

# Budget Debate

28 January 2009



Friends of  
the Earth  
Scotland

## Introduction

Today (Wednesday 28<sup>th</sup> January 2009) the Scottish Parliament will debate and vote on the Scottish Government's proposed budget for 2009-2010. Friends of the Earth Scotland are calling for three key measures in today's budget.

### 1. Green Economic Stimulus

We strongly support the proposal previously made by Green, Labour and SNP MSPs' to provide £100m per year for greatly elevated support for energy saving in Scottish homes, delivered on a street-by-street basis<sup>1</sup>.

This should form the centrepiece of a counter-recessionary green economic stimulus, supported yesterday by Lord Nicholas Stern<sup>2</sup>, alongside increased investment in low carbon public transport (notably rail electrification, and support for walking and cycling); support for a smart electricity grid and smart metering in all homes; and enhanced investment in renewable energy and in the development of carbon capture and storage technology. Lord Stern called for a green package equivalent to 0.8% of the United Kingdom's GDP. For Scotland this would mean over £650million.

A green economic stimulus is urgent and essential. Funding for a £100m a year energy saving programme - providing jobs and carbon savings - is the acid test for this budget.

### 2. Carbon Assessment of the Budget

At the previous budget debate in January 2008, the Cabinet Secretary, John Swinney announced plans to develop and apply a carbon assessment tool to have in place by 2009-2010<sup>3</sup>. This pledge was later postponed<sup>4</sup>, but in response to the Finance Committee's report on the 2009-2010, the Cabinet Secretary promised to ask his officials 'to bring forward proposals for my consideration on how best to provide an interim qualitative assessment of the overall budget'<sup>5</sup>.

If the Government is to begin to make progress on its critical emissions reduction targets, it needs to know what spending helps, and what hinders, that progress. The Government must provide some kind of carbon assessment of the budget to help MSPs and the public understand the environmental implications of spending decisions."

### 4. Public Sector Climate Fund

Friends of the Earth Scotland and Oxfam in Scotland have called for the establishment of a 'climate fund' to help deliver the Scottish Climate Change Bill<sup>6</sup>. This mechanism would provide access to additional funding for public bodies, local authorities and ministerial departments, to cut carbon

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emissions they control or influence. It would be a precursor for a system of carbon budgeting for public bodies.

In order to develop this however, we need a 'shadow carbon budgeting tool' to be piloted during 2009-2010, so we can begin to deliver real savings thereafter. Friends of the Earth are calling for a system of carbon budgeting to be piloted during 2009-2010, so we can progress with the emissions reductions required from 2010.

## **5. Conclusion**

Friends of the Earth are calling for a the budget that:

- 1) provides a green economic stimulus to the economy; in particular an additional £100 million per annum for energy efficiency in homes;
- 2) assesses the carbon implications of its policy decisions;
- 3) pilots a shadow carbon budgeting tool in 2009, so we can begin the process of delivering public sector emissions reductions

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1 See: <http://www.scottish.parliament.uk/business/chamber/mop-08/mop08-11-13.htm>

2 Lord Nicholas Stern was giving the keynote speech at the opening of the ESRC Centre for Climate Change Economics and Policy at Leeds University  
<http://www.ccecep.ac.uk/>

3 See: <http://www.scottish.parliament.uk/business/officialReports/meetingsParliament/or-08/sor0123-02.htm#Col5287>

4 Evidence to Transport, Infrastructure and Climate Change Committee, online at: <http://www.scottish.parliament.uk/s3/committees/ticc/or-08/tr08-2002.htm#Col934>

5 See: [http://www.scottish.parliament.uk/s3/committees/finance/budget/documents/sgResponse09\\_10.pdf](http://www.scottish.parliament.uk/s3/committees/finance/budget/documents/sgResponse09_10.pdf)

6 Shirra, K (2008), available for download at: <http://www.foe-scotland.org.uk/resources/publications/climatefund/>