



Friends of the Earth Scotland Policy Briefing Paper

Response to Low Carbon Economy Consultation

29 June 2010

Low carbon economy response

Friends of the Earth Scotland welcomes the opportunity to respond to this discussion paper. We are pleased by the depth, tone and indeed detail of much of the analysis, which echoes our thinking in many respects. However we have a number of significant concerns, particularly regarding policy areas where current practices will need to be rapidly transformed if they are to be coherent with the analysis and vision of this document. These are set out below.

Vision

The vision of this document is welcome, but too focused on economic health as measured by GDP, rather than on a wider vision of well-being for Scotland's people. This could lead to perverse policy options and generate unnecessary conflicts between economic, social and environmental outcomes. The low carbon economy must also be job rich, health-giving and equitable: in all these respects the best outcomes are not measured by GDP. Alternative and complementary measures of economic progress and well-being are essential.

Prioritisation

The vision – and the prioritisation of opportunities that follows – would benefit from a sharper focus on job-rich interventions, such as those advocated by economists such as Lord Stern as part of a 'green new deal'. In particular, elevated investment in housing improvement should be a top priority. Unfortunately the consultation paper, despite good rhetoric about energy efficiency, still gives much more emphasis to energy generation options, with risky consequences.

For example in the area of carbon capture and storage, there are multiple erroneous assumptions: first that thermal capacity is needed for energy security, when better interconnection, storage and deferrable demand could equally practically 'back-up' high levels of renewables. Second the paper appears to assume that one or more new power stations will be necessary for Scotland to play its role in demonstrating CCS, when in all likelihood, Scotland's niche will be in transport and storage, which can be as well demonstrated with CCS on existing power stations, or indeed on non-power sources such as refineries or cement works.

Opportunities in public transport are typically much more job-rich than in road and aviation development, while the side effects of traffic growth stimulated by infrastructure capacity increases include serious health consequences. Much of the analysis about reducing the need to travel, and then stimulating modal shift, or improving vehicle technology is in place, but the policy measures and conclusions regarding road infrastructure contradict this understanding. This is a key area for re-prioritisation.

Finance

Finance is critical, and while acknowledged in the paper, receives too little attention. We would urge the Scottish Government to engage much more vigorously with the UK

administration to seek key policy shifts that could redirect existing finance flows from unsustainable to sustainable options.

In particular, the Treasury should be pressed to undertake a substantial green tax shift (albeit with necessary compensatory protections for the poorest and most vulnerable groups) in line with the recommendations of the Green Fiscal Commission. Secondly the Treasury should be pushed to maximise value from the large public stake in the bailed out banks, to direct their lending towards low carbon options, whether with, or complementary to a Green Investment Bank.

The Scottish Government should also put more effort into developing solutions at Scottish and local scales, examining, for example, the scope for low-carbon bonds, and in particular the mechanisms whereby local authorities might be able to – in effect – securitise the income flows generated by feed-in tariffs to fund area based energy efficiency improvements.

Coordination and public sector support

The Scottish Government can also provide more coordinated support for a low carbon economy by properly aligning the policies and priorities of the national planning framework with the low-carbon strategy; by broadening the focus of low-carbon public procurement beyond buildings to encompass appliances, vehicles and food (amongst other things); and by directing Scottish Enterprise and HIE to redouble efforts to establish low carbon economic clusters with strong links between the public, private and academic sectors.

Conclusion

We wish the Scottish Government well in its efforts to promote a low carbon economy, and hope to be able to participate fully in the translation of this discussion paper into a detailed strategy and practical delivery mechanisms in the coming years. We would be happy to elaborate on any of the above points as desired.

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