

Rob Gibson MSP

Convener

Rural Affairs, Climate Change and Environment

Committee

The Scottish Parliament

Edinburgh

EH99 1SP

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Dear Rob

Thank you for your letter of 9 December 2015, which raises a number of issues related to the COP21 Summit and Scottish Government climate change policy. I have provided a response below which I hope the Committee will find useful.

### **Scottish Government's participation in the COP21 Summit**

The First Minister and I were privileged to represent Scotland at the UNFCCC COP21 climate conference last month. Along with the other Devolved Administrations, we attended as part of the UK Delegation. The Devolved Administrations were consulted, and commented on, the UK negotiating position in advance of COP 21. At the conference I met Lord Bourne and Sir David King, the UK's Climate Envoy, and was briefed by the UK's Head of International Negotiations. The First Minister was briefed by the EU Lead Negotiator, DECC's Director of International Climate Change. We took part in a range of speaking engagements on climate justice, renewable energy, community energy, business, and the importance of non-state actors, as well as bilateral and multilateral meetings, including a meeting of Ministers with UN Secretary General Ban Ki-Moon, the USA and German teams, and our fellow members of the States and Regions Alliance representing over 330 million people.

The Paris Agreement can be seen as the first, successful, test for the international community under the new Post 2015 Sustainable Development agenda. We welcome the Paris Agreement as a tremendous victory for the poor and vulnerable and for climate justice. We also welcome the Agreement's recognition of the importance of non-state actors – devolved, state and regional governments, cities, businesses and civic society – as well as on human rights. We were very grateful to the contribution of Scottish civic society at the conference: an inspiring side event by the 2050 Group of young climate leaders, the Scottish Interfaith community's message to the conference, and Eco-congregations Climate Justice Baton.

Thanks to the efforts of everyone in Scotland, we were able to report in our speaking engagements and meetings:

- a 38.4% cut in Scotland's emissions since 1990 - much more than the 31.7% originally envisaged;
- that we now generate half our electricity demand from renewables;
- that we have delivered our 500 MegaWatts target for community renewables five years early;
- that our 12% target for energy efficiency improvement was already at the required level in 2013;
- the First Minister pledged a further doubling of our climate justice support for some of the world's poorest people with £12m new money over 4 years.

The Paris Agreement, as we hoped, provides certainty about the global low carbon future in the same way that we set certainty for Scotland's low carbon future in legislation in 2009. With current pledges amounting to perhaps a temperature rise of 3 degrees Celsius (although a range of outcomes is possible), it is clear that other countries will have to match Scotland's ambition and delivery in the years ahead if the international community is to avoid the worst impacts of climate change falling on the global poor and vulnerable.

The Agreement sets a clear international context for our climate change proposals and policies and we look forward to advice on the next set of annual targets, expected from the Committee on Climate Change in March 2016, which will be based on the latest scientific understanding and international policy context, including Paris.

## **Ocean's Day and OSPAR**

Unfortunately I was not able to attend the Oceans Day at COP 21 as my programme was exceptionally busy. However, the outcomes of Oceans Day are available on the Global Ocean Forum website at: <http://globaloceanforum.com/2015/09/22/the-oceans-day-at-the-unfccc-cop-21-4-december-2015/>. The recommendations on mitigation included developing ocean-based renewable energy and implementing "blue carbon" policies. We will be considering all of the outcomes and in particular how we can build on Scotland's work to date as a leader on marine renewable energy. In addition, Scotland's blue carbon potential will be an important area which we will be investigating as part of the development of the third Report on Proposals and Policies (RPP3).

With regards to OSPAR, the Scottish Government provides the chair for the Intersessional Correspondence Group that is supporting the preparation and publication of Intermediate Assessment 2017 and Quality Strategy Review 21. The Scottish Government actively contributes to other committees and groups including OSPAR's Coordination Group as well as acting as head of the UK delegation to the OSPAR Biodiversity Committee and 2 of its 3 subgroups. Through this role we seek to ensure decisions and recommendations made by OSPAR align where possible with Scottish Government policies. Scottish Government officials have contributed to OSPAR committee discussions on climate change and blue carbon and this work by OSPAR has led to several research priorities being included in OSPAR's science needs agenda with input from Scottish Government officials.

## **Scotland's leadership role on climate change**

Scotland has taken the initiative internationally by setting world-leading targets that provide a strong contribution to required global emission reductions to ensure global temperatures stay under 2 degrees Celsius relative to pre-industrial levels. The long term trend shows a substantial greenhouse gas emissions reduction of 38.4 per cent since 1990, more than

three quarters of the way towards achieving our interim target of a 42 per cent reduction by 2020. Our approach to meeting existing targets is guided by the four transformational outcomes set out in the Scottish Government's Climate Change Delivery Plan (June 2009):

- A largely decarbonised electricity generation sector by 2030
- A largely decarbonised heat sector by 2050 with significant progress by 2030
- Almost complete decarbonisation of road transport by 2050 with significant progress by 2030
- A comprehensive approach to ensure that carbon (including the cost of carbon) is fully factored into strategic and local decisions about rural land use.

I mentioned at the evidence session in November that, in the run up to Paris, we were developing a sector-based narrative for our international engagement, so that we could present how key Scottish sectors had addressed the climate change challenges they faced. To give an overview of the sectoral position, we used a graph published in our June statistical publication (<http://www.gov.scot/Resource/0047/00478796.pdf> - page 13) on the front page of the leaflet which we sent to the Committee on 26 November. We developed a list of low carbon and renewable energy projects, aimed to be recognisably Scottish to an international audience, which help demonstrate Scotland's story in more detail, including examples on wind and marine energy, community renewables, the whisky industry, Glasgow's commitment to being one of the greenest cities in Europe, Aberdeen's hydrogen buses, energy efficiency in historic buildings, the circular economy and the Climate Justice Fund.

Given that the international focus is currently on scaling up proven low carbon technologies, Scotland's achievements on renewable electricity are an obvious area of interest to other countries, as it explains the progress we have made on emissions cuts. We have a clear interest in the direction of EU climate and energy policy, and in the strategic approaches taken by other countries - for example Germany's focus on onshore wind and solar power despite not having the best conditions for either technology. Internationally, we expect an increasing focus on sharing experience to allow the global community to deliver on the Paris Agreement. For example, during the course of last year's meetings with representatives of other nations and regions I have discussed electric vehicles with California and agricultural emissions with Ireland.

### **Scottish Budget (2016/17) and UK cuts**

As indicated in my letter of 13 January to the Committee, the setting of the 2016-17 Draft Budget has taken place against the backdrop of the toughest public expenditure conditions we have yet faced. The UK Government's 2015 Spending Review will cut Scotland's total discretionary budget by £1.2 billion in real terms over the period meaning that by 2019-20 the Scottish Government's discretionary budget (Fiscal DEL) will be £3.9 billion or 12.5% lower than it was in 2010-11. Despite the Chancellor claiming to increase capital spending, Scotland's capital Budget in 2019-20 will be £600 million (17%) lower in real terms than it was in 2010-11.

Indeed, the summary of funding for climate change mitigation measures in the 2016-17 Draft Budget (<http://www.gov.scot/Topics/Environment/climatechange/DraftBudget2016-17>) highlights specific reductions totalling £59.1m as a consequence of changes to UK policy on energy and energy efficiency. These arose from the changes in the investment climate for renewable projects because of the planned early curtailment of subsidies for some renewable technologies and other policy and regulatory changes which will negatively impact industry and community development, and the end of consequential funding for the HEEPS:

Cashback scheme because of the UK Government's decision to implement early closure of the Green Deal Home Improvement Fund.

Despite these challenging conditions, the 2016-17 Draft Budget provides the basis to build on our progress in reducing emissions, with climate change spend embedded within relevant portfolios including support for renewable energy, energy efficiency, sustainable travel, waste reduction and natural carbon capture. If the reductions to budgets totalling £59.1m as referenced above are excluded, there has been an increase of £13.3m between 2015-16 and 2016-17 in budgets which support the delivery of measures to reduce greenhouse gas emissions. In addition, as highlighted in the Infrastructure Investment Plan, we are making significant multi-million pound investments in new and more energy efficient schools, colleges, health centres and hospitals, as well as broadband coverage and rail electrification.

### **RPP3 and the future delivery of Scotland's climate change targets**

Work is well underway with developing RPP3. A draft Report will be published for Parliamentary scrutiny towards the end of 2016. This will set out proposals and policies for meeting our annual targets and how they will contribute towards the achievement of the interim target and the 2050 target as required by the Climate Change (Scotland) Act.

As I indicated at the Committee's evidence session in November, this will also make up for excess emissions resulting from revisions to the greenhouse gas inventory as required under Section 36. This will include any excess emissions identified following publication of the 2014 greenhouse gas emissions data and, it is not therefore proposed to publish any additional, standalone reports before the end of 2016.

We will assess the costs and benefits associated with the policies and proposals for meeting our climate change targets throughout the RPP3 development process. For an update of costs and benefits of additional measures announced in June 2014 and 2015, the table attached with this response will, I hope, be of interest to the Committee.

For the development of RPP3, the Paris Agreement sets a clear international context for our climate change proposals and policies, and in addition to Scotland's economic and industrial objectives, it will also set the context for our new Energy Strategy. Advice on the next set of greenhouse gas annual targets is expected from the Committee on Climate Change in March 2016 and will be based on the latest evidence, including international policy developments in Paris.

### **Mainstreaming action on climate change**

In response to your question about policy coordination across the Scottish Administration, the Scottish Government continues to lead work to support the delivery and achievement of Scotland's climate change targets. We have in place a comprehensive package of policies and measures (the second Report on Proposals and Policies) which provides the strategic framework within the Scottish Government to ensure that proposals and policies are in place to meet our emission reduction targets.

In addition to this, robust governance arrangements are in place to ensure that climate change is a core focus in Scotland. In addition to this, robust governance arrangements are in place to ensure that climate change is a core focus in Scotland. The Cabinet Sub Committee on Climate Change, which brings together Ministers across relevant portfolios, including the Deputy First Minister, and is chaired by the Cabinet Secretary for Environment and Rural Affairs, provides strategic leadership on climate change matters, ensuring that all

parts of the Scottish administration prioritise climate change - for example, recently agreeing to the embedding of climate change in 2016/17 Scottish budget.

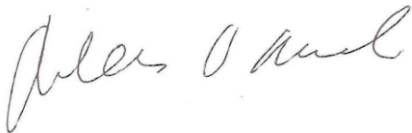
Responsibility for practical delivery within the Scottish Government rests with the Climate Change Delivery Board (CCDB), a Director level board, chaired by the Director General for Enterprise, Environment and Innovation, and made up of Directors from key delivery areas. Three external members, (James Fowlie, COSLA, Andy Kerr, Director of the Edinburgh Centre for Carbon Innovation and James Curran, former Chief Executive of SEPA and independent expert) provide external scrutiny on the CCDB.

More widely, the recent introduction of mandatory reporting against the Public Bodies Duties in the Climate Change Act, for bodies classed as major players will provide consistent and accurate information on climate change activity and progress which will help inform future Scottish Government policy and funding support. This action will also improve leadership engagement in the climate change agenda and help mainstream further action and best practice across the public sector in Scotland, more generally.

### **EV Rapid Charging Points**

Regarding your follow-up questions on EV charging points for electric vehicles I have asked the Minister for Transport and Islands to again respond directly to the Committee on these issues.

Kind regards



**AILEEN MCLEOD**

## Scottish Government: additional climate change commitments (2014 & 2015)

Policy Commitment		Date Made	Update
1	<b>Establishment of Cabinet Sub Committee on Climate Change (CSC-CC)</b>	<b>June 2014</b>	The CSC-CC has met 4 times since it was established in October 2015. The establishment of the CSC-CC followed a Ministerial commitment to this effect made in June 2014. The focus of the CSC-CC is to drive the substantial cross portfolio effort that is required to achieve transformational change necessary to deliver a low carbon economy and achieve Scotland's climate change targets. The CSC-CC was responsible for the agreement of additional package of work on climate change in June 2015, and the agreement to embed climate change in the 2016/17 budget.
2	<b>Regulatory support for district heating</b>	<b>June 2014</b>	<p>Working with the UK Government, the Heat Network (Metering &amp; Billing) Regulations 2014 are now in force. These regulations provide consumers on district and communal heating greater transparency and more control over their heating bills. Heat suppliers are required to register their heat networks with the National Measurement &amp; Regulation Office, which will provide comprehensive information on the development of heat networks in the UK.</p> <p>The Minister for Business, Energy and Tourism convened the Expert Commission on District Heating and subsequently the Scottish Government set up a Special Working Group to explore the options and need for further regulation. The Group is due to report early 2016, and the Scottish Government will consider the recommendations whilst developing Scotland's Energy Efficiency Programme.</p>
3	<b>Support for Energy Efficiency in off-gas grid homes</b>	<b>June 2014</b>	<p>We are continuing to support energy efficiency in off-gas grid homes. A proportion of funding available for our Home Energy Efficiency Programmes for Scotland: Area Based Schemes is allocated on the basis of need, which takes into account levels of fuel poverty and reflects the different types of properties within rural areas. This year £48 million of the £65 million available for HEEPS: ABS is allocated on the basis of need.</p> <p>Since 2013 the maximum grant available to households in very remote rural areas (including all island communities) has risen by almost 40% to £9000.</p> <p>The First Minister launched the Scottish Government's new national fuel poverty scheme</p>

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			<p>– Warmer Homes Scotland – on 14 September 2015. This new scheme is delivered on a regional basis, ensuring that all households including those living in more remote parts of the country, get the same level of service as those in urban areas. It has a strong focus on fabric measures, such as insulation, but also includes microgeneration measures to offer a wider range of heating options to off-gas households.</p> <p>As we develop Scotland's Energy Efficiency Programme we will consider how best off-gas grid households can be supported.</p>
4	<b>Roll out of Smarter Choices, Smarter Places Programme (SCSP)</b>	<b>June 2014</b>	<p>SCSP funding in 2015-16 aims to increase the number of journeys by walking, cycling, shared car use and public transport. The £5 million fund has attracted £6.5 million in match funding from local authorities and other partners.</p> <p>Over 160 individual projects will be supported, including Public awareness events, Personal travel planning, School travel campaigns, Workplace travel campaigns, Signage &amp; mapping and car clubs. More information can be found here:  <a href="http://www.pathsforall.org.uk/scsp2015">http://www.pathsforall.org.uk/scsp2015</a></p>
5	<b>Inclusion of Nutrient Management Measures in CAP greening</b>	<b>June 2014</b>	<p>Inclusion of nutrient management measures in CAP greening, together with a measure announced in June 2015 on compulsory soil testing should (if successful) help achieve 27,000 tCO<sub>2</sub>e emissions abatement per year. Please see row 13 (compulsory soil testing) for further detail.</p>
6	<b>Improving energy efficiency of Scotland's homes and non-domestic building stock - National Infrastructure Priority</b>	<b>June 2015</b>	<p>The Scottish Government has confirmed energy efficiency is a national infrastructure priority and has a clear commitment to develop Scotland's Energy Efficiency Programme, which will provide support to buildings across Scotland to improve their energy efficiency over the next 15-20 years. A programme of this magnitude takes time to develop and it is important, given its long-term nature, that it reflects our latest thinking on carbon reduction.</p> <p>The new programme is in its first phase - a development phase - with a focus on working with stakeholders to develop a strategic approach to the programme, including new pilot schemes to test integrated delivery mechanisms, the development of new loan schemes</p>

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			<p>supported by private finance and preparing for the effective implementation of powers that are set to be devolved through the Scotland Bill.</p> <p>In parallel to this, we will also be undertaking modelling through the new integrated energy system model - TIMES - as part of the development of the third Report on Proposals and Policies (RPP3). TIMES will provide a suggested pathway for meeting our climate change targets at least cost to society. This modelling will help inform the overall level of ambition for the programme and ensure it takes into account our carbon reduction plans. Alongside the TIMES modelling work, we will also undertake appraisal of the costs and benefits of the programme as part of RPP3.</p> <p>The second phase of the programme will commence around 2018, once new powers over energy efficiency have come into effect, giving us the ability to tackle fuel poverty and enhance energy efficiency more comprehensively than ever before.</p> <p>The draft 2016-17 budget is a one-year budget. Future spending details for this and the second phase of the programme will be set out in a future budget.</p> <p>On 22 January the Cabinet Secretary for Social Justice, Communities and Pensioners' Rights announced a new collaboration between our Home Energy Efficiency Programmes for Scotland and the Low Carbon Infrastructure Transition Programme which will allow Councils across Scotland to develop fully integrated area based approaches to make businesses, homes and public buildings more energy efficient. This new collaboration will include integrated pilot projects to deliver new approaches to help reduce costs and realise the synergies and economies of scale that will be necessary to roll out a national programme from 2018.</p> <p>The refreshed Infrastructure Investment Plan that was published alongside the Draft Budget in December provides more detail about the programme<sup>1</sup>.</p>
7	<b>Innovative flaring technology</b>	<b>June 2015</b>	Removed the equivalent of more than 20,000 tonnes of carbon dioxide - roughly equal to 13,889 passengers making return flights between Edinburgh and New York – from two

<sup>1</sup> The full text can be found here (<http://www.gov.scot/Publications/2015/12/5962>).

Taigh Naomh Anndrais, Rathad Regent, Dùn Èideann EH1 3DG  
St Andrew's House, Regent Road, Edinburgh EH1 3DG  
[www.scotland.gov.uk](http://www.scotland.gov.uk)

Policy Commitment		Date Made	Update
			landfill sites in the Borders is to be rolled out to two further sites in Glasgow and East Lothian, backed by £500,000 of Scottish Government funding. The two earlier pilots together delivered at least 20,000 tonnes of carbon dioxide. We will update our estimates of the CO2 gain of this initiative as the two new projects progress.
8	<b>Action to divert food waste from landfill</b>	<b>June 2015</b>	Action to divert food waste from landfill is being accelerated, with an additional £5 million over two years to help those local authorities who have yet to roll out food waste collections. Action on food waste is already reflected in RPP2, so this additional funding will assist those local authorities who are late in delivering their statutory requirements on food waste.
9	<b>Peatland restoration</b>	<b>June 2015</b>	<p>Peatland restoration will benefit from a further £3 million this year. This is in addition to the £10 million already available under the new Scottish Rural Development Programme (SRDP). The additional £3m will enable restoration of another 3,000 hectares. There remains significant uncertainty over the scale for emission reductions and the associated financial cost benefit ratio. Work is underway to provide more robust estimates of the emissions caused by the human influence from drainage and rewetting of peatland. It is intended that these emissions will be included in the Scottish Greenhouse Gas Inventory once this work has been completed. For the purposes of RPP2, we estimated peatland's carbon benefits to be around 4.4 tonnes per hectare per year.</p> <p>While the work to provide more robust emission estimates continues, we have been supporting restoration through the Scottish Natural Heritage led peatland action initiative and the new SRDP.</p>
10	<b>Sustainable and active travel commitment</b>	<b>June 2015</b>	A multi-annual commitment to sustainable and active travel, including the launch of a second Future Transport Fund, and continuing support for associated initiatives such as low carbon buses and Smarter Choices Smarter Places. The budget for the Future Transport Fund will be maintained at £20.3m in 2016/17 although precisely what this funding will support is yet to be determined. This funding supports a range of programmes aimed at increasing active travel, promoting modal shift and decarbonising the transport sector, with the current focus on reducing the number and share of shorter journeys using a car or a van, and decreasing the emissions from those car journeys that

Policy Commitment		Date Made	Update
			do take place.  As part of a previous campaign it was estimated that if everyone reduced their weekly car mileage by just 5 miles a week, this could cut 180,000 tonnes of CO2 a year from Scotland's emissions ( <a href="http://tools.energysavingtrust.org.uk/scotland/Take-action/Find-a-grant/Greener-Scotland">http://tools.energysavingtrust.org.uk/scotland/Take-action/Find-a-grant/Greener-Scotland</a> ).
11	<b>Relaunch of policy to tackle school run</b>	<b>June 2015</b>	The relaunch of a policy to tackle the school run – a significant cause of congestion, localised air pollution and contributor to inactive lifestyles – which will be based on the results of an investigation into existing school transport choices and what influences them.  This work is at an early stage, with research being commissioned to obtain the evidence needed on which a policy to mitigate the impact of the school run on climate change will be based. Until this work is completed, it is not possible to say by how much associated CO2 emissions might be reduced. It is expected that a new policy on tackling the school run will emerge later in the year.
12	<b>Low Emission Zone Pilot Project</b>	<b>June 2015</b>	Modelling is being commissioned to support the development of a Low Emission Zone (LEZ) pilot project in partnership with a local authority, where any vehicles which do not meet the required standard are restricted or deterred from entering the Zone.  This is being taken forward as part of the delivery of the Cleaner Air for Scotland strategy (published November 2015). It will support transport modelling, which will inform the precise specification of a local level low emission zone e.g. which type of vehicles may be restricted. This will determine the scale of carbon benefits which will sit alongside those from other policies with which it will have synergies e.g. active travel.
13	<b>Compulsory soil testing</b>	<b>June 2015</b>	Compulsory soil testing on all improved agricultural land and new action to reduce wastage by improving livestock health. If successful, soil testing, along with a measure announced in June 2014 to include nutrient management measures in CAP greening, will help achieve 27,000 tCO2e emissions abatement per year by 'avoiding excess nitrogen', an element of the Farming for a Better Climate policy and 90% uptake of fertiliser efficiency measure proposal in RPP2.  Information on emissions reductions from action to reduce wastage by improving livestock

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			health is not yet available but we expect these measures will result in additional emissions abatement. We have commissioned an analysis of existing research from ClimateXChange on the abatement potential and cost-effectiveness of eradication of the main production livestock diseases. This is expected to report in spring this year.
14	Heat Policy Statement	June 2015	A final heat policy statement was published in June 2015 setting out our approach to decarbonisation of heat and a framework for investment in the heat sector to 2050. To help inform the development of the Heat Policy Statement, the Scottish Government commissioned a forward projection model to explore possible scenarios for largely decarbonising the heat system in Scotland up to 2050. The analysis considered four illustrative heat decarbonisation pathways and suggested that emissions from heat in 2050 could be up to 81% lower than 2010 levels.