities, and provides good quality, unionised jobs. Such a strategy would also consider how to attract under-represented groups including women, disabled people and black and ethnic minorities.

The Commission should advise Government and all relevant agencies on making the transition to a prosperous low-carbon economy in which the costs and rewards are shared fairly; and report on measures put in place to ensure that livelihoods of workers and of communities are protected and social equity is enhanced. It can play a central role in energising these changes through securing engagement with unions, employers and civil society; scrutinising and advising all of the actors and sectors involved; and ensuring a Just Transition approach runs through the Climate Change Plan. The Commission should report to Ministers, and its reports should also be laid before Parliament.

Enshrining Just Transition in the Climate Change Bill

The vital importance of the Just Transition approach to realising the transformation to a low carbon economy requires that the Climate Change Bill should enshrine it in a meaningful way. The Bill as drafted fails to do so. The Just Transition Partnership believes the Bill should:

- include a commitment that a Just Transition approach will be applied to the delivery of climate change targets, protecting livelihoods, enhancing social justice and contributing to a fairer and more equal Scotland;
- include reporting requirements on Just Transition in the Climate Change Plan i.e. on how proposals and policies will affect employment in different sectors, what measures should be put in place to support the transition of the workforce and related communities, and the scale and sources of investment. Ministers should report annually on progress towards this;
- put the Just Transition Commission on a statutory basis in order to give it the status needed to carry out these functions effectively and help drive the changes needed, for the duration of the climate targets laid out in the Bill.

Just Transition for a global transformation

Arising from the advocacy of the global trade union movement, a number of progressive governments have endorsed the ideas of Just Transition. Each of these has applied them to their own context. For example Canada has launched a Just Transition Taskforce for Coal Power Workers and Communities,4 to provide advice on how to make the transition away from coal a fair one for workers and communities. Similarly in Germany the Government has set up a task force to transition plans for the economic future of lignite-mining regions and identify strategies to reconcile climate action with economic stability, and to develop a roadmap and agree an end date to phase out coal-fired power production completely, to help the country meet its climate change targets. In New Zealand, the

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Climate Commission will guide the country’s zero carbon transition, with two main functions: expert advice and independent watchdog.\(^5\)

Scotland’s situation combines a concern for both the future of workers in fossil fuel extraction and the need for a rebalancing of the overall economy, rebuilding Scotland’s industrial base across all relevant sectors.

Taking the bold and confident step of enshrining this approach in the Climate Change Bill will underpin a comprehensive, economy-wide transformation and place Scotland in the forefront of a vital development in climate change policy.

2. Challenges and Implementation of Climate Targets

**Industrial strategy**

Ambitious decarbonisation will not happen if not embraced within economic strategy and industrial policy. The delivery of targets will also be jeopardised if workers in affected sectors are made to pay unfairly in terms of loss of employment, lower wages or worse conditions; or if the transition creates greater injustice and inequality through benefits and bail outs for the corporate sector or the costs of investment being born by regressive fiscal mechanisms. Previous energy transitions such as the closure of coal mines throughout the UK provide important examples of how not to do the transition to a low carbon economy. Similarly, experience to date shows that the growth of renewable energy generation has not maximised the job creation opportunities in high quality manufacturing in Scotland.

In contrast, it is necessary to signal that with legislating for increased targets comes a commitment to making this whole economy transition a Just Transition. That means the skills and industrial expertise of the workforce will be valued and enhanced, with dialogue between trade unions, business and Government ensuring that changes are planned and training, redeployment and recruitment packages are considered so that workers can negotiate the conversion of their existing jobs and employers or move with confidence into new jobs. Investment in new, modern technologies which maximise energy efficiency should also bring greater economic efficiency, and in turn this can lay the foundation for bringing back some of the industries off-shored during the deindustrialisation of recent decades. A more self-sufficient, circular and prosperous economy can be the result.

**Investment**

A related challenge is securing sufficient long-term, large scale investment to drive the transition: the UK and Scotland currently suffer from too low a rate of investment in clean energy systems.\(^6\) There is a need for such investment, for example, to help get a domestic renewables manufacturing industry off the ground, finance a national programme of district heating, and investment in public transport, walking and cycling infrastructure.

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6 [Environmental Audit Committee, Green Finance Inquiry 2018](https://publications.parliament.uk/pa/cm201719/cmselect/cmenvaud/617/61704.htm#_idTextAnchor010)
The decision of the Scottish Government to set up a National Investment Bank is therefore a welcome step towards aligning investment with crucial public policy objectives of decarbonisation and poverty reduction. The Bank’s remit should be to provide mission-led finance and in particular to support the just transition to a low-carbon economy. The Bank’s policies should ensure that all of its investments take into account the need for energy transition.

Energy ownership

The current energy system isn’t delivering change at the pace needed for a Just Transition to a low-carbon economy. At the same time, we face unacceptable levels of fuel poverty, high energy prices and dissatisfaction with the behaviours of the big energy suppliers. If not planned and implemented fairly, the transition to a low carbon economy could risk exacerbating these problems.

The extension of public ownership within the energy system can help tackle these issues, and the welcome proposal for a publically owned energy company could play a central part in doing so. However plans outlined in the Scottish Government commissioned Strategic Outline Case for the energy company give little attention to decarbonisation and to the delivery of energy efficiency measures. Initial proposals are restricted to the retail end of the energy system, and place generation and transmission in a distant third phase of development. The company should be tied into plans to implement a just transition to a low-carbon economy. The best option for competing commercially and driving energy transition involves generation and transmission as well as supply, so we are calling for a commitment that the Government-owned energy company will embark on these in its initial phase.

Sectoral planning for job creation

A Just Transition will require planning, sector by sector. This should involve the workers themselves through trade union involvement in sectoral collective bargaining. In the energy sector, a lot of the expertise, technology and infrastructure in the oil and gas sector can be deployed and developed for renewable energy developments in the North Sea and other marine waters. Offshore wind generation has many of the same construction, communications and servicing needs as offshore oil and gas. The engineering and project development expertise of the oil and gas sector can also be redeployed to support growing tidal and wave electricity generation. Decommissioning also provides a massive opportunity for using skills and services currently deployed on extraction. A central element of these plans should be protection of the people who work for the sector by using their skills in the process of de-carbonisation, with the sector seeking to redeploy and if necessary to retrain and upskill its workforce.

Beyond the energy sector, we need to transform energy consuming sectors by reducing energy demand and increasing renewable energy technologies. Examples include decarbonisation of transport and space heating, energy efficiency in buildings and modernisation of production industries.

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Energy efficiency provides an example where investment to reduce emissions also reduces fuel poverty and creates jobs. “The estimated cost of upgrading the housing stock homes to EPC band C or above are is £7bn over 10 years, requiring a funding increase of approximately £3.2bn .... from a mix of private investment .... and additional public funds. A project of this scope could generate a net increase in jobs of 8000-9000 per year.”

Public transport offers a similar example. Decarbonisation on socially fair terms will require greater reliance on much improved public transport. Yet bus usage is falling and fares are increasing, while rail fares are too high, and rising faster than wages. Replacement of old bus fleets and continued electrification of rail routes, alongside creating the infrastructure of charging points for electric vehicles, can create thousands of new, skilled and well-paid jobs in both manufacturing and installation, provided that regulation and procurement are managed so as to build up local supply chains. Public ownership of our railways and buses is also likely to create this transition quicker than our current model.

**SUBMISSION FROM JUST TRANSITION PARTNERSHIP (FOR 19 JUNE 2018 COMMITTEE MEETING)**

**Just Transition and Climate Change Targets**

The concept of a Just Transition is central to a successful response to climate change and the implementation of Scottish greenhouse gas emission reduction targets. The draft Bill increases targets under the 2009 Act, and requires sectors to report on emissions reductions, while the Climate Change Plan identifies their current GHG sources and future reductions according to sector.

These challenging overall objectives will require a rapid economic transition so it is vital to show how they can be made to happen – spelling out the industrial changes that are needed and how they can be implemented in ways which benefit the economy, protect employment levels and build social cohesion.

That is the role of **Just Transition**: ensuring that the transition to a prosperous low carbon economy is done in a way in which the costs and rewards are shared fairly, and employment levels and job quality are protected and enhanced.

This concept provides an approach to the implementation of GHG targets which reflects the need to both drive the transition forward rapidly and to ensure popular support by bringing socio-economic benefits and the needs of workers and communities into account. It embodies principles which should characterise the Scottish approach to climate change mitigation.

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9 [http://www.stopclimatechaos.org/sites/www.stopclimatechaos.org/files/Warm%20homes%20-
10 [https://www.bbc.co.uk/news/uk-scotland-43225271](https://www.bbc.co.uk/news/uk-scotland-43225271)
11 [https://www.bbc.co.uk/news/uk-scotland-45196204](https://www.bbc.co.uk/news/uk-scotland-45196204)
The need for a Just Transition Commission

Meeting the emissions reduction targets will require a concerted long-term effort from all social and economic sectors, led by government. The positive vision provided by the Just Transition agenda offers a framework which can be shared across the nation and which can engage the support of all sectors.

The Scottish Government has accepted the case made by the Just Transition Partnership and Stop Climate Chaos Scotland, and committed to establishing a Just Transition Commission in its 2017 Programme for Government. It fell short however, of agreeing to put the Commission on a statutory basis, and the draft Climate Change Bill fails to do so.

Little detail has been revealed about the Scottish Government’s plans for the Just Transition Commission to date. The Just Transition Partnership is calling for the Commission to advise Government on making the transition to a prosperous low-carbon economy in which the costs and rewards are shared fairly; and report on the measures put in place to ensure that livelihoods of workers and of communities are protected and social equity is enhanced. In addition it should play a central role in energising and facilitating these changes through:

- focusing attention on changes needed and doing them in socially just ways;
- securing widespread support through engagement with unions, employers and civil society;
- scrutinising and advising all of the actors and sectors involved.

Such a Commission could assist the Scottish Government in overcoming barriers, and engaging the active participation of workers, employers and civic society. For more on the Just Transition Partnership’s proposals for the remit, functions and composition of the Just Transition Commission, see Annex 1.

Putting Just Transition in the Climate Change Bill

The vital importance of the Just Transition approach to realising the transformation to a low carbon economy requires that the Climate Change Bill should enshrine it in a meaningful way. This means:

- including a commitment that a Just Transition approach will be applied to the creation of a low carbon economy, protecting livelihoods, enhancing social justice and contributing to a fairer and more equal Scotland;
- including reporting requirements on Just Transition in the Climate Change Plan i.e. on how proposals and policies will affect employment in different sectors, what measures will be put in place to support the transition of the workforce and related communities, the scale and sources of investment; and annually by Ministers on progress towards these;
• putting the Commission on a statutory basis in order to give it the status needed to carry out these functions effectively and help drive the changes needed, for the duration of the climate targets laid out in the Bill.

The Commission should report to Ministers, and its reports should also be laid before Parliament.

About the Just Transition Partnership

The Just Transition Partnership was formed by Friends of the Earth Scotland and the STUC in 2016. Membership includes Unite Scotland, UNISON Scotland, UCU Scotland, CWU Scotland, PCS Scotland and WWF Scotland.

Annex 1 briefing on Proposals for the Just Transition Commission from the Just Transition Partnership

Proposals for The Just Transition Commission

March 2018

The Scottish Government announced that it would set up a Just Transition Commission in its Programme for Government of September 2017. In creating a Just Transition Commission, it has an opportunity to set out a bold path for a radical and fair transformation of the Scottish economy, both moving towards eliminating greenhouse gas emissions and achieving greater social justice and environmental sustainability.

This document sets out the proposals concerning the Commission from the Just Transition Partnership, set up by the Scottish Trade Union Congress and Friends of the Earth Scotland in October 2016, and supported by Unite, UNISON Scotland, UCU Scotland, CWU, PCS and WWF Scotland.

Context

The current targets for reducing greenhouse gas emissions are set in the Climate Change Act 2009; these will be updated and extended in the Climate Change Bill 2018 in light of the Paris Agreement and the scientific evidence upon which it is based, sending a clear signal to all stakeholders and to private enterprises and investors.

The rapid decarbonisation needed for Scotland's contribution to limits set in the Paris Agreement should not be made at the expense of the workforce in sectors which currently extract or depend on the use of fossil fuels. The UK has already experienced badly-managed de-industrialisation which led to workers losing out and communities being left behind. Similarly, experience to date shows that the growth of renewable energy generation does not necessarily result in the creation of new manufacturing and engineering capacity and employment in Scotland.

Specific measures are needed to ensure that these benefits accrue. We need to put in place measures to ensure that building a low carbon economy results in a growth
in employment which protects workers’ livelihoods and creates a new industrial base. If planned and delivered in the right ways, achieving decarbonisation should also help deliver a fairer, greener country with better housing, cleaner transport, improved health and greater equity.

Therefore the Climate Change Bill should enshrine a commitment that the transition will be a Just Transition - that is, that the ways in which a low carbon economy will be achieved will protect livelihoods, enhance social justice and create a fairer and more equal Scotland. This will require substantial flows of investment into low-carbon infrastructure and enterprises and the conversion of existing industrial sectors, including through engagement of the workforce via collective bargaining. With the launch of the Commission, the Scottish Government should commit to developing robust plans which quantify the scale of the investments required for meeting emissions reduction targets and detail how their financing and delivery will be secured; and which consider the merits of increased public ownership in order to speed up and give direction to the transition.

To be effective, steps towards the governments’ low carbon reduction objectives and a just transition will have to be integrated across all relevant parts of government. The objective should be included in the remit of the Scottish National Investment Bank and of a future Government-owned energy company; it should also be integrated into the Economic Strategy and the Energy Strategy. Just Transition should be incorporated into the Climate Change Plan, which should include specific measures and budget lines for supporting the transition of the workforce as well as appropriate performance indicators. The Just Transition should be a core theme of any future industrial strategy.

The Just Transition Commission should advise the Scottish Government on the transition to a prosperous low carbon economy in which the costs and rewards are shared fairly, and employment levels and job quality are protected and enhanced. In addition it can play a central role in energising and facilitating these changes through:

- focusing attention on what needs to be done and how it can be done in socially just ways;
- securing widespread and popular support through engagement with unions, employers and civil society;
- scrutinising and advising all of the actors involved, not just central government.

All sectors of society will have to play their part so it is important that the involvement of unions, workers and communities as well as enterprises becomes the norm.

**Proposals for the Just Transition Commission**

**Remit**

The Just Transition Commission should be given a remit which includes:-

- advising ministers on making the transition to a low carbon economy in which the costs and rewards are shared fairly
• reporting on and scrutiny of the measures put in place to ensure that livelihoods of workers and of communities are protected and social equity is enhanced.

• providing direction, leadership and strategic thought for Just Transition in Scotland, building on engagement with unions, workers and employers. In doing so it will support and enable the realisation of the Scottish Government’s vision for a low carbon Scotland

The focus should be on transforming Scotland’s whole economy through driving the transition to low carbon emissions, attending to jobs and job quality and the needs of workers and geographical communities – that is, on what needs to be done and how it can be done expeditiously and with a fair distribution of costs and benefits.

The Commission should be able to examine the plans and activities of all agencies whose actions are necessary for achievement of the Just Transition, and the extent to which they are integrated and joined-up. It should be empowered to make recommendations and advocate on behalf of the objectives of Just Transition. In order to prevent offshoring emissions production overseas, consider how to make the just transition to achieving the climate change targets without increasing consumption emissions

The principles of Just Transition should be enshrined in the Climate Change Bill which should also establish the remit of the Just Transition Commission. The time period of the work of the Commission should derive from the function of monitoring progress towards and achievement of emissions reductions targets under the Climate Change Bill.

**Reporting**

The Commission should report to Scottish Ministers. In the current distribution of Ministerial portfolios we advocate that principle responsibility should lie jointly with the Cabinet Secretary for Economy, Jobs and Fair Work and the Cabinet Secretary for Climate Change, Environment and Land Reform.

Its reports should also be laid before Parliament and it should be able to give evidence to Parliamentary Committees. The Commission will produce both annual and one-off reports.

**Functions/activities**

The Commission should be a fully independent body which can:-

• Advise Ministers on the transition to a prosperous low-carbon economy

• Investigate measures needed to achieve a Just Transition and actions taken in Scotland to implement them

• Report to Scottish Government, Scottish Parliament and to the Scottish public

• Recommend and advocate
• Monitor progress towards the achievement of a Just Transition towards emissions reductions targets under the Climate Change Bill / Act, including as appropriate in relation to consumption emissions

• Engage with workers, unions and enterprises affected

The Commission should carry out its duties in such ways that it can assist the Scottish Government overcome barriers to Just Transition, engaging the active participation of workers, employers and civic society.

The role of the Commission is expected to evolve over time. Evidence-gathering, research, public hearings and assessment of the challenges and opportunities can be expected to feature strongly in its initial work programme, with an ongoing monitoring and evaluation role in the longer term as Scotland strives to meet emissions targets under the Climate Change Bill / Act.

Composition and membership

The Commission should include trade union, community and environmental members, as well as representatives of business and local government. It should be chaired by someone who has the confidence of the trade union and environmental movements. Commissioners should be people who are committed to just transition as well as being able to speak from and report back to their sectors.

Secretariat and Resources

It is essential that the independent commission has the support of an independent secretariat which can co-ordinate its meetings and support its activities. The capacity to commission any research, organize events or facilitate consensus-building will depend on it having a budget of sufficient scale.

SUBMISSION FROM ECO IDEA M

Catalytic Demonstrators as a Mechanism to Support Accelerated Transitions to Low

Carbon and Circular Economies - Eco Ideal

The case is now incontrovertible, though arguably still debated, that the current energy intensive and high consumption economic models underpinning advanced economies and driving globalisation are outstripping the carrying capacity of the global environment. This is evidenced in recent research and reports on climate change, biodiversity loss, non-biogenic resource conservation, food security, human health, water security, air quality, energy security and the state of our soils.

Whilst we have in place many of the elements of a more sustainable future, including a rapidly growing clean and low carbon technology sector, national, regional and global institutional engagement, social engagement and company awareness, the rate, scope and extent of the issues remain well
ahead of our infrastructure and processes. Institutional and societal inertia are complex, and when applied at a global level constitutes a risk of never managing to respond to the issues in time. We need to find new ways of accelerating progress.

This paper to the Environment, Climate Change and Land Reform Committee of the Scottish Parliament, uses the examples of the Tay Eco valley and in specific terms the Binn Eco Park and Perth West projects, both of which are being advanced through multi stakeholder approach as catalysts for accelerated transition to low carbon circular economy systems. The starting point for both projects is the growing challenge cities face in meeting climate change commitments set out in the Scottish Energy Strategy of 2017 and the UK Government’s Industrial Strategy. These challenges can be summarised as decarbonisation, decentralisation and digitisation, with fast and disruptive impact on the way society lives and works. With wide ranging policies, regulations (and in particular the roll out of Low Emission Zones) and the pace of technological change, there is an increasing risk of proliferation as opposed to transformative responses to achieving Scotland’s decarbonisation targets by 2032 and beyond.

Our proposition is that accelerated City and Regional scale projects are required that can bring together policy and technology to deliver inclusive economic opportunity and transferable skills for broader demonstration and application. These are ‘Living Labs’, that host grid edge technologies, business and community models to support the wider place making agenda.

**S1. Outline of Projects Supporting Accelerated Transitions:**

i) **Binn Eco Park**

The Binn Eco Park is an eco-industrial complex owned by the Binn Group. The Eco Park provide a wide range of waste services across Scotland to commercial, industrial and local authority clients. The Binn Masterplan will supplement existing recycling operations servicing commercial, industrial and household wastes, with advanced plastic recycling (Project Beacon), sustainable food production systems using waste heat, renewable energy production including wind and solar with an associated smart grid development and hydrogen centre. The Eco Park also aims to support the transition to low carbon sustainable fuel based commercial vehicle fleet and a low carbon and circular economy education, training and research facility. The site is illustrated in Figure 1 below:
An important element of the Binn Eco Park Masterplan will be an increased land allocation to allow resource management and associated Circular Economy and clean technology developments, including carbon capture and utilisation, which will include complementary Class 4, 5 and 6 business uses.

ii) Perth West

Perth West aims to connect the most advanced ideas in energy, mobility and digital communication to explore sustainable and resilient models for city growth. The ambition is for cutting edge, clean technologies to converge at our live test site; a 1.5km Innovation Highway, where through collaboration the complex low carbon energy solutions we need for cities of the future will be tested and trialled. The aim is for a low carbon efficient and integrated infrastructure that will deliver the energy systems needed to power future homes, employment, public amenities and transport networks and create new employment opportunities at a city/region scale. An open digital platform is proposed to host this infrastructure, supporting wider investment in Perth and the Tay region.

To achieve this aim requires multi stakeholder engagement and delivery, from Government agencies (notably Transport Scotland, Scottish Enterprise, Resource Efficient Scotland and SEPA), regional partnerships, local authorities and academia through to industry and landowners. The project is designing a new collaborative model which recognises regulatory roles of Government, but also the necessity that to achieve climate adaptation within the committed timeframe requires collaborative working...
partnerships. The land use components of this model are detailed in Figure 2 below. These are transferable to other cities and regions and, for illustrative purposes, the approach to then building a development framework is set out in Figure 3. The core concept of rapid transition mechanisms is then set out in S2 below.

**Figure 2 Building a land use framework to support the transition to a low carbon economy**

<table>
<thead>
<tr>
<th>The 3 pillars</th>
<th>1</th>
<th>building business and social/public models</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2</td>
<td>enabling infrastructure for commerce, research programme and sector trials</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>deliver at Perth West (to capitalise on scale, location and phasing) &amp; roll out, integrated with the City &amp; region</td>
</tr>
</tbody>
</table>

- Delivered within a central corridor – the Innovation Highway – and supported by a smart grid energy centre (Duplin Renewable Energy Centre).
- Inform the land use framework, road, pedestrian and open space strategy
- Integrated and at a human scale, to be a quality, modern place
- Shaped through collaboration

**The 3 Elements**

<table>
<thead>
<tr>
<th>1. Data</th>
<th>1</th>
<th>Open digital platform to host, integrate and enable wide access to infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Energy</td>
<td>2</td>
<td>The provision of low carbon energy for heat, power &amp; mobility</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>Integration with Duplin Renewable Energy Centre as an energy source energy centre</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>Energy storage, including V2G</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>Research programme</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>Affordability of heat and power</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>Market engagement¹</td>
</tr>
<tr>
<td>3. Mobility</td>
<td>8</td>
<td>Charging infrastructure; private, public, delivery/freight, cycling, ‘service’ and distribution²</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>Generated through a low carbon sources</td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>Regional &amp; city logistics and last mile delivery</td>
</tr>
<tr>
<td></td>
<td>11</td>
<td>Connected &amp; Autonomous Vehicles³</td>
</tr>
<tr>
<td></td>
<td>12</td>
<td>Social infrastructure to enable elderly and infirm to live at home</td>
</tr>
</tbody>
</table>

¹ Addressing the barriers facing the new build housing industry to adopt low carbon energy sources and models linked to decentralised models and infrastructure exists through the Innovation Highway
² The sell out of charging (EV) and the locational and digital experience structure this adopts; home, public & commercial
³ An area of particular interest, linked to areas including generation, battery capacity and mobility as a service
⁴ Being explored through the Interreg North Sea Region bid, led by Forth, with Dundee City Council & Tactiv
S2. Accelerated Transition Mechanisms:

Infrastructure as a Driver

The two projects noted above form part of a wider complex of environmental initiatives in Perth and the Tayside region including:

Circular Tayside: stimulating networks, research and development and coordinated support for companies to create more resource efficient businesses and circular economy business opportunities.

Tay City Deal Living Lab for eco-innovation (through the Tay Eco-Valley brand): facilitating business growth, R&D and attract investment in low carbon technologies. The programme will demonstrate, in a real-life situation, that decarbonising heat and transport, decentralising energy generation/use, reducing fuel poverty and carbon emissions and developing the circular economy.

In combination, the Binn Eco Park and Perth West development and the other programmes noted above offer an opportunity for a regional transition blueprint, addressing the circular economy and resource management, the transition to renewable energy based transport systems and low carbon manufacturing.

This can be achieved by integrating these initiatives with local and National Government strategies, agencies including Transport Scotland, SEPA, Scottish Enterprise and SNH under a single regional transitional mechanism.
Our proposals to achieve this are set out in Figure 4 below.

**Figure 4 Co-ordinating low carbon infrastructure to accelerate systemic transitions**

<table>
<thead>
<tr>
<th>Technology Area</th>
<th>Key Transition Mechanism</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wind, Solar PV &amp; hydrogen</td>
<td>Commercial &amp; public fleet conversion</td>
<td>Low carbon transport networks – source and infrastructure</td>
</tr>
<tr>
<td>Freight distribution services</td>
<td>Public-Private demonstrator</td>
<td>Improved air quality and health outcomes in urban settings</td>
</tr>
<tr>
<td><strong>Low Carbon - Secure Energy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generation &amp; distribution</td>
<td>Dynamic smart grids – distributed energy systems set within a digital platform</td>
<td>A more resource efficient business community and reduced waste</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Decentralised system with greater opportunity for common ownership</td>
</tr>
<tr>
<td><strong>Circular Economy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raw material conservation</td>
<td>Coordinated infrastructure investment e.g. Project Beacon – plastics</td>
<td>Improved collection, sorting and local use of waste resources such as</td>
</tr>
<tr>
<td>Circular economy systems</td>
<td>Smart manufacturing</td>
<td>plastics</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Economic opportunities skills development</td>
</tr>
<tr>
<td><strong>Regional Integration (Tayside)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cross Sectoral Transition at scale</td>
<td>Joint Local Authority Board</td>
<td>Accelerated Transition</td>
</tr>
<tr>
<td></td>
<td>Public agency integration</td>
<td>Transferable skills/lessons</td>
</tr>
<tr>
<td></td>
<td>Engaged business community</td>
<td></td>
</tr>
</tbody>
</table>

The sought outcome is an accelerated transition to low carbon systems at scale. This is supported by cross sectoral development at a regional (multi local authority level) integrating public and private initiatives and social engagement in the transitional mechanisms.

Tayside offers an ideal model to trial and demonstrate this kind of approach due to its unique geography and identity and the existence of initiatives that already form the potential technical and systems basis for his approach.

This necessitates an as yet untried level of integration across public and private bodies and would require Inter-Agency Coordination and cross sectoral partnering of an unprecedented nature including:

- The Planning System
- Economic and Land Use Agencies
- Regulatory Agencies (environment, transport, energy)
- The Business Sector
- Energy Sector
- Transport Services
- Community Representation
- Joint Committee Structures
- Special measures and powers
1. Other examples where accelerated transition systems could be developed and demonstrated.

Food supply chain - Food security

- Development of lower cost local supply chains – reducing food miles
- Obligations for retailers to source locally to the maximum extent. o Food waste reduction and measures to tackle food poverty.

Water management

- Reducing water use
- Reducing the energy and carbon cost of water management

Key messages for Committee:

1. Scotland has the skills, resources, heritage and institutions to become a world leader in climate change adaptation. It now needs integration and scalable demonstrator projects, delivering transferable skills and experiences.

2. We need to innovate to demonstrate improved delivery mechanisms, or the inertia in our current systems will mean the problems we seek to address will remain several steps ahead of our responses. Exemplars such as the Vauban in Freiburg (European Sustainable City of the Year & the Freiburg Charter) show the transformative power of scalable living lab projects,

3. Scalable projects delivered through multi stakeholder engagement are required now if we are to develop the experiences and skills to drive climate change adaptation, achieve international commitments and deliver inclusive economic opportunity

4. We often see the environment as a nice option that ‘conscious’ people engage with, but where many can ‘opt out’ out through vested interests, a lack of awareness or poverty. This is no longer the case. Change has to be made to happen.

This Committees interest is a timely and much a welcomed platform to promote Scotland’s transition to a low carbon economy.