

Divest Scotland: Briefing for MSPs

Divest Scotland is a campaign building support for the Scottish Government, and the Scottish Parliament itself, to invest in a sustainable future, free from fossil fuels. This must include:

- *The Scottish National Investment Bank Bill must put the transition to a zero carbon economy at the heart of the Bank's work and rule out investing in fossil fuels.*
- *The Scottish Parliamentary Pension Scheme should introduce an ethical finance policy that excludes fossil fuel producers in favour of sustainable and responsible companies.*

What we're calling for

The First Minister has said that “tackling climate change is an overwhelming moral obligation that we owe to this and future generations”. We want this ambition, shared across Scotland's political parties, to be matched with the financial commitment required to deliver it.

Investment is not about what happens today or tomorrow, it's about the long-term. To reach a sustainable future we must transition away from fossil fuels, and it's time investment policies made that clear.

Mark Carney, Governor of the Bank of England, has warned that the “vast majority of [fossil fuel] reserves are unburnable” if climate change is to be limited to safe levels as pledged by the world's governments.¹

Scotland can show leadership on climate change by phasing out investments in fossil fuel producers in favour of companies that reinforce the Scottish Parliament's efforts to bring about a just transition to a zero carbon economy.

Scottish National Investment Bank

A Bill to create a Scottish National Investment Bank was introduced to the Scottish Parliament on 28 February 2019.² Simultaneously the Scottish Government is in the process of incorporating existing financing bodies into the Bank.

The draft vision of the Bank, published in 2018, was to “accelerate the move to a low carbon, high-tech, connected, globally competitive and inclusive economy”³ but this vision is absent from the Bill, which states the Bank's main objective is “promoting or sustaining economic development or employment.”

The SNIB Bill could be a key opportunity for Parliament to unlock investment for green jobs, instead of propping up the oil and gas industry which science suggests must undergo a managed decline if we are to meet our climate change ambitions.

¹ [theguardian.com/environment/2014/oct/13/mark-carney-fossil-fuel-reserves-burned-carbon-bubble](https://www.theguardian.com/environment/2014/oct/13/mark-carney-fossil-fuel-reserves-burned-carbon-bubble)

² [parliament.scot/parliamentarybusiness/Bills/111153.aspx](https://www.parliament.scot/parliamentarybusiness/Bills/111153.aspx). Friends of the Earth Scotland will publish a detailed briefing on the SNIB Bill prior to the Stage 1 Debate.

³ [foe.scot/wp-content/uploads/2018/03/Scottish-National-Investment-Bank-Parliamentary-Briefing-19032018.pdf](https://www.foe.scot/wp-content/uploads/2018/03/Scottish-National-Investment-Bank-Parliamentary-Briefing-19032018.pdf)

The Bill should set objectives for the Bank which more clearly focus on financing the transition to a zero carbon economy, and rule out fossil fuel investment as part of a world-leading ethical investment framework.

Nearby countries are leading the way. In 2018 the Irish Parliament voted to divest its sovereign wealth fund from all fossil fuels⁴ and Sweden's export agency is fossil free.

Parliamentary pensions

The Scottish Parliamentary Pension Scheme provides pensions to MSPs. The multi-million pound scheme has no ethical policy and invests over £1 million in coal, oil and gas producers including Shell, BHP Billiton and Rio Tinto, three of the top-25 companies most responsible for climate change.⁵

In 2019 press reports indicate that the Board of Trustees, made up of sitting MSPs, has investigated developing an ethical policy.

Funds are invested by external company Baillie Gifford, who have indicated that they have other major clients who are fossil free. Other pension funds, such as the City of New York, have already taken this step.⁶

MSPs should engage with Trustees to insist that the pension fund develops an ethical policy that excludes fossil fuel producers in favour of sustainable and responsible companies.

The Pledge

The Divest Scotland campaign invites MSPs to sign this pledge:

'I pledge to support the Scottish Government and Parliament divesting from fossil fuels and investing in a just transition to a zero carbon economy over an appropriate time-scale.'

MSPs can sign this pledge by emailing parliament@divest.scot.

Contact

For more information, and to support our pledge contact:

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This briefing was produced by Friends of the Earth Scotland on 22 March 2019.

⁴ [theguardian.com/environment/2018/jul/12/ireland-becomes-worlds-first-country-to-divest-from-fossil-fuels](https://www.theguardian.com/environment/2018/jul/12/ireland-becomes-worlds-first-country-to-divest-from-fossil-fuels)

⁵ [cdp.net/en/articles/media/new-report-shows-just-100-companies-are-source-of-over-70-of-emissions](https://www.cdp.net/en/articles/media/new-report-shows-just-100-companies-are-source-of-over-70-of-emissions)

⁶ Case studies of funds that have divested can be found in this report: divestinvest.org/wp-content/uploads/2018/02/DivestInvest_How_to_Guide_Feb_2018.pdf