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Environment, Climate Change and Land Reform Committee

Comataidh Atharrachadh Clìomaid is Ath-leasachaidh Fearann

Green Recovery Inquiry - Report



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Environment, Climate Change and Land Reform Committee

To consider and report on matters falling within the responsibility of the Cabinet Secretary for Environment, Climate Change and Land Reform.



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Membership changes

The membership of the Committee changed during the course of the Committee's inquiry. Annie Wells MSP left the Committee on 18 August 2020.

Foreword

‘Moments of crisis are always moments of opportunity’ - Christina Figueres

1. This report delivers recommendations for action. Whilst its genesis is work on a Green Recovery from Covid-19, it also brings together a number of themes which have emerged in the Committee’s scrutiny over this parliamentary session – in particular in relation to policy coherence. Covid-19 is a systemic issue, and this report draws on work the Committee has already carried out on other systemic issues - climate, biodiversity, marine, circular economy.
2. In recognising the urgency of the moment and the need for immediate action, the specific, focused recommendations are designed to support a green recovery across society in the short-term, but in doing so requires the Scottish Government to learn the lessons from its response to Covid-19, and to use best practice to respond to the other significant challenges of our time. The extensive evidence the Committee received has informed this report and will also support wider parliamentary scrutiny in the medium term, as Scotland recovers from Covid-19 and its impacts.
3. We need to capture and lock in positive behaviours, front-load investment in the low-carbon solutions we already know about and build resilience through valuing nature more in the recovery. We need to tackle the implementation gap, where solutions have already been identified but not applied, and deal with the issue of policy incoherence, where all parts of Government, and the wider public sector, are not necessarily working collaboratively or in a joined-up fashion. Underpinning this we need to focus on innovation, skills and jobs. Financial support in a green recovery must be conditional on delivering national outcomes – particularly around the climate and biodiversity emergencies. Conditionality must also apply to the public sector.
4. Delivering a green recovery can ensure we embed solutions to social, environmental and economic challenges, and can also support resilience – to pandemics, severe weather, financial shocks and geopolitical change.
5. Responses are best tailored to local and regional circumstances – and we must improve how we build local capacity and decision-taking within our communities and provide greater fiscal autonomy to do so.
6. Scotland has shown it can be bold in the face of a crisis. It must be equally so in dealing with the climate and ecological crises and the challenge of ensuring a just transition. A bold and proportionate response in the public interest is necessary to deliver a truly green recovery for Scotland.
7. Our overarching aim should be to build a more resilient, just and healthy society and environment – this will provide the secure footing we need for a more sustainable economy. The recovery should take a systems-wide, integrated approach that transcends sectoral boundaries and builds in social indicators on community cohesion, wellbeing and equality.

Introduction

8. A green, just and resilient recovery has been highlighted by Governments across the world, including the Scottish Government, as essential in effectively responding to the current social and economic challenges as a result of the Covid-19 health crisis.
9. In June 2020, the Environment, Climate Change and Land Reform (ECCLR) Committee agreed to undertake an inquiry to establish the principles that should underpin a green recovery, to identify key actions for change, immediate priorities, potential barriers to implementation and the governance arrangements needed to deliver this. Identifying immediate priorities and opportunities for action, including how we 'lock in' positive behaviour change, and providing the leadership needed to drive a green recovery will be crucial to ensure the 2021/22 Scottish Government Budget and the updated Climate Change Plan provide an effective response to the current challenges. The 2021/22 Budget should outline the immediate focus and priorities of the Scottish Government as it sets a pathway for green recovery and the updated Climate Change Plan should set out the policies and foundation for a newly energised, and inclusive, era of action in Scotland. This inquiry presents an opportunity to help shape these processes and identify what further action is needed.
10. This report sets out the Committee's initial findings and details specific recommendations for action. It is based on the Committee's short, sharp inquiry into the green recovery, distilling the extensive evidence heard into a series of specific themes, actions and recommendations. The report does not – and should not – sit in isolation. It is part of a larger suite of recent reports from bodies such as the Just Transition Commission, UK Climate Change Committee (CCC)ⁱ, Infrastructure Commission for Scotland and Advisory Group on Economic Recovery. This report does not seek to provide a comprehensive review of all the actions the Scottish Government and others need to take to deliver a green recovery, it identifies key actions, based on the evidence gathered as part of the inquiry, which should form part of our recovery from the Covid-19 crisis. The recommendations are often interlinked and overlapping – and to maximise their benefits, they need to be delivered together, and with urgency.

ECCLR Committee engagement

11. The Cabinet Secretary for Environment, Climate Change and Land Reform wrote to the Committee in early [April 2020](#) to advise the Scottish Government would be re-considering its plans for the updated Climate Change Plan (originally expected on 30 April) as part of a green recovery and requesting advice from the UK Climate Change Committee (CCC) on this. On [29 April 2020](#), the Cabinet Secretary also noted the Climate Change Plan update was to be repurposed "to inform thinking on the green recovery."ⁱⁱ

ⁱ In October 2020, the CCC changed their name from the Committee on Climate Change to the Climate Change Committee.

ⁱⁱ Official Report, [29 April 2020](#), col.25

12. In May, the CCC set out its view on the [principles](#) that should underpin a net zero recovery and highlighted some priorities for action. Subsequently, the Committee heard informally from Chris Stark, Chief Executive of the CCC, on 9 June 2020 and discussed the parameters of a green recovery with the Cabinet Secretary on [15 June 2020](#). On 26 June the Committee [wrote](#) to the Scottish Government to seek more detail on its green recovery work. The Scottish Government responded on [5 August 2020](#).
13. The Committee launched an open call for views on [26 June 2020](#) and the Committee received over [100 responses](#). A list of those who contributed is included as **Annexe D**. The call for views asked the following questions:
 - Do the principles of sustainable development and those for a resilient recovery, as proposed by the UK Climate Change Committee, provide a comprehensive framework for guiding an effective green recovery in Scotland?
 - What are the key barriers to delivering a green recovery (within your sector and / or community)?
 - What key policies, actions and immediate priorities are needed to deliver a green recovery (within your sector and / or community)?
 - How should the 2021/22 Budget support a green and sustainable recovery and avoid locking in carbon; and what funding is needed in the ECCLR portfolio to deliver a green and sustainable recovery?
14. The Committee was keen to engage with individuals across Scotland and sought to explore the key themes and actions needed to build a just, sustainable and inclusive recovery. The Scottish Parliament's Community Outreach Team engaged directly with third sector groups and communities across Scotland, on behalf of the Committee, through virtual events and via a postcard consultation. A summary document is included [here](#).
15. The Committee held oral evidence sessions with experts and stakeholders in September ([8](#), [15](#), [22 September 2020](#)) and heard from the Cabinet Secretary for Environment, Climate Change and Land Reform and the Cabinet Secretary for Finance on [6 October 2020](#).
16. The Committee thanks all those who contributed to this inquiry, particularly under the current circumstances, by providing written evidence, by appearing remotely to give evidence as part of committee meetings and by engaging in our outreach work across the country. The knowledge and willingness of all those who submitted evidence has supported the Committee in developing a full understanding of the issues and in making informed and robust recommendations.

Related parliamentary scrutiny

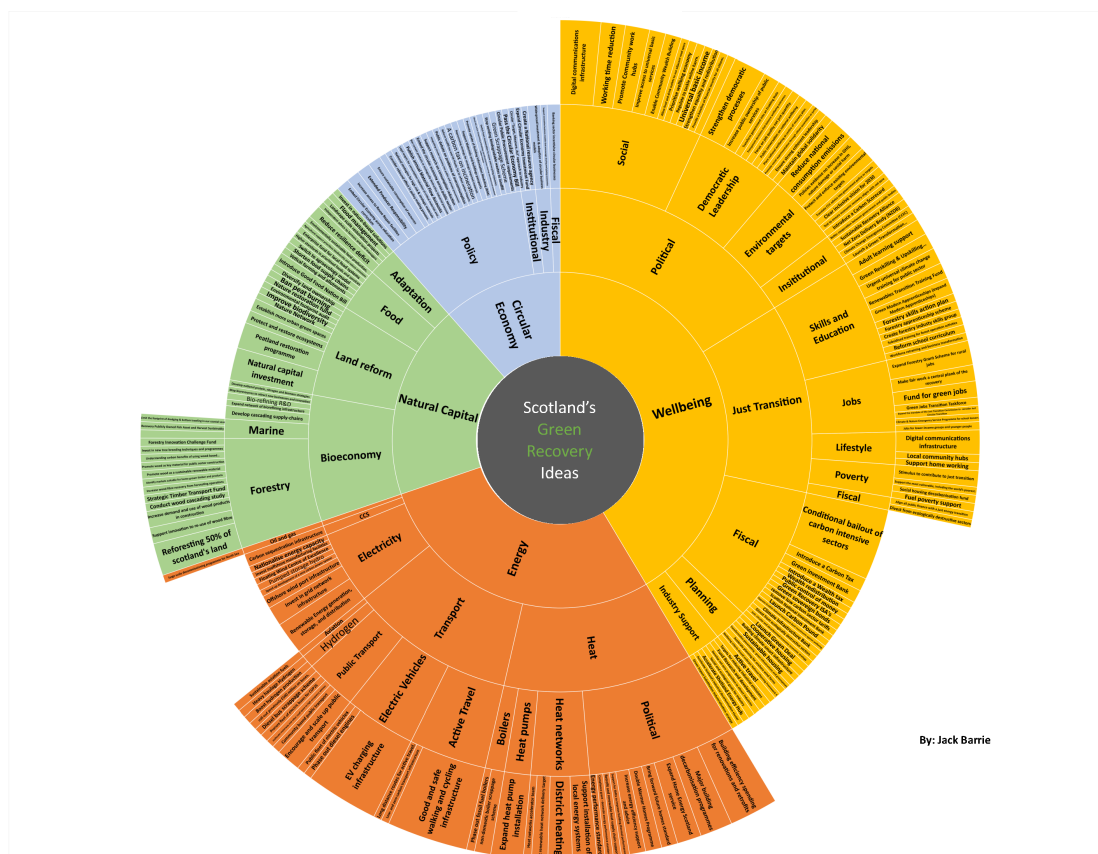
17. In commencing this inquiry, the Committee was aware that other parliamentary committees are also considering Covid-19 and the recovery processes in Scotland. The Committee engaged with a number of other committees at the outset of the inquiry to share its approach and undertook to continue those discussions following

completion of this report. The Committee is conscious that considering, delivering and scrutinising a green recovery will engage all parts of government and the remits of many parliamentary committees.

18. Given the cross-cutting and wide-ranging nature of this inquiry, the Committee recognises that much of the evidence received and the related action-based recommendations will be of interest to other committees, particularly in helping inform and support scrutiny of the Scottish Government's green recovery plans, draft Budget and updated Climate Change Plan. In the course of the inquiry the Committee also wrote to the Economy, Energy and Fair Work Committee to share initial findings on innovation, investment, and enterprise agencies ([22 September 2020](#)).

Green recovery landscape in Scotland

19. In April, the Scottish Government established an [Advisory Group on Economic Recovery](#) (AGER). The AGER has since reported (on 22 June 2020) and the Scottish Government responded to the report on 5 August 2020.
20. The opportunities for a green recovery are currently being discussed across a wide range of organisations and sectors. Several organisations have published reports since the start of the Covid-19 pandemic, targeted towards supporting Scotland in its path to a green recovery. These include the [Just Transition Commission](#); the [CCC](#); the [Climate Emergency Response Group](#); the COP26 Universities [Network](#); the Scottish Council for Development and Industry ([SCDI](#)); and many others.
21. In their submission to the Committee, [Zero Waste Scotland](#) included a compendium of 270+ Green Recovery recommendations made by over 20 organisations/committees in Scotland:



Source: Zero Waste Scotland

If printing out, we suggest you do so as A3 or above to ensure the text is legible. You can also download a hi-res version [here](#).

22. The Scottish Government published its Programme for Government (PfG) on [1 September 2020](#). The central focus is on creating green jobs and delivering a green recovery from the Covid-19 pandemic. The Scottish Government also published its draft Infrastructure Investment Plan for Scotland 2021-2022 to 2025-2026 on [24 September 2020](#), which will form a central component of Scotland's green recovery once finalised. This follows the Infrastructure Commission's reports from [January](#) and [July](#) 2020.
23. The Climate Change Committee (CCC) published its 2020 Progress Report to the Scottish Parliament on [7 October 2020](#). This report sets out a number of immediate priorities for the Scottish Government, including in areas of low carbon heat, rural support and land use, active travel and transport, infrastructure, adaptation and resilience and skills.
24. Finally, work undertaken by an academic fellow in the Scottish Parliament Information Centre (SPICe) has analysed journal articles and reports on a green recovery published between April and September 2020. While this work is due to be published later in the year, preliminary findings suggest that policy interventions for a green recovery frequently cited by academic and policy experts include:
 - Renewable and low-carbon energy
 - Green infrastructure (generally)

- Green infrastructure (transport systems)
- Green infrastructure (building retrofits and renovation)
- Restoring / improving natural capital (afforestation, land management)
- Reskilling and retaining workers (transitioning to low-carbon jobs)
- Short-term green jobs (0-5 years)
- Conditional bailouts for carbon-intensive industries
- Green research and development

25. These interventions are largely mirrored in the findings of this Committee.

Green recovery aims and principles

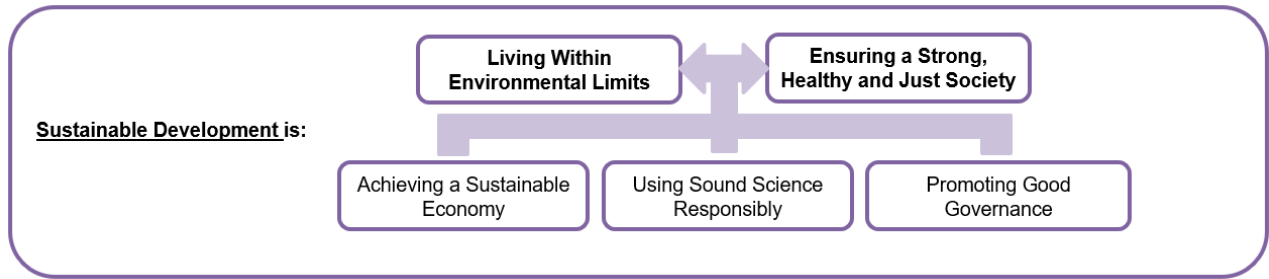
Aims of a green recovery

26. The Committee has sought to understand and set out both the purpose of a green recovery and what it might mean for Scotland and its people. Covid-19 is both a very personal experience, and a threat to lives and livelihoods across the world. It has highlighted the importance of resilience at a number of levels, including:
- Individual – neighbour to neighbour support in picking up prescriptions
 - Community – development of grassroots postcode-based support to allow vulnerable or shielding residents to have food delivered
 - Local Authority – using budgets to support local level co-ordinated action
 - Regional – Health board support for Covid-19 and Long-Covid treatment
 - National – Scottish based companies developing Covid-19 vaccines
 - International – WHO advice used as basis for public health development at national level
27. Action at every level has been fundamental in dealing with the pandemic and a deeper understanding of the interactions is vital. Covid-19 has highlighted the skills and expertise which exist in each and every community across Scotland – both geographical communities, and communities of interest – and it has also highlighted the challenges. The Committee heard local solutions are best developed by those who live there, although even the best ideas cannot get off the ground if the will and resource (time, money, skills) are not adequately supported or encouraged.
28. The Committee considers a green recovery should be about building a more resilient Scotland. This is vital to ensure Scotland is better equipped to deal with multi-faceted and complex shocks and challenges e.g. pandemics, climate change, biodiversity loss and geopolitical change - and to deliver a more just, equitable and healthy society and environment.

Principles underpinning a green recovery

29. The Committee asked specific questions around whether the principles of sustainable development, and those identified by the Climate Change Committee, were appropriate to underpin a green recovery.

Sustainable Development principles:



Source: The Scottish Parliament

Climate Change Committee principles:

30. The CCC recommends the Scottish Government, in partnership with the UK Government, prioritise actions according to six principles for a resilient recovery:
- Use climate investments to support the economic recovery and jobs
 - Lead a shift towards positive long-term behaviours
 - Tackle the wider ‘resilience deficit’ on climate change
 - Embed fairness as a core principle
 - Ensure the recovery does not ‘lock-in’ greenhouse gas emissions or increased climate risk
 - Strengthen incentives to reduce emissions when considering fiscal changes
31. The weight of evidence supported these principles in underpinning a green recovery, however, the Committee also heard that the principles could go further. A clearer definition in some areas is required, and a ‘whole system’ approach underpinned by human rights obligations is also necessary.ⁱⁱⁱ There is a recognition that the pandemic has reinforced existing income, socioeconomic, gender and minority ethnic status inequalities. Therefore justice, equity and fairness need to be at the heart of the transition – we need a just transition^{iv} where everyone must be recognised and involved in the processes and conversations, the cost and benefits of the transition must be distributed fairly, and action must benefit future generations.

ⁱⁱⁱ A human rights based approach is about using international human rights standards to ensure that people’s human rights are put at the very centre of policies and practice; for more information, see https://www.scottishhumanrights.com/media/1409/shrc_hrba_leaflet.pdf

^{iv} According to the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, “just transition principles” are the importance of taking action to reduce net Scottish emissions of greenhouse gases in a way which—(a) supports environmentally and socially sustainable jobs, (b) supports low-carbon investment and infrastructure, (c) develops and maintains social consensus through engagement with workers, trade unions, communities, non-governmental organisations, representatives of the interests of business and industry and such other persons as the Scottish Ministers consider appropriate, (d) creates decent, fair and high-value work in a way which does not negatively affect the current workforce

32. The Committee supports the sustainable development and CCC principles, but the Committee recommends the principles that underpin a green recovery need to go further. A just transition must be at the heart of the green recovery, prioritising the most vulnerable and those whose paid employment is likely to be adversely affected by the transition. A wellbeing approach is necessary.
33. The Committee recommends the Scottish Government further embed a human rights based approach to recovery, underpinned by the key principles of participation, accountability, non-discrimination, empowerment and law.

and overall economy, (e) contributes to resource efficient and sustainable economic approaches which help to address inequality and poverty.

Governance, leadership, vision and delivery

Scope to take urgent action

34. The Committee consistently heard the national response to Covid-19 has demonstrated the national potential to take urgent action in response to a crisis, and that a similar response to recovery is needed to address other urgent social and environmental crises including the climate emergency. According to the Climate Change Committee (CCC) in their Progress Report to the Scottish Parliament ([2020](#))–

” The COVID-19 pandemic has set a new context for all policymaking and will have a lasting impact on the way we live, work and travel... The pandemic has demonstrated how quickly social change can occur – and the role of government in driving that change. These are strong conditions for Government to reinforce the climate-positive behaviours that have emerged during the lockdown, including increased remote working, cycling and walking. Public sector leadership can play a key role in the forming of new social norms and expectations.^v

35. The CCC’s Chief Executive, Chris Stark, noted greater change can come after the pandemic than was possible before it began, with greater impetus towards a net-zero emissions economy, underpinned by an invigorated low-carbon skills base and related new and transitional jobs – for those whose employment or life chances have been affected by the pandemic, and / or the transition to a net-zero future.^{vi}

36. The Committee recognises Scotland has shown it can be bold in the face of a crisis. However, it must be equally bold in dealing with the climate and ecological crises and the need for a just transition. The Committee recommends the Scottish Government share the emergency response lessons from Covid-19 and set out how such lessons are being replicated across Government to respond to the climate and ecological crises and deliver a green recovery.

Leadership, vision and governance

37. The Committee heard leadership through demonstration, clear communication and shared endeavour, backed by clear and justified action has been central to the response to Covid-19. There is a need for strong leadership to secure a green and just recovery from Covid-19. Many, including the climate cafes, called for a positive and hopeful vision, a shared sense of direction, backed up by policy coherence and

^v 'Reducing Emissions in Scotland, Progress Report to Parliament', CCC, October 2020, p.11

^{vi} Official Report, [15 September 2020](#), col.6

adequate investment.^{vii} The need for systemic change, transparency and accountability was a key theme and many commented on the gap between stated public objectives and the commitment to achieve them, demonstrated through leadership and resource allocation. There were calls for a national framework or route-map providing clarity on what has to be done, how we are going to do it, the roles and responsibilities of individuals, local government, public bodies, business, industry and the Scottish Government, and what progress we are making. This was viewed as necessary to engage people and explain what is going on and to bring transparency and accountability to Government action. There was recognition of the need for further resilience and an emphasis on the role of adaptation in a green recovery.

38. Effective delivery is underpinned by effective governance – at a national, regional and local level and within business. At a national level the Scottish Government has committed to place climate change at the heart of all policy development and an Inter-Ministerial Group on Policy coherence for Sustainable Development was committed to by the Scottish Government in 2019 but is yet to hold an inaugural meeting. The Committee is also aware of the approach of other jurisdictions, including Wales, which have a wellbeing commissioner and is aware of the commitment of the Scottish Government to establish a Scottish office of the Climate Change Committee.

39. The Committee considers systemic change is needed at the heart of tackling the climate and ecological crises and in delivering a green recovery. Strong and bold leadership, embedded and demonstrated across the public sector, will be critical to increasing individual's knowledge of climate change, its impacts, solutions and the role that they can play, and to engaging and enabling the public to adopt low carbon behaviours.

40. The vision for and delivery of a green recovery goes beyond the forthcoming Climate Change Plan update. A wellbeing economy and a green recovery needs to be at the heart of the National Performance Framework, policy development and delivery and the Scottish Budget.

41. The Committee recommends a green recovery route-map is needed to signpost the way: with clear timelines, clear responsibilities for delivery across all parts of the public sector and clear delivery plans for each sector. Budgetary alignment with the responsibilities is vital, as is regular reporting (to the Parliament, and to the people) and the route-map should enable a shared understanding of where we want to be – the vision.

42. All public sector bodies need to demonstrate commitment, leadership and urgency of action. The Committee recommends the Scottish Government review the founding legislation for all public bodies to ensure that responding to the climate and ecological crises are at the centre of the statutory requirements placed on all recipients of public sector funding.

43. The Committee asks the Scottish Government what action they are taking to respond to the findings of the [Consultation on the Role of Public Sector](#)

vii Official Report, [22 September 2020](#), col.43

Bodies in Tackling Climate Change to ensure public bodies are best placed to support the delivery of a net zero target and climate resilient future.

44. The Committee considers governance structures that ensure policy coherence will be critical. Ensuring that governance arrangements across Scotland are sufficient to deliver a wellbeing approach, secure a green recovery and meet the net zero targets will be challenging. The Committee asks the Scottish Government to provide detail on the governance structures that are currently in place or planned to underpin a green recovery. The Committee also recommends the Scottish Government repurpose the Inter-Ministerial Group on Policy Coherence for Sustainable Development and the Cabinet Sub-Committee on Climate Change, as a green recovery group, to drive the green recovery across the public and private sector and to be chaired by the First Minister.
45. The Committee notes the commitment in the Programme for Government to establish a Scottish office of the Climate Change Committee (CCC). The Committee asks the Scottish Government to provide further information on the rationale, remit, timing, funding and capacity of the proposed new office.
46. Engaging with the people of Scotland in delivering a shared vision and common purpose is vital and there are clear communication lessons emerging from the Scottish Government's handling of Covid-19. Delivery of a green recovery must include a communication and reporting plan to ensure effective engagement and regular reporting from the Scottish Government on the latest science, evidence and Government response. The Committee recommends the communication and reporting plan includes regular updates and opportunities for parliamentary scrutiny, ideally every quarter and at least every six months, on roles, expectations, progress and next steps (to Parliament and the nation) by the First Minister, Cabinet colleagues and those providing the evidence and advice.

The Implementation Gap

47. There are consistent and significant concerns that existing policies, pathways and recommendations which are central to a green recovery, including those from current and previous commissions, are not being appropriately implemented. This suggests what is required for a green recovery is primarily increased ambition, commitment to – and resourcing of – existing and known interventions. This is true for specific sectors and for proposals for systemic change and governance. The CCC agreed there is a gap in implementation but it could be closed quite quickly.^{viii} Benny Higgins confirmed the “test is not in writing it down; the test is in doing it”.^{ix} He stated we have never lived in a time when the execution of plans and change has mattered more than it matters now.

^{viii} Official Report, 15 September 2020, col.26

^{ix} Official Report, [8 September 2020](#), col.3

48. The Committee considers there is a gap in implementing key recommendations already made to the Scottish Government which align well with supporting a green recovery, including through work it has itself commissioned. The Committee recommends the Scottish Government specifically identifies what it has done to address recommendations on green recovery from the Just Transition Commission, the Infrastructure Commission, the AGER report, and the CCC, and where it has not done so, set out what remains to be done and how it intends to close this 'implementation gap'.
49. The Committee recommends the Scottish Government demonstrate that its green recovery route-map and budgeting align with the sustainable development and CCC principles outlined in this report. Reporting on the route-map must show how they are being delivered holistically.

Policy coherence

50. The need for an integrated, holistic green recovery from Covid-19 which tackles the climate and ecological crises and builds a wellbeing economy was stressed by many witnesses. The Committee consistently heard that policies and spend emanating from different parts of Government do not always align and that there has been a lack of coherence in policy and budget-setting which undermines objectives and outcomes. The Committee heard extensive evidence that a green recovery will only be possible with improved policy coherence, based on a strong and robust evidence base. The coming year provides an opportunity to improve public policy alignment as many policies have been or are currently under review.

51. The Committee considers Covid-19 has demonstrated that policy realignment can be done at pace when required and notes the previous commitment of the Scottish Government that all policy would be reviewed through a climate lens. The Committee believes the opportunity for a green recovery brings significant opportunities to improve the utilisation of research and to improve public policy alignment. In addition to the recommendations at paragraphs 40 and 41 in relation to the National Performance Framework, the need for a vision and a green recovery route-map, the Committee recommends the Scottish Government:
 - Applies tests of policy coherence to all new and existing policy;
 - Ensures green recovery underpins the next iteration of the Strategic Research programme, and the work of the Scottish Government-funded Centres of Expertise;
 - Draws on the sustainable development and CCC green recovery principles and devises policy tests to assess the compatibility of new and existing policy with the goal of delivering a green recovery. Proposals for policy tests are included in **Annexe A**.

52. The Committee recommends as an immediate priority the Scottish Government deliver policies that align with securing a net zero and climate resilient future and support a green recovery, including across the third Land Use Strategy, the National Planning Framework 4, regional spatial strategies, regional partnerships, energy and economy strategies and the finalised Infrastructure Investment Plan. The Committee expects to see these reflected in the Climate Change Plan update (CCPu) as the CCPu will form an integral part of the green recovery route-map.

Measuring and auditing the green recovery

53. Responding to the health pandemic has required a systemic approach which in part was reflected in the Scottish Government Covid-19 Route-map. The response to the pandemic has required co-ordination and shared endeavour across a wide variety of policy areas, including but not limited to, health, justice, transport, environment and economy. The Committee heard that a similarly sophisticated understanding and systemic approach is also required for a green recovery.
54. How progress can best be measured when confronted with such systemic and complex issues is also challenging. The Scottish Government measures its own progress through the National Performance Framework, as aligned with the Sustainable Development Goals, and it would be useful to understand whether that framework is fit for purpose in responding to a 'shock' such as Covid-19 – and whether there are lessons to be learned for the green recovery.

55. The Committee is interested to understand how the Scottish Government is measuring progress through the Covid-19 pandemic. The Committee asks the Scottish Government to provide information on this and whether the National Performance Framework is proving fit for purpose in measuring such a global, fast-moving and multi-faceted issue.
56. The Committee would welcome further detail on how lessons learned from responding to the pandemic will be shared and used to support future planning and to effectively measure progress towards a green recovery. The Committee also recommends the Scottish Government provide reassurance that the National Performance Framework adequately embeds wellbeing and green recovery principles.

Financing the green recovery

57. The Committee heard about the many, and often fundamental, shortcomings of current economic and financial models and their inability to provide the means of achieving a green social and economic recovery and generate a shift to a wellbeing economy. The need for models which recognise there is a degree of risk from innovation, address market failure, effectively share best practice and take account of non-economic costs and benefits were identified. The importance of the Scottish National Investment Bank (SNIB) and the growing need for direct public funding and investment in green and equitable solutions if Scotland is to achieve outcomes at the pace required was also highlighted. The Committee heard the Covid-19 crisis has disrupted cash flow to the extent that if measures which require up-front investment (e.g. energy efficiency) are to be adopted, direct support will need to be provided. There has been a growing reliance on third sector organisations, over several years, to deliver essential public functions and outcomes, however, funding to the third sector has also been disrupted. In addition, clarity on funding to replace EU support (e.g. for agriculture) is a significant concern.
58. The Committee will be producing a separate report ahead of the 2021/22 Draft Scottish Government Budget and makes a number of recommendations in relation to financing in the following sections.

Budgetary coherence

59. The Committee heard Government spend is not always aligned to meet strategic goals. Such budgetary incoherence can lessen resilience, rather than strengthen it. Examples include ambitions to net-zero, but only 36% of infrastructure spend over the next five years is to be low carbon. This begs the question as to whether the remaining 64% infrastructure spend brings Scotland closer to its public objectives or pushes it further away, and whether it complements or cancels out the 36% spent on specifically low-carbon interventions.
60. The Committee considers spend should be aligned to the delivery of strategic goals on green recovery, climate change and the ecological crisis. This is also critical to achieving resilience. The Committee recommends the Scottish Government:
- align funding in the 2021/22 Budget and future budgets with achieving public objectives on climate change, biodiversity and the well-being economy.
 - use the Budget 2021-22 to set a pathway towards a green, just and resilient recovery.
 - ensure capital investments that deliver green jobs to support recovery are delivered through both the Budget 2021-22 and multi-year spending plans, such as the Infrastructure Investment Plan and Capital Spending Review.
61. The Committee recommends that a review of capital and revenue support programmes delivered directly by the Scottish Government, and through its public

agencies, is undertaken to ensure alignment with a green recovery, and the journey to net-zero.

Front-loading low carbon and green recovery spend

62. There is a unique and time-specific opportunity to secure a green recovery. Any return to 'normal' is expected to take some time and may not necessarily be desirable given associated impacts on the climate and biodiversity crises. The CCC consider the most important principle for a resilient recovery in the short term is using climate investments to support the economic recovery and front-loading spend to secure maximum advantage from it.^x A number of organisations identified several immediate opportunities for capital stimulus in projects with strong multiplier effects. Specific recommendations are referenced in **Annexe B**. The Scottish Government Capital Spending Review sets out the spending profile of the commitment to provide an additional £2bn low carbon funding over the period 2021-2022 to 2025-2026. According to this profile £200m will be allocated for 2021-2022 rising to £600m in 2025-2026.

63. There are many specific recommendations to the Scottish Government to front-load low carbon and green recovery action and investment. Whilst recognising the fiscal framework arrangements, the Committee recommends the Scottish Government consider those recommendations and provide a comprehensive response as a matter of priority (see **Annexe B**).

64. The Committee considers the stimulus for much action is the focus and availability of finance. The Committee welcomes efforts by the Scottish Government to provide investment certainty in uncertain times. However, the Committee is concerned that the additional £200m low carbon funding commitment in the Budget 2021-22, while welcome, falls short of the level of investment commensurate with the demands of securing a green recovery. The Committee recommends the final Capital Spending Review "frontloads" - to the greatest extent possible - the Scottish Government's multiple year low carbon spending commitments in order to support a green recovery and Scotland's net-zero ambitions.

The role of public procurement

65. The Committee heard public procurement provides a significant lever across the public sector to ensure public spend prioritises low carbon action, aligns with a green recovery and acts as a vehicle for change. According to the SCDI and many

^x Official Report, 15 September 2020, col.1-2

others there is a real opportunity for the public sector to lead by example in reforming procurement models and a fundamental shift away from procuring at the lowest cost to a holistic approach taking whole-life costs of investment and intervention (fiscal, social and environmental costs and benefits) was considered necessary to inform public sector investment.^{xi} The Committee is aware that the [sustainable procurement duty](#), outlined in the Procurement Reform (Scotland) Act 2014, requires that before a contracting authority buys anything, it must think about how it can improve the social, environmental and economic wellbeing of the area in which it operates, with a particular focus on [reducing inequality](#).

66. The Committee considers that Covid-19 and the necessity for a green recovery offers an opportunity to assess whether the sustainable procurement duty remains as effective as it needs to be.
67. The Committee recommends the Scottish Government urgently review, and if necessary update, its public procurement policy to ensure the procurement rules align with the policy and budgetary coherence recommendations made earlier in this report and all costs and benefits are accounted for in spending decisions.
68. The Committee considers procurement policy and practice should support community wealth building through incentivising the use of local contractors and services. A circular economy approach to procurement will help increase local jobs through repair, remanufacturing, reuse and leasing opportunities. The Committee would welcome further information on the Scottish Government's plans for procurement in relation to the circular economy.

Conditionality

69. The concept of 'conditionality' was raised numerous times, suggesting a lack of acceptability for public support which does not further the aims of a green recovery or wellbeing economy. Public support to private enterprises in response to Covid-19 has been distributed at levels and at a pace never before seen in Scotland. However, the Committee heard that businesses in receipt of public money must demonstrate credible action in delivering social and environmental objectives (e.g. climate change, fair work, biodiversity, diversity and inclusion, circular economy). Benny Higgins stated conditionality is necessary to ensure investment is in the right places, projects and businesses with the right focus, culture and attitude.^{xii} In his view action must be shown to be at the heart of the business model and business should demonstrate a commitment to a just transition, avoid 'locking in' high carbon behaviour, infrastructure and investment by attaching clear environmental strings.

70. The Committee recommends any model for future funding support to business and the third sector must consider conditionality and opportunities to include measures which relate to supporting the delivery of social and environmental

^{xi} Official Report, 15 September 2020, col.63

^{xii} Official Report, 8 September 2020, col.16

objectives. Specifically, the Committee recommends that, where appropriate, support should be conditional on action to reduce emissions in alignment with any route-map to net-zero, and a green recovery. Sectors which require urgent action in this regard are fossil fuel extraction and use, transport, agriculture and manufacturing.

71. The Committee recommends public funding must be accompanied by a published set of conditions on achieving relevant public objectives (e.g. net-zero, biodiversity, fair work, diversity and inclusion, circular economy). All applications for funds must include an action plan to achieve the conditions, with the detail proportionate to the scale of funding. Action plans should be publicly available, where appropriate.

Investment levels and certainty

72. Covid-19 has directly impacted public finances and how budgets are sequenced. The Committee heard certainty is critical - for individuals, business and the public sector. There has been a comparatively low level of investment stimulus across the UK compared to European countries (4.0% GDP in Germany). The current UK fiscal framework restricts the Scottish Government's borrowing to £450 million (0.3 per cent of GDP). This limits the Scottish Government's ability to directly deliver the green stimulus. Benny Higgins and Sara Thiam noted that 4% of Scotland's GDP would be £6 billion but Scotland does not have the levers to invest the amount they considered would reasonably be required as stimulus in coming out of the crisis.^{xiii} There was a recognition that changing the fiscal framework in a timeframe consistent with the emergency was not possible to ensure delivery of investment at an amount commensurate with the crisis. The need for early action and front loading of investment was stressed, as was the importance of the regulatory environment in enabling investment, particularly from energy and digital telecommunications companies. The SCDI cited ambition - targeted activity to boost Scotland's global competitiveness as a world leader in clean growth, innovation, technologies and expertise – as critical.^{xiv}

73. The Committee believes the level of investment required to finance a green, just and resilient recovery to the Covid-19 pandemic cannot be created solely within the current fiscal framework. The Committee recommends, while aligning its own budget with a green recovery, the Scottish Government also works with the UK Government in order to co-ordinate and finance a sufficiently large investment stimulus.
74. The Committee recognises many of the City Deals were developed and agreed some years ago and before the net-zero targets, climate change and Covid-19 emergencies.

^{xiii} Official Report, 8 September 2020, col.5-6; Official Report, 15 September 2020, col.53

^{xiv} Official Report, 15 September 2020, col.50

75. The Committee also recognises that City Deals offer the opportunity for UK Government and Scottish Government funding to align for a shared purpose. The Committee believes City Deals must wholly align with the green recovery principles set out in this report and recommends the Scottish Government review Scotland's City Deal commitments to ensure these programmes are compatible with supporting a green recovery and net zero future.

Access to private capital

76. The Committee heard public funding alone is not enough to deliver an ongoing green recovery and a number of levers, including a robust carbon price in the newly structured Emissions Trading Scheme, will be necessary. The Committee heard a clear long-term policy framework that provides investor certainty and confidence is needed. The Committee also heard of a range of innovative approaches that could lever private investment including the potential for the Scottish National Investment Bank to 'crowd in' private investment.
77. The Committee welcomes the commitment in the Scottish Government response to the Advisory Group on Economic Recovery to the use of the Woodland Carbon Code and Peatland Code in building market confidence in the role of natural assets to deliver emission reductions and leveraging in private capital.
78. The Committee considers private funds and enterprise an important partner in green recovery spend. The Committee note the Scottish Government response to the AGER and asks the Scottish Government to provide further clarity on what it is doing to encourage private investment into natural assets that can cut emissions and boost climate resilience. The Committee recommends the Scottish Government set out a clear, long-term policy framework that provides investor confidence into these and supports a green recovery.
79. The Committee recommends the Scottish Government consider what role it can play in helping secure private investment, such as pension funds, and that this is orientated towards supporting a green recovery.

The Scottish National Investment Bank

80. The Scottish National Investment Bank (SNIB) was identified as critical to a green recovery, however, the level of capitalisation was raised as a central issue. When asked whether the capitalisation of the SNIB at £2 billion over 10 years was enough, Sara Thiam noted that the most transformative similar institutions globally are generally capitalised to a significantly higher level as a proportion of national GDP. SCDI were of the view that a greater level of capitalisation would enhance the bank's ability to build a green recovery and deliver genuinely transformative impact.^{xv}

81. The Committee welcomes the establishment of the SNIB, but has concerns that its level of capitalisation will not be sufficient to deliver a truly green recovery. The Committee considers that this could be made more challenging if related spending elsewhere in the Scottish budget is either not as well aligned to low carbon spend as it might be or is working against / potentially negating the mitigation of carbon emissions in some sectors. The Committee recommends that the Scottish Government:
- Set out a green investment strategy as part of its green recovery route-map.
 - Increase the level of assets available to the SNIB for lending as a matter of priority.
 - Publish information on how the SNIB will demonstrate the climate impact of its investments, how it is responding to the need for a green recovery and how it will ensure compatibility with a green recovery and other public objectives.
 - Consider the role of Audit Scotland in auditing delivery against such objectives and whether the auditing mechanisms for SNIB are sufficient.

Development of private finance models

82. While capital grants will continue to make up the largest share of the Scottish Government's capital expenditure, the Capital Spending Review Framework suggests an increasing role for private finance in the delivery of the Scottish Government's National Infrastructure Mission.

83. The Committee asks the Scottish Government to provide information on how it has built wellbeing, climate and environmental considerations into the development of private finance models. In particular:
- how the Mutual Investment Model will apply to projects where capital costs may be higher than market standard because of low carbon requirements (but revenue cost may be lower), for example, public buildings with district heating schemes.
 - the development of its Green Growth Accelerator financing model.

Infrastructure Investment Plan

84. The Scottish Government published its draft Infrastructure Investment Plan for Scotland 2021-2022 to 2025-2026 on [24 September 2020](#). This document covers £24 billion of major projects and programmes and states that around 36% of the

projects and programmes presented in the draft Plan are considered to be low carbon. The document also outlined the Scottish Government's plans to develop an "investment decision framework" and was accompanied by a Strategic Environmental Assessment and a consultation on some aspects of investment policy.

85. The Committee is concerned that the percentage of low carbon projects and programmes presented in the draft IIP (cited as 36%) is significantly too low. As a matter of priority, the Committee asks the Scottish Government to provide a full breakdown of this analysis so that it can more fully understand the proportion and nature of projects in the other categories. The Committee also asks the Scottish Government to set out how projects in the IIP will help to deliver progress towards the 2030 greenhouse gas emissions target.
86. The Committee recommends the final IIP avoids infrastructure that will lock-in high carbon activities and fully implements the Infrastructure Commission for Scotland's recommendation that projects in the IIP "should be prioritised against available inclusive net zero carbon economy outcomes." The Committee reiterates the recommendations expressed in the 'Long-term effects of infrastructure' chapter of its [Pre-Budget Report 2020/21](#).
87. The Committee recommends the Scottish Government set out how it has prioritised projects that deliver green jobs to support recovery when the next Major Capital Project pipeline update is published.

Funding public services

88. The Scottish Government, in its Scottish Budget 2020-2021, published [6 February 2020](#), said—

” Our priority for the year ahead is to respond to the global climate emergency and biodiversity loss. This will require a cross-government effort, with all portfolios tackling these twin challenges and to capturing the opportunities of transitioning our economy and protecting and enhancing our natural capital.^{xvi}

89. Public services need to be sufficiently resourced to deliver on public objectives. The public organisations within the ECCLR remit and the Scottish Government's research programmes have a vital role to play in driving the cross-government effort needed to tackle biodiversity loss and meet climate targets. The Committee recommends the revenue budgets of public organisations considered key to responding to the global climate emergency and biodiversity loss are protected in real terms.
90. The Committee seeks urgent clarity on the nature of the UK Shared Prosperity Fund intended to replace EU structural funds following the end of the Transition

^{xvi} Scottish Government Budget 2020-2021, 6 February 2020

Period and how the Scottish Government is engaging with the UK Government to ensure that this fund is delivered from the end of the transition period and designed to further environmental objectives.

Funding the actions in the Climate Change Plan

91. The Climate Change Plan update is expected to be published at the same time as the draft 2021-22 Scottish Budget.

92. In order to meet Scotland's climate targets, the Committee considers the policies and actions set out in the Climate Change Plan must be fully costed and details of how they are to be funded must be set out. The Committee continues to recommend the Scottish Government works to improve how it demonstrates that annual budget allocations will deliver Scotland's climate targets in the longer term.

Overarching, cross-cutting themes

Public engagement, participation, localism and communities

93. The Committee heard from communities across Scotland how central a sense of community had been during lockdown and how important it will be to build on this as we recover. Since March, many people have been working locally and from home, travelling less, buying locally and supporting local producers, shops and suppliers and using local services. Many people have also been walking, cycling, getting out and connecting more with nature. There has been a varied response in mobilising and delivering support at an individual and community level across Scotland - existing mechanisms, such as community councils, proved to be very useful, but many other voluntary efforts were required to fill gaps delivering on the front line. Many consider there is an ongoing need to ensure all voices are heard and everyone is engaged.
94. The Committee heard that if Scotland is to achieve an inclusive green recovery, society will need to innovate and interact with the environment in a different way. Embedding and embracing innovation and social cohesion as a central objective of Scotland's National Performance Framework will be necessary. Many highlighted the potential risks of embedding further imbalance across communities as those who lack skills or capacity are likely to fall further behind without additional investment in community development and capacity building. The need to build community resilience, local confidence and vision to enable communities to prosper and thrive was stressed. Specifically, the Committee heard community asset and land ownership has underpinned the ability of communities to respond quickly and put in place the necessary support and services. Those working in communities said the most critical issue in directing further investment is recognition that communities are leading transformation and are best placed to do that. The Committee heard investment is needed now to support communities learn from each other. The importance of community coherence and the need for locally focussed, place-based solutions, with resourcing provided to local authorities and communities to implement context-based green recovery solutions was also stressed and the Committee heard how essential LEADER funding had been in supporting community led local development, with the need for replacement funding, and committed and sustained action, viewed as critical.
95. The need for public engagement and participation in developing and implementing recovery plans to ensure behaviour change is 'locked-in' was emphasised. As part of their green recovery principles the CCC noted that "There is an opportunity to embed new social norms, especially for travel, that benefit well-being, improve productivity, and reduce emissions."^{xvii} The Committee heard how essential it was that co-working spaces and local public sector hubs were developed to support remote working, improve rural connectivity, strengthen community spirit, and support the concept of '20 minute neighbourhoods.' Taking a 'place-based' approach to recovery, with communities at the heart of decision making, is also fundamental to progress.

96. The Committee considers local and regional flexibility within a framework of support will be crucial to delivering an effective green recovery and recommends the Scottish Government ensure this is reflected in the green recovery route-map.
97. The Committee recommends the Scottish Government:
- provide detail on how it has sought to capture and lock-in low carbon behaviours that arose during lockdown and report on change and best practice at a community level, demonstrating how this will be shared and how positive behaviour changes will be locked-in.
 - analyse the delivery gaps and set out how community based resilience can be developed through improvements in local decision making and explore how communities can be better supported to utilise existing models of Community Action Plans to develop their own resilience through community food, energy, shelter and logistics plans.
 - prioritise the delivery of skills development for a green recovery in communities that lack capacity and resources, establish a development fund to facilitate this and support the mobilisation of communities with further and sustained investment.
 - prioritise and fund the creation of community work hubs attached to childcare facilities and community spaces and encourage the public sector to offer unused office space to support communities.
 - review how best to retain the economic and wider social value of natural capital within communities to support their wellbeing and deliver wider public benefits.

Job creation, just transition, and addressing the skills shortage

98. According to the SCDI the journey to net zero will impact the skills profile of every job and every sector of the Scottish economy.^{xviii} The need for a targeted and coordinated plan for job creation to address unemployment and underemployment was highlighted. The Committee heard that job creation must happen within industries that are compatible with a green recovery, and there must be a just transition into those industries. The Committee notes the necessary level of job creation will require a significant and coordinated programme of skills development to address the skills gaps of new industries and the transition from industries that are not compatible with a green recovery. This is a particular issue in relation to the potential of rural and nature-based jobs; building efficiency improvements and retrofitting; the needs of young people and those working in “sunset” industries.

^{xvii} CCC letter to Roseanna Cunningham MSP, 'Building a resilient recovery from the COVID-19 crisis', [6 May 2020](#)

^{xviii} Official Report, 15 September 2020, col.56

99. NatureScot's planned gap analysis on skills provision, as identified in the Programme for Government, and Skills Development Scotland's climate emergency action plan should help identify how skills and training need developed in Scotland across all sectors, but it is crucial that the Scottish Government ensure that there are no gaps.
100. The Committee notes the [advice of the Just Transition Commission](#) on a green recovery, in particular the specific recommendations for immediate action:
- Boost investment in warmer homes
 - Back buses and support the supply chain
 - Help the rural economy by helping Scotland's nature
 - Maintain and create new jobs for oil and gas workers
 - Align skills development – for young and old – with the net-zero transition
 - Give a clear sense of direction and attach conditions to funding
101. The Committee recommends the Scottish Government include the immediate actions set out by the Just Transition Commission as part of their green recovery route-map. In doing so, the Committee recommends the approach needs to: reflect regional circumstances, create opportunities to move people directly across from employment in one sector into another and new sectors, without gaps, and provide climate change leadership/training to support the public sector response. Understanding the skills needed will be essential to an effective green recovery and the Committee recommends that the Scottish Government target those who are unemployed, underemployed or who are at risk of unemployment as a result of the current economic crisis and transition to net zero – and offer them upskilling, reskilling and skills diversification opportunities.
102. The Committee recognises that, at a community level, the pandemic has necessitated, and encouraged, the use of skills and expertise which may have previously been hidden – for example, a community setting up a voluntary scheme delivering medicines or food to shielding individuals, and accessing funding for such projects. Yet such activity takes knowhow and time, with resources not always available to those who may need it most across Scotland. Many activities have already built resilience in communities, and the Committee recommends such activity is captured as best practice, but that the Scottish Government also considers commissioning research into the skills and expertise that a resilient community may need to respond to future shocks.
103. At a more systemic level, the Committee recommends that the Scottish Government, alongside developing a more coherent policy and budgetary approach, carries out a skills audit in relation to a green recovery, and produces a skills action plan to support delivery of a green recovery.
104. The Committee recommends the Scottish Funding Council review of the higher education sector, and the resulting Scottish Government response and funding,

must include a requirement for the publicly funded higher education sector to fully align with a green recovery and deliver against the climate and ecological crises.

Natural economy and nature-based solutions

105. The value placed on Scotland's natural assets and investment in nature-based solutions^{xix} and related job creation (woodland management and creation, peatland management and restoration, management of invasive non-native species, deer management, etc) were highlighted as interventions that should be part of a green recovery. This is important to achieve resilience, and multiple benefits. The need for full integration into decision making of Scotland's natural "accounts" and nutrient flows, to capture economic and non-economic benefits and the establishment of a rural circular economy with full accounting for flows of natural resources were also highlighted. Professor Dieter Helm noted the economic importance of Scotland's natural capital and the scope and opportunity to produce multiple outcomes and stated that what was needed is a clear natural capital plan for Scotland. He also stressed the need for a baseline natural capital survey and census for the whole of Scotland.^{xx} Land ownership and use underpins Scotland's natural capital and questions about how land is valued, how value is created and shared and who benefits from natural capital value were raised. There were concerns that the economic value of natural capital is often extracted from rural communities as subsidies and other payments have often been directed to private landowners without a requirement to deliver public goods or local investment.

106. Delivering effective nature based solutions will require effective collaboration between the public, private, third sectors and communities. Their energy and contribution are vital in adding value and in delivering a green recovery.

107. The Committee considers that Scotland's land reform process has created the opportunity for communities to build resilience through diversification of land use and to create high quality, permanent jobs. Community ownership has a vital role to play in a just transition to net zero emissions and in the green recovery by diversifying how natural and built assets such as woodland, marine resources and community buildings are owned and used. The Committee considers enabling the reform process to continue and grow will require the provision of fiscal, legislative and wider support mechanisms for more communities and individuals to deliver public and community climate benefits through land ownership (for example via peatlands restoration and management and woodland creation and management).

^{xix} NatureScot define nature-based solutions as "[Nature-based solutions](#) use nature to help tackle environmental and social challenges, providing benefits to people and nature, and help us to mitigate and adapt to climate change." Examples include planting woodlands and restoring peatlands.

^{xx} Official Report, 8 September 2020, col.26

108. The Committee recommends the Scottish Government bring forward a Natural Capital Plan for Scotland. The plan should:
- outline Scotland's main natural capital assets, and their economic and non-economic benefits;
 - identify best practices for achieving multiple objectives and managing trade-offs in the stewardship of each main natural capital asset;
 - become the code of practice for policy decisions, infrastructure projects and planning decisions that involve natural capital, and
 - recognise, from the outset, that the communities which live on and adjacent to natural capital should retain its economic and wider social value for their wellbeing alongside the delivery of wider public benefits.
109. As part of the Plan, and in order to fully understand the natural capital value of land, the Committee recommends the Scottish Government establish a natural capital baseline, with subsequent monitoring reports to check progress.
110. The Committee also recommends the Scottish Government progress work on the National Ecological Network – which will prove critical to building resilience in our natural systems, and to reversing biodiversity and habitat decline. Building on the inclusion of the Central Scotland Green Network in the National Planning Framework 3, the Committee recommends that the National Planning Framework 4 should include a National Ecological Network.
111. The Committee recommends the Scottish Government align plans for job creation with the need for nature-based solutions and natural capital enhancement. To do this, training in skills required for habitat and ecosystem creation and restoration, and training in trade-offs and synergies will be required. This should be done in collaboration and consultation with local communities and draw on the expertise of such training already in existence across SEFARI.

Infrastructure design and investment

112. The Committee heard of the need for infrastructure design and investment to be compatible with a green recovery and the need for investment in green infrastructure, placemaking and urban planning that prioritises social wellbeing and environmental sustainability. Coherence in infrastructure policy and spend was frequently raised, e.g. the need for greater spend on active travel, resilient and functional neighbourhoods and civic spaces designed around quality public transport, improved energy efficiency, renewable heating, and investment in digital infrastructure over spend on road infrastructure. Circular economy standards, energy, and other requirements for new developments to bring infrastructure in line with net-zero commitments was highlighted.

113. The Committee supports the inclusion of natural assets and natural capital in the Scottish Government's definition of infrastructure. The Committee believes this should lead to a fundamental rethink of how decisions are made on capital allocation and encourages the Scottish Government to fully incorporate natural capital and an understanding of natural assets into the "investment decision framework" being developed in advance of 2025.
114. The Committee considers that the opportunity to access active travel and improve its safety, aligned with better and more reliable digital infrastructure is vital to an equitable green recovery. This requires our civic spaces and public transport be better designed and incentivised to embed sustainable travel choices. Directly inter-related, investment in digital infrastructure was identified by witnesses as critical to a green recovery – bringing with it less need for travel and associated emissions. The Committee recommends planned spend in these areas is front-loaded to sit alongside the ambition demonstrated in the Infrastructure Commission reports.

Circular economy and material use efficiency

115. The need for a circular economy was raised by many respondents. The postponed Circular Economy Bill was referenced consistently and it was suggested that Scotland's Economic Strategy should be reworked with a circular economy as a foundation. The interlinkages between a circular economy and a wellbeing economy were raised, as was the need to focus more on the reduce and reuse aspects of the waste hierarchy and the scope for further action in relation to procurement. There are opportunities to accelerate action and to get businesses to move toward circular economy products and services, as they redesign their offerings in light of Covid-19 – particularly SMEs.

116. The Committee recommends that as part of the green recovery route-map, the next iteration of Scotland's Economic Strategy should be brought forward as a matter of urgency, and that it should be built on the concept of a net zero, circular and wellbeing economy, addressing resource use efficiency, reprocessing and achieving maximum value from resources and be focused on achieving a green recovery.
117. The Committee notes the postponed review of the Scottish Government Circular Economy Strategy. The Committee invites the Scottish Government to consider how this Strategy can best be embedded or otherwise compliment Scotland's Economic Strategy.
118. The Committee recommends an extension and expansion of the Zero Waste Scotland Circular Economy Investment Fund (currently at £18m over 7 years) and the corresponding advice provided through the Circular Economy Business Support Service to help SMEs to identify and progress circular business models or technologies.

119. The Committee recommends the Scottish Government supports investment in circular economy skills and training in its upskilling and reskilling plans.

Research and Innovation

120. There was a consistent view that research and innovation must be at the heart of a green recovery in order to make the right decisions. The Committee has repeatedly expressed concern over the reduction in the strategic research programme over the past 10 years, in some cases by 40 per cent in real terms. The Committee heard that there is greater scope for the Scottish Government, public agencies and local authorities to better understand and access the expertise and information in the programme.

121. The Committee considers the research and expertise through SEFARI, Government funded centres of expertise, public bodies, research institutions and universities must be around the table when strategic and resilience issues are under consideration by the Scottish Government, Local Authorities and agencies.

122. The Committee recommends the Scottish Government review how the innovation, research and evidence generated by its own funded Strategic Research Programme can be optimised in decision-making from Cabinet level down, and in public agencies and Local Authorities.

123. The Committee recommends the Scottish Government align the refresh of the Strategic Research Programme^{xxi} with the aims of a green recovery and to support a resilient, low carbon wellbeing economy – and that the Scottish Government reverse the systemic year-on-year cuts to the programme, which will become even more vital at the end of the transition period from the European Union.

124. The Committee recommends an enterprise fund should be established, as a partnership between experts and the enterprise agencies to provide financial support, including grants and low-cost loans, to support business models that have emerged as a result of innovation during lockdown to transition to commercial models that will continue to be competitive once the economy reaches a post-pandemic state.

^{xxi} Draft Strategy for Environment, Natural Resources and Agriculture Research 2022-2027

Sectoral issues

125. There were strong calls for a route map for every sector of society, setting out its role in a green recovery, what it needs to do to help deliver against the targets and the costs of decarbonisation, underpinned with clear governance. This section highlights a number of the key issues across sectors. It does not provide a comprehensive overview of all the sectoral issues associated with a green recovery. Many Parliamentary Committees are exploring recovery and green recovery across the sectors within their remits and this report is designed to sit alongside that work. Together, this will help inform and support scrutiny of the Climate Change Plan update.

Agriculture and land use

126. The need for post-CAP clarity to allow land managers to play a part in a green recovery, integration and coherence between land uses and public objectives, and a role for land management in green job creation were issues of wide concern.
127. The CCC's recent progress report to the Scottish Parliament stated that new funding for agriculture and land use in Scotland is not enough to drive a structural realignment of rural funding in Scotland that properly incentivises carbon reduction, sequestration and climate adaptation. Chris Stark said he did not see a plan to modernise agriculture and bring it to the point where it has a role in the net zero economy and suggested Scotland is clinging to the old model of agricultural support.^{xxii} This was echoed by Professor Reay, who noted that while the recent Programme for Government mentions the land use strategy, plans for agriculture, and for aligning post-CAP support with the net zero emissions target, there is no detail about when pilots will commence, what a new rural support regime might look like and how it might align with net zero and the green recovery. There was a strong sense that to achieve a net zero agriculture and land use sector we cannot afford to continue with business as usual. Professor Reay suggested a new land use bill, with integration at its heart, could play a vital role in the recovery processes by including planning, forestry, estate management and agriculture. He stressed this was needed to address the climate and biodiversity emergencies.^{xxiii}
128. The vital importance of capacity in the advisory services and among land users to implement new management strategies, new technologies and new rural support systems was stressed. The need for that service to be free and easily accessible was highlighted alongside the need for policies for enhancing advisory support services, consultancies, advice on integrated land use options for agriculture and forestry and alignment with net zero and green recovery. The need for regional approaches to land use and the effectiveness of regional land use partnerships was stressed as a means to reconcile choices and priorities in land use, deliver on climate targets, provide accountability, openness and transparency in decisions making and connect established regional approaches to wider economic and spatial planning. Many noted that the coming year offered an opportunity to align land use

^{xxii} Official Report, 15 September 2020, col.11

^{xxiii} Official Report, 8 September 2020, col.40-41

planning with wider spatial planning and that Regional Land Use Partnerships could provide a mechanism for delivery and a conduit between central and local government but that their role in the process of land use policy and funding remains unclear.

129. Many of the concerns raised, and the proposed recommendations, reflect those heard by the Committee as part of its work with the [Citizens Jury on Land Management and the Natural Environment](#) and outlined in the follow-up analysis.

130. The Committee recommends, that as part of the green recovery route-map, detailed plans for future land management support are brought forward, which demonstrate the principle of conditionality in support, and allocate a credible level of resources towards reaching net-zero targets and reversing biodiversity loss, while learning lessons from Covid-19 to build resilience in the sector and deliver a green recovery.

131. The Committee recommends the role of land use in a green recovery is embedded in the policies and proposals of the third Land Use Strategy, and in the roll out and funding of the regional land use partnerships.

132. The Committee recommends additional resources be provided for enhancing advisory services to support a green recovery and transition to net-zero, including the provision of free advice for farmers, crofters and other land managers.

133. The Committee requests the work under the Strategic Research Programme should better align directly to this advice – for example, the innovative work on soil structure and association with climate mitigation and adaptation should automatically be part of the advice offered to land managers. The Committee recommends the requirement for improved alignment is built into the ongoing recommissioning of the Strategic Research Programme.

134. The Committee recommends regional land use partnerships and frameworks be developed into regional delivery mechanisms for new land use policies.

135. The Committee recommends the Scottish Government set out new policies and support mechanisms for agriculture, forestry and other land uses, consistent with a green recovery.

136. The 2021-22 Budget is the second budget to fund the full value of Pillar 1 agricultural payments under the Common Agricultural Policy, expected to be worth around £500m. The Committee considers there is a significant opportunity in redesigning these payments to be consistent with the objectives of supporting a green, just and resilient recovery, and reward existing good practice.

137. The Committee recognises the pandemic has brought about changes in food practices and has emphasised the importance of local food provision – and in some cases a direct, and positive relationship between food producers and consumers (e.g. local milk and egg deliveries). The Committee recommends the Scottish Government provide further information on its plans to lock-in these positive changes to increase community resilience.

Fisheries

138. The fisheries sector has been significantly impacted by the health pandemic and the vulnerability of the sector was stressed. There are concerns in relation to sustainability and resilience and in the lack of diversification in both markets and fish stocks. The reduction in finfish stocks was identified as one reason for the dependence on shellfish – and their export markets – and that a longer-term effort to recover fish stocks, as well as investing in local food economies, would support diversification. Stakeholders noted the need to improve sustainability for aquaculture through regulatory reform, invest in other low-carbon sources of seafood, reduce emissions from fisheries, and protect marine habitats. The Committee also notes the current uncertainties in relation to UK-EU trade agreements at the end of 2020.

139. The Committee recommends the Scottish Government publish lessons learned from the Covid-19 pandemic for the fisheries and aquaculture sectors and identify actions that build resilience in the sectors and resolve ongoing issues whilst contributing to enhancing the marine environment and addressing emissions from fisheries to ensure a green recovery from Covid-19.

Transport

140. Transport and the need to transform transport networks was identified as critical to a green recovery. The availability of public transport was viewed as a key feature of a wellbeing economy and poor public transport connections as a block to progress. While recognising recent shifts in lifestyle and working patterns, Chris Stark raised concerns about the potential for a rebound in the use of cars, which could undermine the wider effort on decarbonisation in Scotland.^{xxiv} Concerns in relation to the coherence and balance of spend within the transport budget were raised – particularly the need to reduce demand for travel by car and encourage sustainable and active travel – and in relation to the adequacy and clarity of the Programme for Government. There remain issues with progress and a call to move from commitment to delivery and at scale.

141. The Committee recognises public transport has provided an essential lifeline through Covid-19 and, recognising the vulnerability of the sector due to the pandemic, seeks reassurance that the Scottish Government will include active promotion of public transport as part of the green recovery.

142. The Committee also recognises the need to support public transport manufacturers in Scotland, such as those developing and building hybrid, electric and hydrogen buses, and seeks reassurance from the Scottish Government on this point. The Committee supports the related recommendations of the [Just Transition Commission](#).

143. The Committee recommends transport budgets and fiscal incentives are targeted at reducing demand for travel by car and encouraging the use of active and sustainable modes, e.g. prioritising investment in active and sustainable travel infrastructure rather than additional road capacity.

144. The Committee further recommends the Scottish Government:

- Develop and implement comprehensive, uninterrupted networks of safe walking and cycling routes in cities, towns and villages,
- Better integrate land-use and transport planning to reduce and ultimately eliminate high emission travel, facilitate travel by active and sustainable modes, with the ultimate goal of creating '20-minute neighbourhoods' where people can access work, leisure and essential services on foot, bike or public transport in no more than 20 minutes as set out in the recent Programme for Government.

Housing/Planning

145. The Scottish Government recently announced an investment of £1.6bn in heat and energy efficiency over the next parliament. However, the Committee heard there needs to be an immediate spending increase to kick start what the CCC called “a labour-intensive set of investments that make our housing stock more ready for climate change and more energy efficient”.^{xxv} The CCC state housing retrofits, skills and training are the top priority and spend needs to be frontloaded on labour intensive programmes that can begin quickly (12-24 months) to get money cycling in the economy.^{xxvi}

146. The Committee recommends:

- The Scottish Government, develop, fund and mandate a comprehensive programme to bring Scotland’s existing housing stock, particularly pre-1919 tenements and other hard to treat homes, up to an improved and sustainable level of energy efficiency, in line with the recommendations of the CCC.^{xxvii} A fresh approach is required to ensure that those living in conservation areas and listed buildings have access to the best performing technologies, and that their decarbonisation efforts are not hampered by historic designations.
- The Scottish Government, Local Authorities and wider public sector ensure place, greenspace and wellbeing are at the heart of decision making.

^{xxv} Official Report, 15 September 2020, col.13

^{xxvi} CCC letter to Roseanna Cunningham MSP, 'Building a resilient recovery from the COVID-19 crisis', 6 May 2020; Official Report, 15 September 2020, col.5-6

- There should be a focus on the reuse of buildings making it easier to change the use of existing long-vacant buildings so they can have a viable future, and the reuse of building materials – particularly traditional building materials such as stone and slate.
- New building design is whole life carbon neutral and planning and building control policy and regulation must ensure this is a requirement.
- The Scottish Government and Local Authorities front-load spend on housing retrofits / energy efficiency schemes - and the skills and training needed for this - as a priority, delivering job creation stimulus and numerous social, health, and economic co-benefits as part of the green recovery.

Energy

147. Whilst Scotland's electricity grid is largely decarbonised the Committee heard the wider energy transition (in relation to heat and transport) poses one of the biggest challenges the Scottish economy faces, as reliance on oil and gas shifts to renewable electricity and hydrogen technologies. This is relevant to the domestic, non-domestic and industrial sectors.
148. For this transition to take place, and for it to be a just transition, new skills, technology and infrastructure will be required at a scale that has not yet been seen. This includes investment in Carbon Capture and Storage (CCS), in the electricity grid to make it smarter and more flexible, and in EV charging. Enabling much of this investment relies on UK Government spending, private investment and on Ofgem consent. CCS has been described by the CCC as “an option opener”, and “an economic opportunity as much as a decarbonisation opportunity”, which should be “more obviously baked into Scotland's overall economic plans”.^{xxviii} Professor Dieter Helm discussed the idea of a carbon price that applies to emissions and sequestration to incentivise positive behaviour and he endorsed carbon pricing.^{xxix} The CCC has called for “a proper strategy and a good vision of what Scotland hopes to achieve” in relation to energy inefficiency in the private sector, and Professor Helm noted that industrial decarbonisation needs to be endorsed by industry and by Government as “the essence of the idea that the polluter pays”.^{xxx}
149. The Committee heard significant investment in distribution and transmission grid infrastructure as well as high voltage, direct current (HVDC) electric power transmission is needed – there is concern that Ofgem's forthcoming price control

^{xxvii} 'Reducing Emissions in Scotland, Progress Report to Parliament', CCC, October 2020, pp.109-113

^{xxviii} Official Report, 15 September 2020, col.10-11

^{xxix} Official Report, 8 September 2020, col.23-24

^{xxx} Official Report, 15 September 2020, col.15; Official Report, 8 September 2020, col.24

will restrict funding for energy networks. Further market support for renewables is needed, as well as a robust carbon pricing regime, progressively funded through taxation rather than consumer bills to limit the impact on fuel poverty levels. There should be a presumption in favour of renewables projects set out in National Planning Framework 4. The climate emergency and the achievement of net-zero should also be made material considerations in any planning application. Just Transition funding and support for oil and gas workers should be a high priority, alongside the development of a hydrogen economy.

150. The Committee recognises that Ofgem, whilst a UK non-ministerial government department, operates independently of government in setting price controls, and in influencing investment and profit levels across gas and electricity markets.
151. The Committee urges the Scottish Government to continue to press both the UK Government and Ofgem to invest in, and enable, the swift development of infrastructure and the energy network to effectively deliver a low carbon transition. Enabling much of this investment relies on action at UK Government level, but is critical to the green recovery, and Scotland's response to the climate emergency. The Committee recognises that these matters are of interest to both Governments, and asks the Scottish Government to provide assurance that communication and partnership between the Scottish and UK Governments is robust enough to deliver against these challenges.
152. The Committee recommends, that as part of the green recovery route-map, the Scottish Government revise Scotland's Manufacturing Action Plan to set out how Scotland's manufacturing sector will contribute to delivering a net-zero future and secure the related economic and social opportunities, informed by the Strategic Research Programme, and work with industry to show clear leadership on pathways to decarbonising this sector.
153. The Committee recommends the Scottish Government work with the UK Government to set a minimum carbon price, to drive decarbonisation commensurate with achieving the net-zero goal, as part of the new Emissions Trading Scheme.
154. The Committee recommends the Scottish Government continue to work with the oil and gas sector, Local Authorities and public agencies to deliver a transition to a green economy.

Annexe A - Policy tests

Tests for a green recovery

A number of organisations proposed a set of “tests” that new policies, proposals and public spend must meet to ensure they are compatible with a green recovery. Tests proposed by five respondents are outlined in full below. The inclusion of tests is suggestive of striving for greater policy coherence, and the proposals follow similar themes of ensuring that policy and funding is aligned to achieve public objectives.

Just Transition Commission:

- Do they set Scotland on a pathway to net-zero?
- Do they ensure the benefits of climate change action are shared widely, while the costs do not unfairly burden those least able to pay, or whose livelihoods are directly or indirectly at risk?
- Will they contribute to a just and fair economic recovery for Scotland once the immediate emergency, created by COVID-19, has subsided?

Scottish Environment LINK:

- Every individual policy/action adopted must be based on sound evidence, must not increase carbon emissions, must not damage nature and must not harm social wellbeing.
- Green recovery policies, taken together as a package, must ensure these additional four tests are met, while each individual policy/action must contribute to at least one of:
 - Reduce pollution;
 - Improve adaptation to climate change and reach net zero by 2045;
 - Secure sustainable consumption of natural resources;
 - Improve biodiversity and ecosystem services.

Scottish Council for Development and Industry (SCDI):

- **1. Impact** – Investments, interventions and policies should urgently accelerate our progress to net-zero, maximise impact on jobs, productivity, wellbeing and clean growth and deliver results at pace.
- **2. Resilience** – Investments, interventions and policies should increase the resilience of our society, economy and environment to future disruption, shocks and crises.
- **3. Fairness** – Investments, interventions and policies should reduce inequality, protect at-risk communities and support a just transition to net-zero which does not leave anyone behind.

- **4. Ambition** – Investments, interventions and policies should be targeted to boost our global competitiveness as a world-leader in clean growth innovation, technologies and expertise.

Glasgow City Regional Economic Partnership and Climate Ready Clyde:

- Climate investments should take a portfolio approach to maximise the economic, environmental and wider resilience wins.
- The green recovery needs to be anchored in a consensual and inclusive decision-making process with the public and businesses and public sector.
- Addressing the wider resilience deficit requires stronger regulation, and more holistic approaches to environmental challenges.
- Focus investment on the people and places that are most vulnerable to climate change
- Attach clear, transparent conditions to wider economic recovery support to avoid lock in, and secure wider sustainability gains
- Review the Scottish Government's taxes, duties and levies to create a better environment for a green recovery.

Highlands and Islands Enterprise:

- Is public sector funding supporting the transition of jobs and skills to those suitable for a net zero and inclusive future, including digitisation?
- Is public investment leveraging private investment and creating new jobs, now or in the future?
- Is public investment addressing market failures, inequalities, whether sectoral or regional? For example, target to places most negatively impacted by Covid-19, such as islands where food supply and tourism have been hard hit.
- Is public investment targeted at enhancing our national competitive advantage, sending clear, long term market signals, with high expectations for international trade, especially in relation to decarbonised energy, our land base, including food and drink production, and our marine resource?

Annexe B - Stakeholder recommendations

Specific Recommendations for Funding/Support submitted to the Committee from stakeholder evidence

Governance

- Greater funding for statutory agencies to deliver essential public functions (e.g. SEPA for environmental enforcement, biodiversity resource for local authorities, Marine Scotland, SNH)
- Develop viable national vision for how system changes to taxation and legislation would be implemented and would support sustainable local authorities
- Budget decisions to be rooted in an analysis of its impact on and role in furthering human rights
- Conditionality: publicly financed support conditional on meeting public goals (e.g. clear, and credible plans to decarbonise, implementing a just transition)
- Coherence of budget with existing policies (Climate Change Plan, NPF4, etc) Implement the UKCCC's recommendations
- Support to ensure voice of young people heard (e.g. fund roles for young people as part of COP26)
- Increase wages for key workers (e.g. NHS and care)
- Undertake review of all government spending to ensure consistency with green recovery
- Allocate budget to local authorities:
 - for regional development of green growth sectors
 - To take charge of their transition to net-zero
 - commit to giving Councils strong local fiscal powers to support confident local action and investment decisions and to ensure that Councils can be resilient to future economic shocks.
- Examples of specific tools and instruments which could be re-examined with a view to maximising income at the local level and ensuring Councils have the levers to support investment in the long-term resilience of the city include:
 - Land value uplift taxes
 - Non-domestic rates
- The speed at which tools can be deployed will be pivotal in securing a green recovery and Councils require the discretion to rapidly introduce measures such as:

- Transient visitor levy
- Workplace parking levy Provide greater clarity on funding for local authorities

Transport

- Investment in expansion of public transport network, esp in rural areas and for newly build commuter communities
- Address ticket prices on public transport to ensure competitive option
- Extend concessionary travel scheme
- Investment in active travel routes (including segregated not shared with other users; SCCS: 10% of transport budget dedicated to active travel)
- Land value taxation to facilitate higher density development better for sustainable transport
- Funding to support electric vehicles (subsidies for the vehicles, investment in charging etc)
- Reduce need for work travel by funding home working advisors and community work hubs, to allow people to work from home/closer to home

Energy

- Government-supported oil tank scrappage scheme
- Renewable transition training fund
- Budget to support low-carbon energy transition for heat and electricity, (e.g. Significant additional spending for energy efficiency, retrofit of homes including insulation, fuel systems etc. One respondent noted that as a minimum, should double the impact of the Energy Efficient Scotland programme by doubling the spend.
- Development of local energy companies and locally owned renewables
- Investment in smarter grid technology
- Continue to support hydrogen and CCUS (others disagree)
- Replacement for FIT and RHI incentives
- Investment in energy for a fully decarbonised electricity system by 2032
- Invest in distribution grids to meet the needs of decarbonisation
- Investment in hydrogen projects and conversion from natural gas

Infrastructure

- Coherence in infrastructure funding with public objectives
- No road expansion

- Accelerate implementation of low-carbon infrastructure, e.g. digital connectivity
- Focus on upgrade and repair rather than large-scale new projects
- Investment to deliver the Infrastructure Investment Plan
- Scrap or lower VAT on sustainable refurbishments, maintain on new build unless they meet enhanced sustainability criteria beyond minimum regulation
- Investment in capital infrastructure that builds on the Region and City Growth Deals, specifically tailored to the needs of rural communities, co-constructed with Scotland's research institutes.
- Funding urgently needed to improve Scotland's water infrastructure and develop brownfield sites
- Need to set out plans for investment at scale, not relying on market-led approach to decarbonisation
- Need to dedicate more resource to climate adaptation
- Use of public sector spend in the construction sector (50% of spend) to drive the low carbon agenda, and in particular create scale in markets to encourage companies to invest in new product development such as mass timber, and offsite construction methodologies. City and Town Infrastructure Transformation Project

Finance and taxation

- Government bonds: put favourable rate on government bonds for people to invest in, guaranteed to be used on green recovery projects.
- Substantially increase funding to the Scottish National Investment Bank (suggestion to £120bn, roughly Scotland's share of the financial bailout the banks received in 2009).
- Support local authorities to establish their own ethical investment funds/banks to supplement SNIB
- Overhaul public sector pension investments (e.g. divestment from fossil-fuel based companies, and companies not in line with public outcomes, e.g. tobacco)
- Scottish Government leadership in Conservation finance
- Work with UK Government to set credible carbon price
- Reform existing environmental taxes to directly reflect carbon value (e.g. landfill tax and UK plastic tax)
- Work with UK Government to reform economic levers such as taxes (e.g. VAT/tax relief from goods and services that are clearly serving common good and restoring sustainability and resilience, while high VAT/taxes should be increased for damaging goods and practices.)
- Carbon tax on incineration on a "pay-as-you-throw" system for households

- Government support for new technologies until they reach economies of scale, to support implementation of innovative tech
- Views both for and against the tourism tax
- Use existing powers to raise revenue, e.g. raise air departure tax to pay for sustainable transport

Enterprise

- Investment in sustainable local businesses (e.g. to diversify away from reliance on tourism and increase resilience)
- Investment in job creation for green jobs (conservation energy efficiency, low-carbon energy, rural jobs; especially for young people, e.g. Future Jobs scheme that would allow the environmental sector to support young people into environmental, conservation, horticulture and other careers.)
- Need for direct financial capital support for greening/efficiency measures for cash-strapped businesses
- Need for reskilling and upskilling fund
- Green enterprise support
- Green scrappage scheme for high-carbon machinery

Rural/fisheries/land management

- Announce new agricultural support package to replace EU funding to allow sector to play role in green recovery and fund any new pilot schemes to test approaches (many respondents note that this should also be reformed to be in line with objectives of climate and nature emergencies)
- Incentives/scrappage scheme for land managers and fishers to switch from fossil-fuel-based machinery
- Investment in natural economy in non-urban regions, esp where there is market failure
- Low-rate landing charge to pay for modernised management measures of Scottish fisheries. More damaging/polluting fishing types, boats and gear could be charged a higher rate than those with less damaging practices and equipment. Aim would also be to offset existing fuel tax subsidy, which benefits those which pollute the most.
- Levy on peat compost
- Capital investment support for food industry decarbonisation
- Increased investment in natural capital/nature-based solutions (peatland restoration and management, woodland expansion – some organisations specify native woodland expansion and management; flood resilience), respondents emphasise areas where investment can contribute to conservation and create jobs and multipliers.
- Funding for environmental monitoring (including as part of public support schemes for agriculture, forestry, biodiversity etc.)

- Increase budget for forestry grants to £60-70m annually to deliver woodland expansion targets
- Fund continued agri-environment schemes to support protection and enhancement of the environment, uptake of low-carbon practices
- Investment in integrated land management (e.g. national ecological network, resourcing for regional land use frameworks)
- Innovation funding for Scottish agriculture
- Additional £100m for Agricultural Transformation Programme to properly resource shift to low-carbon agriculture
- £500k direct funding to accelerate delivery through Scottish Marine Environmental Enhancement Fund
- Investment in island restoration, esp non-native species removal as part of job creation
- Invest in island restoration, esp INNS removal, for jobs, increased tourism
- Tax/levy on pesticides
- Investment in vacant and derelict land esp in deprived communities
- Financial underwriting of landscape scale projects, including support to secure match-funding
- Investment in outdoor learning
- Fund roll-out of remote electronic monitoring
- All public subsidy for fishing to support sustainable fishing practices and transition to sustainable fishing
- Invest in development of climate-friendly fishing and other low-carbon sources of seafood (seaweed farming, bivalve aquaculture, integrated multi-trophic farming)

Housing and urban planning

- Investment in installation of property flood resilience measures to protect against climate change effects
- Significant investment required in energy efficiency measures
- Investment in greenspaces
- Proper resource allocation for NPF4
- Support with planning and regulatory fees for community groups in pursuit of low-carbon/energy-efficiency measures
- Funding for delivery of sustainable, affordable housing

Circular Economy

- Investment in bioeconomy (Grants for SMEs in bioeconomy; investment in infrastructure to support creation of biorefineries)
- Funding for circular rural economy (e.g. processing infrastructure for renewable materials)
- Reintroduce recycling and reuse credits
- Provide funding for reprocessing and use of recycled content
- Upgrade recycling infrastructure to increase capacity and capability
- Introduce charges on single-use disposable cups by December 2020

Research

- Investment in research for:
 - A sustainable natural economy
 - Data on Scotland's natural resources
 - Research infrastructure (analytical facilities, trained staff, etc)
 - Align with elements of EU Horizon Europe Programme
 - Creation of new Synthesis Centre For Transdisciplinary Research
- Funding for open science

People and communities

- Investment in behaviour change for a “climate literate” Scotland
- Budget for development of local supply chains and local economies
- Support for third sector who provide crucial services and support volunteers

Climate justice

- Increase existing Climate Justice Fund, and champion for other nations to increase their financial commitments

Annexe C - Minutes of meetings

29th Meeting, Tuesday 3 November 2020

3. **Green recovery inquiry (in private):** The Committee continued its consideration of its draft Report. Various changes were agreed to, and the report was agreed for publication. The Committee agreed to write to other parliamentary committees on its report. Members noted the arrangements for publication.

27th Meeting, Tuesday 27 October 2020 (in private)

1. **Green recovery inquiry (in private):** The Committee considered a draft report. John Scott declared an interest as a founder of the Scottish Association of Farmers' Markets.

24th Meeting, Tuesday 22 September 2020

1. **Green recovery inquiry:** The Committee took evidence from— Hamish Trench, Chief Executive, Scottish Land Commission; Joel Evans, Team Leader, Sustainability and Climate Change (Acting), Aberdeenshire Council; Professor Colin Campbell, SEFARI Directors Executive Committee; Iain Gulland, Chief Executive Officer, Zero Waste Scotland; Kit England, Lead, Climate Ready Clyde (on behalf of Glasgow City Region); Jess Pepper, on behalf of Climate Café; Fabio Villani, Leadership Team, tsimORAY; Peter Mather, Group Regional President, Europe Head of Country, UK, BP; Arne Gürtner, Senior Vice President, Equinor UK and Ireland Offshore.

4. **Green recovery inquiry (in private):** The Committee considered the evidence heard earlier in the meeting.

22nd Meeting, Tuesday 15 September 2020

1. **Green recovery inquiry:** The Committee took evidence from— Chris Stark, Chief Executive, Climate Change Committee (CCC); Professor Tahseen Jafry, Director, Centre for Climate Justice; Dr Katherine Trebeck, Advocacy and Influencing Lead, Wellbeing Economy Alliance; Mike Robinson, Chief Executive, The Royal Scottish Geographical Society; Sara Thiam, Chief Executive Officer, Scottish Council for Development and Industry (SCDI).

2. **Green recovery inquiry (in private):** The Committee considered the evidence heard earlier in the meeting.

20th Meeting, Tuesday 8 September 2020

2. **Green recovery inquiry:** The Committee took evidence from— Benny Higgins, Chair, Advisory Group on Economic Recovery; Professor Dieter Helm, Professor of Economic Policy, University of Oxford and Advisory Group on Economic Recovery member; Professor Dave Reay, Chair in Carbon Management and Education, School of Geosciences, University of Edinburgh and Executive Director of ECCI.

4. **Green recovery inquiry (in private):** The Committee considered the evidence heard earlier in the meeting.

13th Meeting, Monday 15 June 2020

1. Decision on taking business in private: The Committee agreed to take items 5, 6, and 7 and all consideration of its approach, evidence and reports on the UK Environment Bill LCM, Covid-19 and green recovery, Regional Marine Planning and the Scottish Government Budget 2021/22 in private at future meetings.

3. Covid-19 and a green recovery: The Committee took evidence from— Roseanna Cunningham, Cabinet Secretary for Environment, Climate Change and Land Reform; David Mallon, Head of Policy and Implementation Unit, Climate change Division, Scottish Government.

6. Covid-19 and a green recovery (in private): The Committee considered the evidence heard earlier in the meeting.

Annexe D - Written submissions

A list of written submissions received by the Committee can be found at the following link:
[green recovery inquiry, written submissions](#).

