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Advisory Group on Economic Recovery  
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Dear Advisors,

### **CLIMATE ACTION MUST BE AT THE HEART OF ECONOMIC RECOVERY**

Stop Climate Chaos Scotland is a diverse coalition of over 50 civil society organisations in Scotland campaigning together on climate change. We are writing to say climate action must be at the heart of any plan for economic recovery. This is a critical moment in which the government must choose to put us on a path to a low carbon future and show leadership during this period with the next UN climate talks - COP26 - coming to Glasgow in November 2021.

The COVID-19 crisis is the worst health emergency in living memory. In recent months we have seen a devastating loss of life and governments around the world imposing unprecedented measures on their populations to try to prevent the spread of the virus. The economic impacts, particularly for those with the least, are substantial and will be far-reaching. You have been asked to make suggestions about how and where to invest public money to rebuild our economy. The Scottish Government is already required to act in a way that best mitigates climate change, and we have welcomed progress to date in that regard. Throughout the pandemic, the Government and the people have understood the need to be honest, listen to scientists and act in accordance with the best scientific advice. That same understanding must inform our economic return with a transition to a green economy that is fair to everyone here and around the world and can bring good jobs, better health, stronger communities and put us on a path away from climate catastrophe.

We should not simply invest in those sectors that have been negatively affected in order to mitigate the immediate damage and put ourselves on the old path; we should grasp the opportunity to invest in technologies and research that puts us on a new path. A path that both embeds some of the positive behaviour changes we have recently seen and drives new change.

This pandemic has shown us what matters to us most - good health, our families and communities, clean air, green spaces, and reliable access to food. We need to learn from this experience and become more resilient in the face of future challenges and shocks. We must ensure that we all have enough to participate fully in society while together we respect climate and nature boundaries. Ensuring wellbeing for all while tackling the climate and nature emergencies must be the central purpose of government. In the attached appendix we set out some broad principles that need to inform any recovery; some specific suggestions for opportunities to use the recovery measures to get us on a different path; and responses to some of the questions you have set out.

We would welcome the opportunity to meet with you to discuss our proposals further.

Yours faithfully,

A handwritten signature in black ink that reads 'Tom Ballantine'.

Tom Ballantine  
Chair, Stop Climate Chaos Scotland

## APPENDIX:

### PRINCIPLES FOR A GREEN AND JUST ECONOMIC RECOVERY

- **Meeting Scotland's statutory emissions reduction targets must be central to a green, fair and sustainable economic recovery.** The measures taken as part of the economic return will have a significant impact on Scotland's efforts to deliver on its climate targets. Global climate science has been clear that a rapid reduction of emissions over the next decade is crucial in avoiding the worst impacts of the climate emergency. Action taken now must not lock in significant future emissions and should be targeted towards meeting our 2030 target to reduce emissions by 75% and the long term target to reach net zero by 2045.
- **Our economic recovery must work for both people and climate.** For too long economic growth has come at the expense of the environment, fuelling the climate crisis and damaging people's health and wellbeing. Action to recover should build resilience to systemic shocks, such as climate change, and look to deliver multiple social goods – improved public and environmental health, fair and just access to services and employment and community resilience.
- **Our economic recovery must work for both people and nature.** Action to recover must also address the nature crisis we face, with 11% of species at risk of extinction in Scotland. Our recovery must enhance biodiversity and local food systems and avoid activities that degrade the environment.
- **A Just Transition is central to a green, fair and sustainable economic recovery.** Many jobs and livelihoods in the oil and gas industry have been lost as a result of the pandemic while many more will be impacted by the transition to a low carbon economy. Our economic recovery should promote the growth of green industries, creating urgent new, quality opportunities for those who have lost their jobs and livelihoods during the pandemic as well as for those likely to be impacted during the transition to a low carbon economy. A just transition should be planned for those sectors that will be most affected and investment provided for new opportunities in climate friendly industries of the future. We urge caution with new technologies such as Carbon Capture and Storage (CCS)/ BioEnergy Carbon Capture and Storage (BECCS) when interpreting models for and pathways to net zero.
- **A green, fair and sustainable economic recovery should embed and build on recent behaviour change.** The Covid-19 crisis has seen radical behaviour change with home working and changes in travel patterns. There has been a marked increase in demand for local food, with support for local food producers and shops. This is an opportunity for the Government to bring forward measures that enable us to keep and accelerate some of the changes in behaviour that will help improve health, increase resilience and reduce emissions. These changes need to be felt widely and fairly.
- **Our recovery is also international.** A global pandemic requires a global response to defeat it. Communities in the global south are already facing the double threat of COVID-19 and climate change. Scotland, as a historic fossil fuel producing nation, has a particular responsibility to reduce emissions and join other climate leaders in bringing about urgent global action. It is vital that any recovery package is part of a global just transition. It is essential that we rebuild our economies in a way that protects the most vulnerable, and ensures we fulfil our commitments to the Paris Agreement, Sustainable Development Goals and to those in the global south who are already paying a heavy price for our historic emissions. Scotland must use the UN climate talks in Glasgow to push for robust implementation of the Paris Agreement and for significantly increased financial support to help impacted countries adapt to ever-increasing climate impacts, pursue low-carbon development models, and deal with irreversible climate damage.

### INVESTING IN A GREEN AND JUST FUTURE

In thinking about economic recovery our view is austerity is not the way forward. While it is clear that governments are spending massively and altering the financial position of the country considerably — which will lead to pressure to reduce public sector spending in the longer term — we have to learn the lessons from

previous experience. A recent paper on how to achieve a net-zero emissions economic recovery<sup>1</sup> emphasises how fiscal multipliers associated with government spending are greater during recessions, such as the one we now face. Analyses of the responses to the financial crisis of 2008/2009 show that expansionary policies focussed on investment were more effective at restarting economic activity than austerity-based policies.

A recent survey of 231 central bank officials, finance ministry officials, and other economic experts from G20 countries on the relative performance of 25 major fiscal recovery options revealed a strong belief from these experts that green fiscal policies are preferable<sup>2</sup>. This research concluded that: *“Green fiscal recovery packages can act to decouple economic growth from GHG emissions and reduce existing welfare inequalities that will be exacerbated by the pandemic in the short-term and climate change in the long-term”*.

In this context Scotland’s economic recovery measures should focus on investments that help put us on a path to net-zero, enhance biodiversity, reduce pollution and address equity issues. In particular, we would like to see:

### **1. Investment in renewable energy generation and distribution**

The Scottish Government should be aiming to deliver 100% renewable electricity generation in Scotland and for a fully decarbonised electricity system by 2032 (the end of the current Climate Change Plan period) with the necessary investment in new renewable energy production. Where Scottish Government support is provided, it should set mandatory requirements on local content and community benefit.

The scope of the proposed Publicly Owned Energy Company should be extended, to go beyond its proposed focus as another retail end supplier of energy, and instead look to take the necessary comprehensive role across our energy system to for example drive renewable generation, open up opportunities for community energy and prioritise ending fuel poverty over shareholder profit. A well-capitalised public energy company with powers to own distribution networks and generate energy, intervening in and leading the wider energy market in just transition, can create significant new opportunities.

Faster decarbonisation of heat and transport will mean increased demand for renewable electricity, and increased pressure on our grid as heat and transport are increasingly electrified. There is a significant risk that lack of grid capacity will slow our ability to connect new renewable generation and low carbon heating and transport loads that risks delaying or preventing other measures the Government may wish to take to stimulate a green recovery. Consequently, investment is required in our distribution grids to enable wider ambitions for renewables to be met. The Government should also focus resources on the implementation of demand response, load switching and direct supply arrangements for electric heat and transport to stimulate local energy economies in grid constrained areas where dependency on fossil fuels, per capita carbon emissions and fuel poverty are particularly high – such as the Western Isles.

### **2. Investment in making buildings fit for the future**

Energy use in buildings is responsible for a significant proportion of Scotland’s emissions. Reducing emissions from buildings in line with our new climate targets will require a scaling up of ambition and a combined approach of improving energy efficiency while switching from fossil fuel to renewable heating systems. Improving energy efficiency of the existing building stock must be accelerated, while building standards should be urgently revised to require that all new buildings are built to the highest energy efficiency standards from 2021. The Government should dramatically increase the level of investment for energy efficiency and expand work to support community led retrofit initiatives. Investments of this kind can help address fuel poverty and health issues associated with poor housing stock.

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<sup>1</sup> Allan, J., Donovan, C., Ekins, P., Gambhir, A., Hepburn, C., Robins, N., Reay, D., Shuckburgh E., and Zenghelis, D. (2020). A net-zero emissions economic recovery from COVID-19. Smith School Working Paper 20-01. See: <https://www.smithschool.ox.ac.uk/publications/wpapers/workingpaper20-01.pdf>.

<sup>2</sup> Hepburn, C., O’Callaghan, B., Stern, N., Stiglitz, J., and Zenghelis, D. (2020), ‘Will COVID-19 fiscal recovery packages accelerate or retard progress on climate change?’, Smith School Working Paper 20-02. See: <https://www.smithschool.ox.ac.uk/publications/wpapers/workingpaper20-02.pdf>.

Government must invest in transitioning away from fossil fuelled heating, primarily gas on grid and oil heating off grid, towards renewable heating such as heat networks and heat pumps. Heat networks and heat pumps are viable today. It is investment and policy that are required to roll them out at scale. Government should move rapidly to ensure that electric heating systems installed during energy efficiency work and in new build homes are capable of providing flexibility services, and compatible with doing so over open protocols, to avoid manufacturer 'capture' of flexibility service customers.

### **3. Investment in green transport, cycling and walking**

The transport sector has shown the least reduction in carbon emissions since 1990, and worse, road traffic and transport emissions have grown in recent years. Scotland spends around £800 million on motorways and trunk roads each year (£749m in 2020/21). This is expensive, high-carbon infrastructure, inconsistent with the climate crisis we face. If Scotland is to deliver an effective climate emergency response capital expenditure must be switched toward low-carbon infrastructure, including projects that enable walking, cycling and public transport and encourage a modal shift. This switch takes on greater significance and urgency in the context of the anticipated impact of social distancing rules on capacity within public transport and fears that car use could surge.

Since 2005/06 spending on roads has doubled, whereas funding for trains and buses has remained static or even fallen.<sup>3</sup> The active travel budget has been increased but remains very low as a percentage of the transport budget. This expenditure pattern has resulted in perverse incentives, in that the cost of motoring has fallen by 24.7% while rail fares have increased by 35.5% and bus fares have increased by 78.3%.<sup>4</sup>

The economic recovery must not simply channel money into road building. The Government's own Infrastructure Commission has called for investment to be used to deliver a "substantial increase in the proportion of journeys made by active travel" and "a much greater role for public transport"<sup>5</sup>. Last year's Cleaner Air for Scotland Strategy review also emphasised that to tackle air pollution we must focus transport policy on "reducing personal private vehicle use as a priority"<sup>6</sup>.

The Scottish Government should commit to increasing active travel and transforming town and city centres. The active travel budget should increase to at least 10% of the overall transport budget. Public transport must be extended in those areas it is lacking, as well as made more affordable and accessible. Further extensions of the concessionary travel scheme to other age and societal groups would be a big step in the right direction and provide people with an alternative to car use in cities and rural areas.

### **4. Investment in waste reduction and the circular economy**

The recycling rate in Scotland dropped to 44.7% in 2018 (a drop from the 2016 rate), which means we are further away from the target of recycling 70% of waste by 2025. With only five years to reach the 70% target, significant steps need to be taken to increase the recycling rate before then. Therefore, while retaining this target is appropriate, it must now be matched with investment in upgrading recycling infrastructure to increase capacity and capability.

Investment is also needed in moving Scotland to a full circular economy. Greater emphasis is required on shifting away from single-use plastics and putting in place the necessary infrastructure to establish a deposit return scheme by 2021.

Food waste is a significant contributor to greenhouse gas emissions and damages the Scottish economy - in its production, processing, storage and disposal. WRAP has found that during the lockdown UK households are wasting less food as they become more "Food Smart" including more pre-shop planning, better in-home food storage and more creative cooking. This has reduced food waste by a third in bread, potatoes, milk and chicken. These are the foundations for stronger food management meaning less food waste; this changing behaviour needs to be supported.

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<sup>3</sup> <https://spice-spotlight.scot/2019/12/04/you-get-what-you-pay-for-20-years-of-devolved-transport-policy/>

<sup>4</sup> <https://spice-spotlight.scot/2019/12/04/you-get-what-you-pay-for-20-years-of-devolved-transport-policy/>

<sup>5</sup> [https://infrastructurecommission.scot/storage/247/FullReport\\_200120a.pdf](https://infrastructurecommission.scot/storage/247/FullReport_200120a.pdf)

<sup>6</sup> <https://www.gov.scot/publications/cleaner-air-scotland-strategy-independent-review/>

## **5. Investment in peatland and woodland.**

The best places for nature also hold large amounts of carbon, and can also support sustainable jobs. Urgent action to protect and restore our ecosystems is required, as many are in poor condition and haemorrhaging carbon. The Government has committed to spending £250 million on peatland restoration over the next ten years; this is positive and demonstrates that the Government understands the importance of peatlands in Scotland (although further clarification is required on whether it is possible for this funding to enable the multi-year contracts that land managers and contractors need).

While welcome, this funding is not sufficient to restore all of Scotland's degraded peatland. The Government suggests that over 600,000 hectares of Scotland's peatlands are in a degraded condition as a result of historic land management decisions. If the Government is planning to spend £25m/yr over the next ten years, given a rule of thumb figure for the cost of peatland restoration of £1000/ha, then the Government will be funding the restoration of approximately 25,000ha/yr, meaning that after ten years 250,000ha will have been restored and 350,000ha will remain in need of restoration. Peatland Action appears to be a workable vehicle for investment, but it needs the flexibility of a multi-annual approach and the ability to work with landowners to also deliver multiple benefits.

Woodland creation and management is needed in Scotland to help achieve net zero. Such woodland must be appropriately sited, for example avoiding peatland and species rich grassland. The Government has been increasing its ambition in its tree planting targets, but much more emphasis is needed on woodland creation to include natural regeneration of native woodland, alongside tree planting. Expanding and restoring native woodlands must be prioritised due to the additional biodiversity benefits such woodlands provide. A strategic mechanism to deliver new woodland creation and sustainable management in a spatially and structurally targeted way is also needed. Investment in additional woodland creation funding may not deliver optimal results initially because of inertia in the system brought about by lack of clarity on the future of agricultural funding. Investment could also usefully be targeted at enhancing through research and training for the management of existing woodlands and encouraging the integration of farming with woodland, including agroforestry.

## **6. Investment in a Scottish farming transition**

Scottish agriculture is the second largest emitting sector of greenhouse gases accounting for 23.9% of Scottish emissions. While the sectors' emissions have been falling slowly, there has not been a significant change and the need to reduce emissions is not embedded as a priority in the farming industry. Much more work is needed to drive down agricultural emissions and improve carbon sequestration; investment in transformative change is required and the Government has signalled its intention to fund a transformation programme. We would suggest that any investment in farming is focused on that transformation. This needs capital investment to help farmers change practices (through a mixture of grants and low interest loans depending on the public/private interest); research focused on helping the industry transition to a low carbon model; and training/knowledge sharing for farmers in low carbon practices and changing business options.

## **7. Investment aimed at protecting Scotland's natural marine carbon stores**

Marine or 'blue' carbon is a vitally important resource in Scotland and it's effective management must be a key element of Scotland's green recovery. Our seas are in poor health, but recovery of them would deliver both returns for both the economy and climate. It is estimated that in total 7.2MtC is buried annually in sediments in Scotland's marine area, yet marine carbon is overlooked, degraded and under threat. The rationale for modifying the management of Scotland's terrestrial areas so that emissions are reduced and sequestration is increased applies equally to its marine areas. Investment in the following areas is required to put us in a better place to ensure that we protect and enhance carbon-rich marine and coastal ecosystems in turn providing coastal jobs and economic benefits:

- Help fisheries and marine managers act in the way best calculated to meet emission reductions targets
- Recover fish stocks to the point at which they can provide maximum sustainable yield to provide a low emission protein source

- Help fisheries and marine managers mitigate and minimise any impact caused by development and activity on blue carbon stores – e.g. allocating access to fishing zones based on carbon and nature friendly approaches to avoid the disturbance of carbon rich benthic sediments by fishing gears - and identify opportunities for restoration of key habitats including saltmarshes, seagrass meadows, shellfish reefs and kelp forests
- Research the scale, sequestration and vulnerabilities of marine carbon stores and the potential for restoration

## 8. Investment in climate justice

A green and just recovery must be a recovery for all, not just for Scotland, in line with our commitments to the Paris Agreement and the Sustainable Development Goals. Investing in climate justice will improve communities’ resilience to future emergencies and support them to recover from COVID-19 and deal with climate change. Investment should come in the form of new and additional commitments to international climate finance, through an expansion to the existing Climate Justice Fund (CJF) or a new funding stream for loss and damage climate compensation, recognising Scotland’s historical role in contributing to climate change.

The CJF was created in 2012 and has been funded at £3 million per year – a commitment that was formally set at COP21 in Paris in 2015. Since then, the value of this sum has gradually decreased in real terms, while the impact on the poorest countries has increased significantly. Furthermore, since COP21, substantial fiscal powers have been devolved to the Scottish Parliament. This gives an opportunity for the Scottish Government to mobilise new sources of finance to help in the collective global effort to tackle this emergency.

The 2019 Climate Change Act was passed in the context of the Scottish Government declaration of a “climate emergency”. However, tackling the climate emergency does not only require countries like Scotland to reduce their emissions, but also to provide climate finance for developing countries to develop post-carbon economies and adapt to the effects of climate change.

### REGULATORY CHANGE

Alongside investment the Government should use all the levers at its disposal to stimulate positive economic activity. The Government could, for example, change rules in ways that stimulate changes in behaviour or private investment. Regulation alongside incentives can help drive the private sector contribution to creating a net zero economy, whilst minimising the burden on public spending and boosting long term productivity.

For example, the Scottish Government could:

- *Ensure that all homes in Scotland reach at least Energy Performance ‘C’ by 2030, supported by regulations to require renovation at point of sale or major refurbishment, for owner occupiers from 2024, and new minimum standards for the rented sectors;*
- *Establish a ban on gas boilers in new homes and expand it to include a date for an end to like-for-like replacements of gas boilers and cookers;*
- *Establish a city-wide zero emission zone in operation in every city by 2030;*
- *Introduce a full ban on all items in the EU Single-Use Plastics Directive (SUP) priority list by 2021;*
- *Introduce charges on single-use disposable beverage cups by December 2020;*
- *Introduce a ban on burning on peatlands, forcing a change in thinking about upland land use and potentially investment in other uses;*
- *Ban commercial peat extraction for horticulture and ban the sale of peat for horticultural use thus driving development of alternatives.*

The combination of regulation with incentives or support can be particularly effective. On farming, for example, the approach taken by the Government to reduce agricultural emissions— which has focused on providing information and encouraging voluntary changes in practice — has not worked. Changes in regulation are needed to drive changes in practice. The Government has a role in supporting farmers to change, perhaps through the provision of grants where there is a strong public interest or low interest loans where there is a greater private interest. Some examples of changes in regulation relating to agricultural emissions that would drive investment include:

- *Extend Nitrate Vulnerable Zones to cover all of Scotland thus driving investment in low emissions machinery and storage;*
- *Establish a requirement that all new slurry stores should be covered from 2021, with all slurry stores covered from 2027;*
- *Introduce a requirement to spread slurries using low emission spreading equipment (trailing shoe or trailing hose or injection) by 2025.*

## **POLICY REFORM**

Making the most of the opportunity for an economic transition to a new path will not just require investment and regulation; in some areas a complete re-orientation of policy is required. In farming, for example, the biggest driver of farmer behaviour is policy. Investing in farming or making changes to some types of regulation may not substantially change behaviour whilst policy, the most important driver, remains the same. If the Government is to ensure that any investment in this industry or changes in regulation are to be most effective it should use the opportunity of the need to develop a new strategy for Scottish agriculture outside of the EU. It should refocus the support system on the provision of public benefits including nutritious, good quality food.

## **POLICY COHERENCE**

For our recovery to be truly green and just, and in order to fulfil our commitments to the Paris Agreement and the Sustainable Development Goals (SDGs), Scotland must ensure there is coherence between its domestic policy and global sustainable development outcomes. Communities in the global south are facing the double threat of COVID-19 and climate change. The socio-economic impacts of the pandemic threaten to undo the progress made in the fight against poverty.

As Scotland develops priorities and policies for recovery and renewal, it must use every lever it has to ensure that it builds back better, not just for people here in Scotland but for the international community as well. In 2019 the Scottish Government committed to launching a new Inter-Ministerial Group on Policy Coherence for Sustainable Development (PCSD). It has yet to hold its inaugural meeting, but the broad, cross-portfolio implications of COVID-19 and climate change mean that such a group would be perfectly placed to ensure that people and climate are at the heart of Scotland's recovery.

Policy coherence can ensure better outcomes in the poorest countries and better sustainable development outcomes everywhere - including here in Scotland.

**COMMENTS ON SPECIFIC AREAS UNDER CONSIDERATION** to address some of your questions here:

- **What are the opportunities for a Green recovery?**

We have set out above many of the opportunities around a green transition to a sustainable recovery. That transition must be at the heart of this recovery.

- **Will there be an acceleration of trends to net zero or some retrenchment?**

The Government response to this situation will significantly influence the trends coming out of this crisis. There is a public appetite for change now. Investment, regulation and policy reform must drive changes in behaviour and accelerate trends to net zero. Decisions taken now will lock in long-lasting environmental consequences. We should grasp this opportunity to push towards a net zero economy building on the public interest in, and appreciation for, health, relationships, community, resilience, clean air and nature.

- **What role might natural capital and the natural economy play?**

These terms are contested with a spectrum of views on their merits. Regardless of terminology, enhancing and restoring our ecosystems, creating new woodlands, restoring peatlands, developing nature networks/enhanced greenspaces, do have an important role to play. The UK Committee on Climate Change has signalled that significant land use change will be required to achieve net zero and the

Government should invest in making the changes needed in land use happen. This would involve direct investment in things like peatland restoration, woodland creation and management and changes in farming practice and funding. It would also require investment in the supporting framework as Regional Land Use Partnerships and Frameworks (which should develop a strategic approach to regional land use) and training and advice. The degree to which progress can be made in these areas will depend on the overarching policy framework, which itself needs to be reformed to indicate a new direction focusing on public goods.

- **How do we balance short-term needs against long-term impacts and social and environmental as well as economic outcomes?**

Governments around the world will have to invest large sums of money to boost recovery from the economic and societal shock of COVID-19. While it may be the case that short-term intervention is required by Governments to support some sectors, that intervention should not be provided unconditionally. The Government should seek to secure long-term benefits by attaching conditions to the provision of public money, in particular requiring transformational action from recipients to cut their greenhouse gas emissions.

- **What role might investment in improving Scotland's housing system play in supporting a Green recovery?**

As identified above, there is a role for investment in housing, but this should not be taken to imply support for house building under current development models. A new impetus for energy efficiency, new directions on heating provision, and the use of sustainable building materials in existing and new housing would provide huge opportunities for investment in existing and new skills, new jobs and new technologies.

- **What steps could be taken to boost private consumption to stimulate the recovery?**

From a purely economic starting point this question may appear reasonable, but for many SCCS members it is highly problematic. Profligate consumption, especially in wealthier nations, is at the heart of many of our environmental problems and has led us to a climate emergency. We should not be seeking to boost private consumption to stimulate recovery but rather we should be investing in the development of a circular and wellbeing economy.

- **Is there a case for relaxing some aspects of regulation to stimulate growth?**

Environmental regulation has been essential to the achievement of environmental protection and there should be no relaxation of those protections. Since the environment tends not to have a value in the marketplace, the operation of our current economic model tends to under-value it, resulting in environmental degradation. In the operation of an imperfect market, regulation performs the extremely important function of protecting the public interest in a healthy environment. At this time more than any other the importance of that protection is apparent.

There is an argument for the amendment of some regulation to deal with health and safety considerations post Covid-19 but those amendments should not undermine environmental protections or the path to achieving net zero emissions.

If the Government were to relax regulation, not only would there be a question mark over whether or not the savings would actually be invested in growth, it would represent the Government failing in its duty to protect the public interest. Governments should sensibly use a mixture of regulation and incentives to help steer industries in desirable public policy directions. It should most emphatically **not** be relaxing environmental regulation.

- **What conditions should be attached to business support, as part of a new approach to public and private sector interaction?**

We have listed above areas in which we want to see the Government directing public finance. We recognise, however, that the Government is likely to face pressure to invest in carbon-intensive industries that have been hit hard by Covid-19. Government should only act in ways consistent with the objective of achieving net zero emissions by 2045. Money spent on short-term damage mitigation should be contingent on action to reduce emissions. Recent research concluded that investment measures such as airline bailouts were particularly inefficient, whereas investment in renewable energy, building efficiency, nature based solutions, research and development and education all had much longer lasting impacts. During this period, acting in a manner which is consistent with Scotland's statutory emission reduction targets may involve difficult decisions. It is vital, in the interests of tackling the climate emergency and avoiding the cost of catastrophic climate outcomes, that we give proper importance to the required fast and deep climate action required. Any business support should be conditional on the support being consistent with that imperative.

#### **How valid are the existing models for national infrastructure and services (rail, utilities and energy)?**

Existing models for national infrastructure and services have played a significant part in getting us to our current climate predicament. Investment should not be focused on more of the same infrastructure and services, it should be focused on changing them so that we have the infrastructure required for a low carbon future.

Climate change is not a theoretical risk, it is already having wide and deep impacts - first and foremost on those who did least to cause it. Therefore, even within the challenging circumstances created by COVID-19, countries like Scotland, who helped create the climate crisis, have a duty to tackle it.

This is not a time for investing in a recovery to old failing paths; this is a time for investing in Scotland's green transition with the economic and other benefits that can bring. It is a time to invest in the future and the measures that will help us get to net zero.