Suggested questions for discussion

- As with any transition, the move to a net-zero economy presents huge opportunities for businesses. Does your business have a clear idea of what the transition will mean for you?
- How might businesses take a leadership role? Do you have examples of leadership action you have taken (or want to take) with regard to (a) your customers, (b) supply chain, (c) employees and (d) competitors?
- What is needed to support businesses in this area?

Overview

Scotland’s response to Climate Change offers tremendous opportunities (and challenges) for Scottish businesses. Scottish Ministers are looking across their whole range of responsibilities to make sure that every policy is working towards achieving our climate ambition and that action is increased where necessary.

Responding to the global climate emergency must be a national endeavour and businesses will need to play a leading role. The Scottish Government wants to listen to the voice of business to explore, promote and support actions which tackle obstacles and capture competitive opportunities. We are seeking a shared understanding of what needs to be done, how businesses can contribute, and how Scottish Government action can help.

This workshop forms part of a programme of engagement designed to explore the role of Scotland’s businesses in responding to the global climate emergency. It forms part of a broad programme of engagement taking place under the banner of the “Big Climate Conversation”. Feedback from these events will help inform the update of the Climate Change Plan.

Policy Context

Scotland’s Climate Change ambition

In September, the Scottish Parliament passed the landmark Climate Change (Emissions Reduction Targets) (Scotland) Bill. This sets a net-zero emissions target for 2045, maintaining Scotland’s legislation as the most stringent in the world. The Scottish Government’s policies and proposals for meeting these targets are set out in our Climate Change Plan. We have committed to updating the Climate Change Plan to reflect our enhanced ambition within 6 months of the Bill receiving Royal Assent.

Scotland’s target for net-zero emissions by 2045 is based on what the Committee on Climate Change advise is the limit of what can currently be achieved. The advice is based on the very latest science, on the feasibility of technology and approaches, and economic costs and benefits. Scotland has already made good progress - we have almost halved greenhouse gas emissions since 1990, whilst simultaneously growing the economy, and increasing employment and productivity. Eliminating the second half of greenhouse gas emissions is going to look and feel different to the first half and will impact on all aspects of the economy.
As the actions needed to meet our climate change targets will transform our economy and society, the transition is also an opportunity to help shape a more equitable and inclusive, growing economy. The Scottish Government’s approach recognises the need to balance environmental, social and economic responsibilities to ensure a transition that is fair for all. A just transition will be one that creates jobs through new sustainable industries, is good for communities, and helps to tackle inequalities and poverty.

**The Big Climate Conversation**

In the Parliamentary Statement on Scotland’s response to the global climate emergency, the Cabinet Secretary for Environment, Climate Change and Land Reform committed to consult widely on what needs to happen across Scotland in order to end Scotland’s contribution to global warming. A broad programme of engagement is taking place under the banner of the “Big Climate Conversation”, the aim of which is to establish a collaborative nation-wide approach, with all sectors recognising that they are part of the solution. It intends to gather and share (in all directions) information about what works, opportunities, challenges and barriers and generate ideas for the update to the Climate Change Plan.

This Business in The Parliament Conference workshop forms part of the Big Climate Conversation. Other business-focused activities include a “Mission Zero Business Summit” later this month, which will be hosted by the Cabinet Secretaries for Finance, Economy and Fair Work and for Environment, Climate Change and Land Reform. We also intend to work with business organisations to develop additional workshops.

**Programme for Government and climate action**

This year’s Programme for Government has climate change and a Scottish Green Deal at its heart. For example, the Scottish Government has committed

- £500 million for bus priority infrastructure;
- Making the Highlands and Islands the world’s first net-zero aviation region;
- Electrifying the rail network;
- Putting an extra £17 million toward ultra-low emission vehicle loans;
- Putting £30 million towards renewable heat; and
- To bring forward proposals for a Circular Economy Bill.

The Scottish Government is also bringing to market a £3 billion portfolio of projects, including renewables, waste and construction, ready for green finance investment.

The Green Growth Accelerator will extend the current growth accelerator model to unlock additional investment for emissions reducing infrastructure. The current accelerator is an outcomes based infrastructure finance model where local authorities invest in infrastructure to stimulate local economic development. Where local authorities meet agreed outcomes, such as generating a set number of additional jobs from low-income areas, the Scottish Government pays a grant to the local authority equivalent to the investment plus financing costs over a set time period.

A new partnership between Scottish Enterprise, Highlands and Islands Enterprise, SEPA and Scottish Natural Heritage will bring together business support and
environmental and regulatory services around the needs of businesses and the opportunities of net zero – starting with around 20 businesses who have identified rapid growth opportunities.

There will be a consultation on draft proposals for inclusion in the new Circular Economy Bill. It will embed an innovative approach to reducing, reusing and recycling materials and help to deal with items that we know cause environmental harm. For example the Bill will enable charges to be applied in relation to the provision of items such as single-use drinks cups, helping to tackle the 4,000 tonnes of waste beverage cups create in Scotland each year.

**Scottish National Investment Bank**

Securing the transition to net zero will be the Scottish National Investment Bank’s primary mission. The Bank will be a core part of Scotland’s new inclusive economic foundation and a driver of a new low carbon economy. The Scottish Government has committed to providing £2 billion over 10 years to capitalise the Bank. Collaboration between private and public sector partners will help others originate projects and investment propositions, with both direct investment and co-investment made possible.

**Infrastructure**

Investment in infrastructure is both a key driver of economic growth and essential to ending our contribution to climate change. Tackling climate change will be central to the infrastructure investment decisions we make. The coming year will see the publication of the recommendations of the Infrastructure Commission for Scotland in advance of the next Infrastructure Investment Plan and Capital Spending Review.

**Economic Strategy, Economic Action plan**

In 2018 The Scottish Government launched the Economic Action plan to demonstrate the work being done to deliver sustainable and inclusive economic growth. A revised and updated version of this plan will be launched in the Autumn to reflect progress in implementing measures and to reflect new commitments which have been included in this year’s Programme for Government.

Scottish Government
October 2019