

ERAG report meeting with LINK and ScotGov. 26 June via zoom. Agenda and notes

SG: David Wilson, Andrew Baird.

LINK: DL, Arina, Aedan, Dougie, Lloyd, Matthew, Pete.

1. Introductions: round table.
2. Reminder of process to date and expectations going forward:

DW: Mid April group was conceived as independent group for thinking on economic recovery – forward looking issues. Benny Higgins put group together, not ministers. David and Andy were working on SNIB: now handed over to the new CO. ERAG had range of expertise to enable broad look at economic recovery issues_ not narrow business only look for more strategic broadly based aspects of economy and interrelations with society and environment.

Developed 4 capitals approach and keen to look widely. Dieter Helm valuable to bring in expertise on cc and nat cap. Influential on green elements thinking but also on fiscal and taxation and wider budgeting. Consultation in May: huge feedback: pleased with amount and detail: didn't expect so much. Andy and his team helping group understand and develop ideas submitted into report. Much more needs doing – SG will be responding to report and David's team making sure that substantive ideas and contributions are followed through via activity in govt and associated committees, eg just transition plus climate . See BF performance on daily briefing. Report landed with broad based support, capturing important priority areas looking to emphasize and accentuate range of issues drawn out. Inevitably, disappointed some issues not covered enough or in right way but overall pleased with result.

Full SG response before end July. Work started by DW team but will be taken forward separately within Govt. See below.

3. Initial reactions from LINK members:

DL: For LINK, I will be up front in saying that we have no agreed response yet (if we even agree that one is a good idea – we may not) but that we are very keen to continue working with the ScotGov and Ministers on a green recovery and to help to deliver a successful strategy and actions towards one. I will also mention our tests.

AS, RSPB: good start covering most issues. Could go further on some. Thinking in RSPB is also progressing and developing – detailed response being pulled together now. Wanted to flag nature. Plus regulation review: better implementation welcome but no weakening. Good start but could be more ambitious.

DW: Regulation point – not about reducing env standards or public deliberation on issues but challenge is for regulatory authorities on internal processes – admin. Looking at process of regulation: no sense that this is any way about de regulation or temporary releases. Looking at efficiency and processes. Where well implemented good bureaucracy can help.

Arina, WTS: will do more detailed analysis: nat cap will be focus of response. Looking for more on nature, people and economy. Welcome acknowledgement of nature based solutions, afforestation and woodland creation for multiple objectives: more than carbon to nature emergency too. Cost effective nature based solutions: health and well being, employment etc. plus business and tourism. Green finance: recognise report can't go into detail.

DW: Level of detail: not in report but turning into implementation plan – response from ministers should draw that through co creation with stakeholders. Multiple objectives: 4 capitals

approach not new and consistent with NPF etc but important to establish as part of economy related document and acting as very emphatic statement of principles.

Dougie, SWT: [This](#) is our initial response and we are working on a more detailed one. Commended for comprehensive report under current circumstances. Welcome overall. SWT 3 asks are reflected in report: room for interpretation but keen on investment in nature infrastructure and NBS – addresses all 3 crises. More coherent approach to policy and joined up thinking between strategies and policies over next 3 years: govt response to crisis, update to CC , RLUPS, consistency across that would be very welcome. Could have been more but maybe next steps? Also liked conservation finance route map – references for govt role in taking initiative forward. Timely progress would be beneficial. Area of concern: implementation and timeliness of action. How quickly can SG respond? Can SG act quickly enough to address 3 crises? Nat cap Census welcome but can't wait for that for investment decisions. Detail in implementation plan will be important.

DW: implementation: most striking for DW is extent of scale and scope of what public sector machines does. Complexity and need for processes to get things done. Need other commissions that overlap, eg Just Transition, CCC, SNIB: implementation plan at end of month will consist of signposting and outlining how other processes take ambitions forward. But will also set out how that is done. Nat Cap Census agreed – need more analysis before taking forward but need new mechanisms and bring in financial services expertise to deploy here. Encouraged us to get SNIB to think in those terms and get involved.

Matthew, FoES: disappointed: <https://foe.scot/press-release/report-fails-to-chart-path-to-a-greener-fairer-scotland-for-all/>. Emphasis on recovery and not on just and green. Analysis good, reccs problematic. Looking for integration to meet cc targets and measures for recovery. Same for inequality.. Questions: how much investment is needed to make these changes and where is gap? How much does SNIB fill that gap and how much not? Consumption led recovery would reverse today's emissions reductions. Need to decarbonise as reboot consumption. Circular economy: not grappled with: needs including.

DW: thank you for constructive criticism. Couple of responses: SNIB: can it fulfil challenges for funding required? No. Investment is not the silver bullet but is core to all issues. Need to leverage in. Green looks a bit thin in reccs but the consequences of other reccs bring out cc considerably eg conditionality, shifting mechanisms on how govt works, investment up front. JT to report in July. Internal working to fit jigsaw together.

Pete: inequality jobs guarantee etc very good. Emphasis on good work very important. Also Govt Equity stake in houses for retrofitting. Not to repeat mistakes in past – food banks and austerity. Not sense of boldness hoped for: borrow against the wind. Literally. More to life than GDP- well being and nat cap sensible. Graphs are about GDP – need graphs on well being. Integrated food policy is central to green recovery. 1 in 7 jobs in Scotland are food associated. 30% GHG emissions; main impact on biodiversity. Food is driving nature, climate and health emergency. But not system to join solutions together. International conversation.

DW takes point about food very strongly. Food policy not just about food and drink and economics. Like care sector is about more than health but also economic.

Lloyd: no collective view but range of positive and constructive criticism here. Observations in terms of how SG puts together its response:

1. Avoid anything that negates, or takes us backwards, as much as possible. For eg, the recommendation on conditionality is crucial and a clear statement that any public sector support for anything is conditional on decarbonisation, transition and nature recovery is

crucial. Also crucial to prevent perverse consequences: eg avoiding public transport is encouraging private transport. Also the need to avoid de-regulation.

2. Seize the opportunity: our response needs to be big and bold. Eg Nature Based Solutions, wilding, retrofitting: but all need investment. Also nature based jobs – eg NZ job scheme commendable model for Scotland and would be an ideal big bold action. Green bonds also to think about.

Back to normal: need clear statement that we don't want to get back to normal. We very much welcome and support the Cabinet Secretary statements about getting to where we want to be and national well-being. We look forward to hearing more of them! For this to sink in, probably now needs series of big bold steps: the time to shift is now. We all know that detailed implementation will take months but the direction of travel need to be clearly set now. Want to avoid the back to normal which was the climate and biodiversity crisis.

DW: public transport: published Ian Doherty's submission. which is worth reading.

4. Next steps

Who taking this forward? Likely lead is Uzma Khan running economics team – shaping and taking forward working closely with climate and env colleagues.

ERAG Group's work now complete and SG looking at other mechanisms - boosting JustTransition and others to help implement it. Fiona Hyslop, Aileen Campbell, Roseanna – looking to make sure processes they are putting in place that overlap, work together -SG response to SCVO on how processes fit together.

Intention to make statement in July with doc and debate once parliament back mid August.
Published in recess.

DL
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