



Just Transition Commission

Interim Report





The imperative of a just transition is that Governments, design policies in a way that ensures the benefits of climate change action are shared widely, while the costs do not unfairly burden those least able to pay, or whose livelihoods are directly or indirectly at risk as the economy shifts and changes."

Just Transition Commission

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Just Transition Commission

Professor Jim Skea (Chair)

Professor Skea was appointed Chair of the Just Transition Commission in September 2018. He has research interests in energy, climate change and technological innovation. He is Co-Chair of Working Group III (Mitigation) of the Intergovernmental Panel on Climate Change and was the Scottish Champion of the UK's Committee on Climate Change until December 2018. Between 2012 to 2017 he was UK Research Council's Energy Strategy Fellow.

He is internationally recognised as a leading climate scientist. In 2004 he was awarded an OBE for services to sustainable transport and in 2013 he was awarded a CBE for services to sustainable energy.

Lang Banks representing WWF Scotland

Lang Banks has worked for global conservation organisation WWF for over a decade and has been integral in their work addressing issues relating to climate change, clean energy, and marine protection. Lang was appointed Director of WWF Scotland in 2013 and is a key player in WWF's UK and international network where he advises on communications and campaigns. A biologist by study, his interest in the natural world stems from childhood and has led to him becoming an influential and dedicated environmentalist.

Colette Cohen OBE

Colette became the Chief Executive Officer of the Oil & Gas Technology Centre in August 2016. The Oil & Gas Technology Centre is a new industry-led organisation based in Aberdeen, backed by the UK and Scottish governments, and working closely with the local universities. The centre has two goals: to help maximise economic recovery from the UK continental shelf and create a bright future for the northeast of Scotland as a global technology hub.

Colette was Senior Vice President for Centrica Energy's Exploration and Production business in the UK and the Netherlands until July 2016. Her career began with BP in 1991 and she has worked for companies including ConocoPhillips and Britannia in the North Sea, Norway, the US and Kazakhstan.

Professor Mike Danson

Mike has varied research interests including regional economic development, regional development agencies, enterprise development, microbreweries, basic income, early-onset dementia, community ownership and management of land and other resources.

Since 1997, he has authored over 250 research papers many published in international scientific journals and books. His research work is frequently presented at international conferences.

Mike is Professor Emeritus in Enterprise Policy, Heriot-Watt University, Visiting Professor in the Centre for Energy Policy, Strathclyde University, Chair of Citizen's Basic Income Network Scotland and Vice Chair of the Reid Foundation.

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Richard Hardy representing Prospect Union

Richard is the National Secretary for Scotland and Ireland at the trade union Prospect, representing members in Government, Energy, Defence, Nuclear and Heritage Sectors.

Richard is an experienced Senior Trade Union Official with a demonstrated history of working across a variety of employment sectors. He was previously a Negotiations Officer with Prospect for 16.5 years and has worked in nearly every sector of Prospect across the UK. Richard has been based in the Edinburgh office for the past 4.5 years and has worked with various branches during that time.

Charlotte Hartley representing the 2050 Climate Group

Charlotte is a Trustee of the Board at 2050 Climate Group. 2050 Climate Group engages, educates and empowers Scotland's young people to take action on climate change. The group's ambition is to start a social movement of passionate, active young people who are equipped with climate change knowledge and leadership skills so that our generation can lead the way to a sustainable, low-carbon society.

Charlotte works for Pale Blue Dot Energy, the project developer of the Acorn Carbon Capture and Storage (CCS) and Hydrogen projects in Aberdeenshire. Charlotte also sits on the committee for the Energy Institute Young Professionals Network in Aberdeen.

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Norman Kerr OBE

Norman became Director of Energy Action Scotland in April 2005, having previously been Development Manager and Deputy Director since 1996. Prior to this he worked with Heatwise Glasgow for 12 years as Production Unit Manager delivering the organisation's energy efficiency programmes.

Norman is Deputy Chair of the Scottish Fuel Poverty Advisory Panel and the Scottish Fuel Poverty Partnership Forum having previously been Deputy Chair of the Scottish Fuel Poverty Forum and a member of the Scottish Rural Fuel Poverty Task Force and the Scottish Fuel Poverty Strategic Working Group.

He is a trustee of the Aberdeen Combined Heat and Power Company and a member of the NEA Executive. He is currently on the stakeholder engagement groups for both Distribution Network Operator companies in Scotland and is a member of SGN's Consumer Engagement Group.

Rachel McEwen

Rachel is SSE'S Chief Sustainability Officer, and is responsible for its sustainability strategy, climate change policy, community funds and corporate heritage. She is a non-executive director of Scottish and Southern Electricity Networks, the SSE subsidiary that owns and operates the electricity distribution and transmission networks in the north of Scotland. Rachel was Chair of the Leadership Group of Living Wage Scotland between 2014 and 2018 and recently joined the board member of both the Fair Tax Mark and the Poverty Alliance.

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Dave Moxham

representing Scottish Trade Union Congress

Dave is the Deputy General Secretary of the STUC. Dave has policy responsibility for the public sector and voluntary sectors, employment rights, energy and climate change, civil justice and courts reform. He is a board member of the Scottish Poverty Alliance and co-chair of the Scottish Living Wage campaign; he has served on a range of Scottish Government working groups, most recently the Disability Employment Action Plan: Expert Advisory Group.

Kate Rowell

Kate Rowell is Chair of Quality Meat Scotland, a non-departmental public body representing the Scottish Red Meat Industry and funded by levy collected from farmers and processors. She has been on the Board of the organisation for 4 years and took the Chair in October 2018.

Kate is also a livestock farmer and fully qualified veterinary surgeon, running an 750 hectare upland farm in the Scottish Borders in partnership with her husband. She has a keen interest in sustainable farming and in promoting the environmental and social benefits of maintaining and developing family farms across Scotland.

Tom Shields

Tom is CEO of Spring Rise, a consultancy providing support to chemical processing, waste recycling and renewable energy industries. He was previously the Managing Director of KemFine UK Ltd., a speciality chemicals business, and served as the Chairman of the Scottish Enterprise Forth Valley Board. He currently sits on the UK Government's Carbon Capture, Usage and Storage Council and is acting chair of the Chemical Sciences Scotland Industry Leadership Group.

Professor Karen Turner

Karen is founding Director of the University of Strathclyde's Centre for Energy Policy. The Centre conducts internationally leading research on the public policy challenges of decarbonising our economy. Her work focuses on understanding how a just transition may be delivered, and addresses key questions about distributional effects, employment and GDP.

Karen has a number of advisory roles with national and international policy bodies. She has contributed to the CCUS Cost Challenge Taskforce, had a leading role on the Royal Society of Edinburgh's inquiry on 'Scotland's Energy Future', leads the 'Energy, Policy, People and Society' theme across the Scottish Energy Technology Partnership, was a co-author on the European Zero Emissions Platform report 'Role of CCUS in a Below 2 Degrees Scenario'.

Foreword from Chair

When I agreed to Chair this Commission in September 2018, it was clear that Scotland stood at a critical point on its journey to a net-zero economy. While emissions have fallen by almost 47% since 1990,¹ the next phase of Scotland's fight against climate change will be harder, and will have a much more visible impact on people's day-to-day lives. This will bring significant opportunities, but also inevitably challenges which must be managed by Government. It is imperative that we ensure fairness and a just transition for all as we move into this next phase if we are to have any hope of ending our contribution to climate change.

Given the progress that has been made towards net-zero in Scotland our thinking around just transition is perhaps broader than the approaches considered so far in other countries. The future of employment and skills are central to just transition, but it has become clear to us that a wider perspective is required. We took an early decision to bring the role of consumers and communities into our thinking, since both will be impacted by the transition to net-zero. We have also extended our work to cover sectors of the economy beyond energy, which has often been the sole focus of transition initiatives elsewhere.

We have also been careful to focus not only on potential injustices that may arise as a result of the transition. Simply put, Scotland's starting point is not a universally fair one – injustices exist now in relation to the labour market, housing and poverty. Committing to a just transition can provide an opportunity to address existing inequalities while taking action to ensure that new ones do not develop. Equally, the opportunity for wealth-creating businesses to grow and provide jobs during the transition must not be forgotten.

Over the past year, we have been grateful to hear from a wide range of voices and have gathered a great deal of information. We are very much aware that we do not have all the answers, and indeed that Scotland does not necessarily have all the levers at its disposal.

We cannot fully understand, let alone address, the just transition challenge unless people get a chance to have their say. As we move into the second year of our work, we want to encourage input from everyone with an interest in finding a fair transition to net-zero – we want our process to be open to all and our final work to have fully taken on board the views of people and organisations across the country. Engagement to date has helped us face up to the realities of delivering a just transition, and the importance of understanding the legitimate concerns of workers, consumers and communities in relation to their future.

This report ends with an open call for the evidence which we very much hope you will take the opportunity to respond to. Having scoped out many of the issues in relation to the journey towards net-zero over our first year, this evidence call will play a crucial role as we look to develop our final recommendations.

Myself, and my fellow Commissioners, look forward to continuing our work over the next year, and hopefully hearing from you as we progress our work across the country.

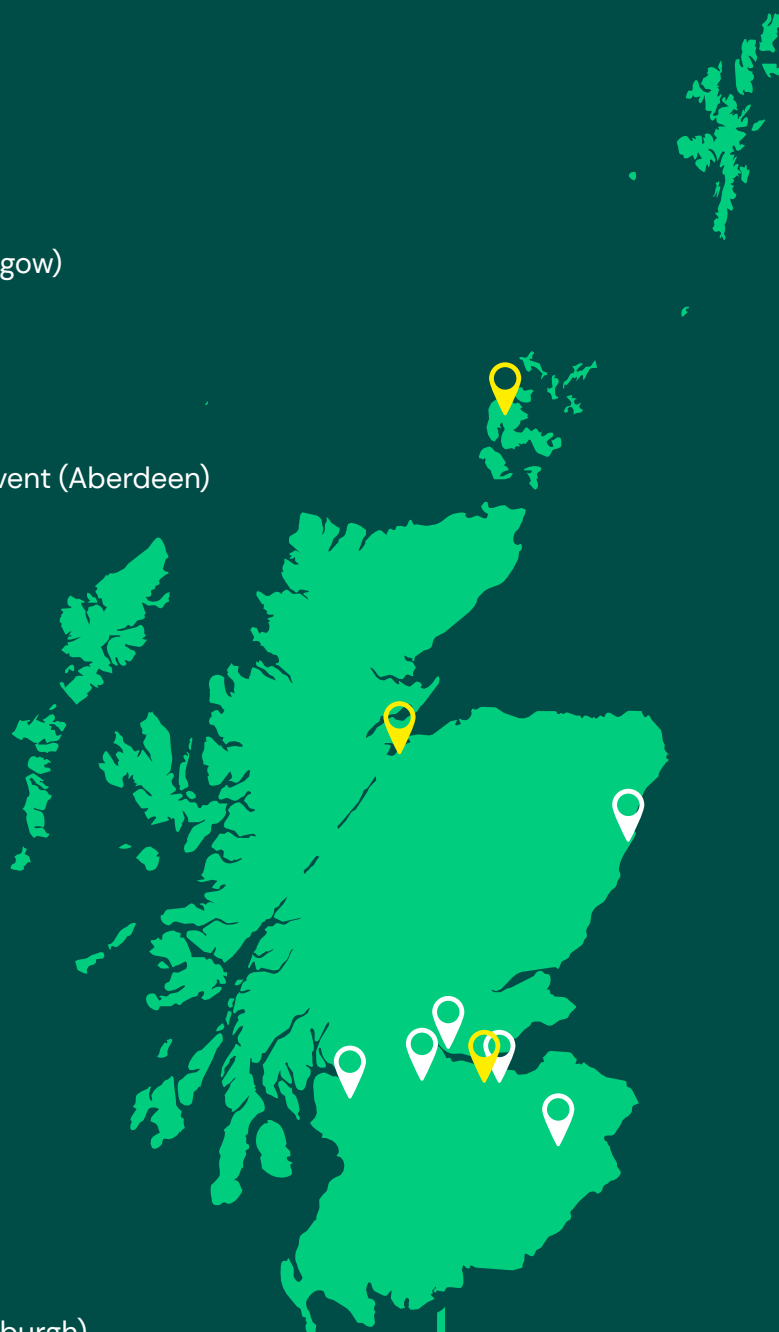


Professor Jim Skea
Chair Just Transition Commission

¹ Scottish Greenhouse Gas Emissions 2017, Scottish Government ([link](#))

Commission Timeline

- 31st January 2019 – **Meeting 1**
Inception meeting (Edinburgh)
- 10th April 2019 – **Meeting 2**
Energy (Kincardine)
- 5th June 2019 – **Meeting 3**
Transport/Buildings/Public Sector (Glasgow)
- 25th July 2019
Community engagement (Kincardine)
- 25th September 2019
Aberdeen Heat and Power and EIYPN event (Aberdeen)
- 26th September 2019 – **Meeting 4**
Oil and Gas (Aberdeen)
- 13th November 2019
Consultation with offshore trade union reps (Aberdeen)
- 25th November 2019
Farm visit and agriculture workshop (Melrose)
- 26th November 2019 – **Meeting 5**
Land and agriculture (Melrose)
- 21st January 2020
Tour of Grangemouth area hosted by Falkirk Council
- 22nd January 2020 – **Meeting 6**
Energy intensive industries (Falkirk)
- 24th April 2020 – **Meeting 7**
Finance and Investment/Business (Edinburgh)
- 15th June 2020 – **Meeting 8**
Innovation and Delivery at Scale (Orkney)
- Autumn 2020 TBC – **Meeting 9**
Skills and Labour Market/Education (Inverness)



1. Introduction



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1. Introduction

1.1 The Just Transition Commission was established by Scottish Ministers to advise on how just transition principles can be applied to climate change action in Scotland. Our remit is to prepare practical recommendations within two years of our first meeting, meaning our final report is due to be shared with Ministers by January 2021. We have been asked for recommendations that will help support action to:

- maximise the economic and social opportunities that the move to a net-zero economy by 2045 offers
- build on Scotland's existing strengths and assets
- understand and mitigate risks that could arise in relation to regional cohesion, equalities, poverty (including fuel poverty), and a sustainable and inclusive labour market

1.2 This report has been prepared as a result of a request from the Cabinet Secretary for Environment, Climate Change, and Land Reform asking for interim advice to inform the updated Climate Change Plan. We hope this document can be helpful in this regard.

1.3 We held our inception meeting at the start of last year, when we agreed a work plan and an approach to collecting evidence. Since that initial meeting, we have travelled the country speaking to a range of stakeholders regarding the challenges and opportunities of transitioning to a net-zero economy. This has included a variety of activities, such as consideration of written evidence, discussions with experts, engagement events and site visits.

1.4 While we have been carrying out this programme of work, we are very aware that public concern over the impact and response to climate change has never been higher. There have also been important changes on the policy front. With this in mind, there are a number of developments that we can point to as being broadly positive in terms of delivering a just transition to a net-zero economy in Scotland.

1.5 For example, the new Climate Change (Emission Reduction Targets) (Scotland) Act has increased the level of ambition and provides a building block for action across the economy. While the headline target of net-zero emissions by 2045 captured most attention, we were pleased to see the inclusion of a set of just transition principles in the final Act.² Other key pieces of legislation, such as the Scottish National Investment Bank Bill recently passed by Parliament, were amended to include reference to just transition principles.³ We were pleased to see this development following discussions and correspondence we had shared with the officials leading the legislation.

1.6 We have also been pleased by the productive engagement we've had to date with similar groups set up by Government, namely the Fair Work Convention and the Infrastructure Commission. The willingness by these groups to engage around climate change and just transition has been encouraging. The advice and recommendations we submit to Government can build on the work of these respective groups. The recent 'Key Findings' report from the Infrastructure Commission in particular was encouraging, with its call for Scottish Government funded investments to be prioritised against inclusive, net-zero economy outcomes.⁴

² Climate Change (Emission Reduction Scotland) Act 2019 Part 3, 35C ([link](#))

³ Scottish National Investment Bank Bill As Passed ([link](#))

⁴ Phase 1: Key findings report, Infrastructure Commission for Scotland ([link](#))

1. Introduction

1.7 Alongside this, climate change was a central focus of the Scottish Government's Programme for Government in September. This document outlined a number of new initiatives and funding to help contribute towards meeting the new net-zero target. The commitment to develop a Green New Deal for Scotland, in particular, is relevant to the work of the Commission. Like the emerging proposals for the European Green Investment Deal,⁵ we hope this will have delivering a just transition as a central component.

1.8 This legislation and new action mentioned here will not be sufficient on their own to secure a just transition for Scottish workers and communities. But they do represent promising action being taken by Government that can be built upon. We hope our advice can help Government think through how a just transition can be delivered in Scotland.

1.9 The scale of the challenge cannot be underestimated. The last year has seen continued debate regarding lost opportunities for manufacturing employment related to decarbonisation in Scotland. In recent months we have seen the loss of jobs at several yards involved in the supply chain for renewable energy developments. While action is being taken in collaboration with trade unions and other stakeholders to try and secure future opportunities, the experience of renewable energy should serve as a reminder that we have not managed to maximise the opportunities of decarbonisation, to date.⁶ If lessons are not learned then other promising opportunities for Scotland risk either being lost or not maximised to their fullest potential.

1.10 We will provide formal recommendations to Government in our final report in early 2021. In this interim report we have identified some key areas that we believe merit action from Government now. We feel this is important as urgent action is needed if Scotland is to meet its climate change targets, and that action is unlikely to be sustainable if it is not delivered in a way that is fair. Investments and other policy decisions made today will have long-term impacts, including the potential to lock-in emissions, unfairness and a lack of economic and social justice. Government must ensure decisions taken in the year ahead are compatible with its ambitions on just transition and not wait for the final advice of this Commission.

1.11 There is a real opportunity for Scottish Government to demonstrate leadership. With COP 26 being held in Glasgow later this year, the attention given to Scotland's approach to tackling climate change will be greater than it has ever been. Scotland will have the chance to demonstrate itself to be a world-leader in this area. However, to achieve this we will need to move beyond the rhetoric of just transition and begin the hard work of policy development and implementation. The need for immediate action is clear, and we hope this report can act as a rallying call to help drive this agenda forward in the year ahead.

⁵ The European Green Deal Investment Plan and Just Transition Mechanism explained, European Commission ([link](#))

⁶ Statement on Offshore Wind supply chain summit, Crown Estate Scotland ([link](#))

2. Planning ahead – the need for clear transition plans to be developed



2. Planning ahead – the need for clear transition plans to be developed

2.1 In some respects, the first theme we've identified from our work is partly a restatement of the International Labour Organisation's principles for a Just Transition.⁷ We believe clear transition plans need to be developed for individual sectors if Scotland is to capture the economic and social opportunities on offer from the move to a net-zero economy. Such plans need to move beyond the sectoral emission reduction proposals laid out in documents such as the Climate Change Plan, and contain a strategic national vision and a plan for how the opportunities and challenges of decarbonisation are going to be managed.

2.2 We believe that development of transition plans now will bring many benefits. Firstly, this will provide certainty for those involved in the transition (be they businesses, consumers, or communities) and ensure everyone understands the productive role that they can play. Secondly, this could provide a catalyst for prompt action to tackle emissions in a fair way by empowering stakeholders. Failure to engage in this sort of advanced planning risks unintended consequences leading to injustice as Scotland continues its transition to net-zero.

2.3 We will consider the exact form transition plans might take in the year ahead. However, we would expect they will likely need to contain a roadmap of actions taken by Scottish Government and industry through specific investments in infrastructure and skills development that will allow transition challenges and opportunities in individual sectors to be addressed. We also believe that such plans would benefit from being jointly developed and owned by Government, industry, trade unions, consumer groups and other relevant stakeholders to make them most effective. In developing these, Government could seek to build on existing sector bodies and associations.

2.4 To date this sort of planning has not been undertaken in as rigorous a manner as might be the case. Emerging examples, such as the industry group NECCUS, are promising and assuming they establish their contribution to a just transition, should be built upon further and spread to other sectors.⁸ The commitment from Government to develop a Green New Deal for Scotland is one promising potential route through which transition planning could be undertaken. We hope this will be investigated as the Green New Deal is developed by Government over the coming year.

2.5 Managing the economic and social implications of decarbonisation requires planning. Government will have a key leadership role to play in the years ahead if opportunities are to be maximised. We need to face up to the need to transform our infrastructure and economy to deliver in a net-zero world. Not doing so risks a repeat of previous badly-managed transitions.

⁷ ILO, Guidelines for a just transition towards environmentally sustainable economies and societies for all, 2015 ([link](#))

⁸ Energy Voice, "Ground-breaking new CCS charter agreed by Scot Gov and the oil industry, 2019 ([link](#))

2. Planning ahead – the need for clear transition plans to be developed

Evidence/Examples

2.6 In developing our thinking in this area, we have drawn on several examples from our work to date.

2.7 During our consideration of the energy sector, we focused in particular on ‘lessons learned’ from the decarbonisation that has already taken place (particularly with regards to electricity generation). The failure to capitalise fully on manufacturing opportunities has been criticised, particularly by the trade union movement in Scotland. While the reasons for this are complex, one contributing factor would appear to be the failure to plan ahead and support the nascent wind power industry with strategic investment and a supportive policy framework in the 80s, when other countries were doing so.⁹

2.8 There are other reasons for Scotland’s failure to capture opportunities in the renewables sector that we could point to. Trade unions made representations to us that domestic firms are operating on an unfair playing field with foreign competitors, leading to them losing out on potential business. The subsidy mechanism to support renewable energy (Contracts for Difference), operated by the UK Government, was also said to have not been effective at driving local supply chain content in developments. But nonetheless, failure to plan and invest long-term appears to have been a significant factor.

2.9 If we are serious about maximising the economic opportunities associated with decarbonisation, this cannot happen again. Sectors such as heat and transport will have to see significant emissions reduction in future years leading inevitably to a boost in demand for low-carbon technologies. Achieving net-zero emissions will also require increasing deployment of renewable energy generation. Government and industry should be jointly considering how demand can be met in a way which secures economic benefits for Scotland. In the case of low-carbon heat, consideration must be made of how economic activity can match or exceed that currently realised in servicing gas-powered heating systems and the supply of gas.

2.10 We have encountered some examples of this happening in specific areas – such as energy efficiency or in the case of electric vehicles where there is clear potential for economic gain – but we would benefit from application across all sectors and a more rigorous strategic approach.^{10, 11} This task cannot be left to enterprise agencies or indeed companies themselves. There is a crucial need for Government leadership.

⁹ Scottish Renewables, Onshore wind – the UK’s missed manufacturing opportunity ([link](#))

¹⁰ See Just Transition Commission, paper 3.4 buildings session ([link](#))

¹¹ Who ultimately pays for and who gains from the electricity network upgrades for EVs? Centre for Energy Policy ([link](#))

2. Planning ahead – the need for clear transition plans to be developed

2.11 As an example of the potential added value of Government leadership, in Aberdeen we were pleased to meet with senior figures in the oil and gas industry who talked us through the industry's Vision 2035 and related Roadmap 2035. While this was welcomed as an attempt by industry to come together and plan strategically for the future, we were left with several questions:

- Whether the industry-led plan would sufficiently account for a smooth transition of workers in the sector as production in the North Sea basin evolved in the decades ahead. This is naturally a key concern for Government. The benefit of Government leadership and involvement in developing such plans therefore becomes apparent, enabling them to adequately account for matters of public interest.
- We believe such plans would be most effective if they are jointly developed and owned by a range of stakeholders. While Vision 2035 came about as the result of significant engagement by companies in the sector by Oil and Gas UK, our discussions with trade unions highlighted a lack of awareness among the workforce.¹² Government can play a role in defining who has an empowered role in these discussions, making sure that voices of workers and communities are properly accounted for and weighted in decision-making.
- Transition plans need to set out how economic opportunities and challenges will be secured and managed in future, but crucially they must also set out how emissions will be reduced. Scottish Government should be involved in such planning to ensure consistency with statutory targets and that Climate Change is central to these plans and adequately accounted for. The mix of devolved and reserved responsibilities may make this challenging at times, particularly in the case

of oil and gas, but nonetheless leadership from Scottish Government is required.

2.12 We also recognise the need to acknowledge the challenges for firms, that must align commitments to decarbonise with the need to retain international competitiveness. Evidence from industry association representatives at one of our recent meetings made clear that there is a real risk of offshoring not only jobs but emissions also if the actions required cannot be delivered competitively. Transition planning must face up to this reality and confront the challenge of reducing emissions in ways that do not see high quality jobs leave the country.

2.13 We would also stress some of the positive examples we encountered during the last year which can be built on further. For example, the plans to expand Aberdeen Harbour as part of the City Region Deal, and the developing plans to repurpose the site of the former Longannet Power Station by Talgo.¹³ In November, we also visited Rumbletonrig Farm, which took part in the Farming for a Better Climate initiative.¹⁴ This demonstrated how, with support, one farm had begun to reduce its emissions while increasing profitability. Such positive examples can serve as a reminder of what is possible when support is in place and a clear vision is articulated by Government and implemented in partnership with businesses.¹⁵ However, while these plans are encouraging, we are in no doubt that a more rigorous and joined-up approach is needed that ensures all agencies are working with stakeholders towards a shared, common goal.

¹² Just Transition Commission, Oil and Gas Trade Union meeting ([link](#))

¹³ See "Council approves plans for Longannet train factory" ([link](#)) and "Aberdeen harbour south harbour development" ([link](#))

¹⁴ Just Transition Commission, Rumbletonrig Farm visit ([link](#))

¹⁵ We would also note the importance of setting these examples in the context of the broader and ongoing set of challenges facing sectors where significant emission reductions are required.

2. Planning ahead – the need for clear transition plans to be developed

Future plans

2.14 In light of the importance we place on transition plans, we would recommend Government begins the ground work for developing these over the next year. As a starting point, a programme of engagement should be undertaken with businesses, workers, consumer groups and communities to clarify the role that different sectors will play in the transition to net-zero. This could build on engagement already taking place, but should also link to development of Scotland's economic strategy. It may also be beneficial to begin to map the support provided to businesses, by Government, enterprise agencies, and local authorities to begin to consider whether these could be better coordinated as part of transition plans and a Green New Deal. It will be important to consider the way in which this transition planning interacts with policy frameworks that operate at the UK level, such as Sector Deals.¹⁶

2.15 Over the next year we will consider in more detail what we think transition plans should contain, who should be involved in creating them, and the appropriate mechanisms for delivery. We also like to resolve whether planning could, or should, in any way be made mandatory by Government (and the possible levers for implementing such an approach), or whether they should be implemented on a voluntary basis through collaborative engagement with stakeholders.

2.16 Our work plan for 2020 is currently structured around a range of cross-cutting themes such as finance, skills and technology innovation which will help inform our considerations. We have also recently had a report prepared for us by SEFARI Gateway which profiles approaches to just transition internationally. We will use this as a basis for consideration of other approaches to just transition to consider whether these could be transferred to the development of transition plans in Scotland.¹⁷

¹⁶ For example, Industrial Strategy, Offshore Wind Sector Deal ([link](#))

¹⁷ Forthcoming Publication – Dr Annabel Pinker, James Hutton Institute, Just Transitions: A Comparative Study

3. Engagement – society's expectations



3. Engagement

– society's expectations

3.1 The second theme we have identified relates to the need for proactive and on-going dialogue to help understand society's expectations relating to the transition. In the previous section we discussed the importance of including a variety of voices in the creation of transition plans, but understanding society's expectations goes deeper than that. There is a need for on-going and proactive dialogue with all corners of society that will be affected by the transition to net-zero. This is required to generate buy-in for the scale of change that will ultimately be needed to meet Scotland's climate change ambition.

3.2 The transition to net-zero emissions will affect people and communities across the country in different ways, and on different timescales. While this presents a challenge for carrying out engagement, documents such as the updated Climate Change Plan will set out the direction of travel and can help us think in a more systematic way about how communities may be impacted across the country. Plans can then be drawn up to generate the kind of social consensus that will be required.

3.3 When we talk about the need for dialogue we need to be clear that this is not about treating communities as passive bystanders. What is needed is a conversation that allows Government to understand clearly what the expectations of people are in relation to tackling climate change, and makes sure that these are reflected in policies brought forward. There is also a need to inform individuals about the role they have to play in reaching net-zero through changing behaviour. This needs to be done on an on-going basis and not simply as a one-off exercise and will require frameworks to be established that support this kind of balanced decision-making.

3.4 Making sure we understand and address society's expectations will help us avoid the mistakes of the past. We've seen the impact that big structural changes can have on communities and regional cohesion. Examples such as the sudden closure of the coal mining industry serve as an example of what can happen when structural shifts occur without thought or consideration to the needs and concerns of families and communities. The legacy of this poorly managed transition continues to be felt in communities across the country.¹⁸ Beginning the conversation now about how any future transitions should be managed can help avoid a repeat of this.

3.5 We can make a similar case around the need for proactive dialogue with the private sector in relation to emerging economic opportunities. Companies in sectors that will need to reduce their emissions must be aware of the potential impact of the national drive to tackle climate change on their business. SMEs in particular are likely to benefit from this kind of ongoing dialogue – often in our work we came across examples of smaller companies in industries such as oil and gas, which were less developed in their thinking about diversification of their businesses and the impact decarbonisation may have on them.

3.6 Bringing everyone – communities, businesses, and individuals – along with us as we transition to net-zero will be vital if we are to succeed in ending Scotland's contribution to climate change. However, this will only happen if Government engages in timely and proactive dialogue. Some of the building blocks are in place but focused attention will be needed.

¹⁸ As an example of this, the recent report from Sheffield Hallam on behalf of the Coalfield Regeneration Trust detailed the persistent poorer than average outcomes for former coalfield areas in relation to health, jobs, housing, and education. See *The State of the Coalfields 2019* ([link](#))

3. Engagement

– society's expectations

Evidence/Examples

3.7 This theme has emerged consistently through our work, often in the context of engagement we have undertaken outside of our main schedule of meetings.

3.8 Near the beginning of our programme of work we met in Kincardine to examine the closure of the last coal-fired power station in Scotland, Longannet. We heard from members of the Government-initiated task force working on the closure, and subsequently met with a local community group to hear their perspective of how the closure was handled.

3.9 There was a general consensus that the task force had largely been successful in managing the immediate threat of loss of jobs at the site. The task force brought together local and national Government with trade unions, the private sector, and agencies like Skills Development Scotland and Scottish Enterprise to deliver a coordinated response to closure. Figures presented to us by Fife Council demonstrated that a high proportion of former workers at the site had ended up in positive destinations following the closure, and many had been offered early retirement by the company managing the site.

3.10 However, it was interesting to contrast this perspective with voices from the nearby Kincardine community. Here we found the strong feeling that the voice of people from the surrounding area was not heard in the process of planning the response to the closure. As a consequence, there was a feeling that the task force missed an opportunity to address wider questions of economic development and empowerment in the area.

3.11 While Government should always aspire to plan strategically ahead for structural shifts which will inevitably happen (as outlined in the previous section), we recognise that responding to events as they develop is sometimes inevitable. However, even in these situations community voices must be central in considerations of any response from the public and private sectors. It was clear to us that, in this specific instance, the expectations of the local community were not met and an opportunity to address questions of local economic development may have been missed.

3.12 Other engagement we carried out through the year strengthened our view of the need for ongoing dialogue. In Aberdeen, a co-hosted event with the Energy Institute Young Professionals Network was instructive. We had the opportunity to hear directly from young professionals in the oil and gas industry in relation to the energy transition and what their careers may look like in the future. A consistent theme was the feeling that better engagement was needed with young people regarding the future of industry – people are excited by the possibilities of the transition, but feel they don't have a voice in how it will be brought about. This perceived lack of ownership and involvement must be bridged in order to secure buy-in from those early in their careers. If this is not achieved, then it risks people being resistant to change and we will have made the difficult transition to net-zero even more difficult.

3. Engagement

– society's expectations

Future plans

3.13 Again, we would emphasise the need for Government to start thinking now about how this call for broad social dialogue can be achieved. Building social consensus with communities and businesses is a huge task and we cannot afford to wait. As a starting point, Government should consider whether the engagement activities it currently carries out in relation to climate change are targeted at groups most likely to be impacted by transition. The creation of a Citizens Assembly on climate change in Scotland presents an opportunity to begin this dialogue. If set up to deal with questions relating to transition, then learning from this Assembly will provide a building block for our approach to social dialogue in future.

3.14 In the year ahead we will continue to travel across the country, engaging with businesses and communities through the course of our work. We hope this will help us understand better what people expect from Government to support them through the transition. We will also consider different models for social dialogue that could be repurposed towards this question.

3.15 Our work plan for 2020 will include visits to a mixture of rural, urban and island settings which allow us to hear a range of perspectives. Through both this and consideration of existing models for social dialogue we expect to be in a position to make formal recommendations to Government by the time of our final report to Ministers in 2021.

4. Bringing equity to the heart of climate change policies



Photography © Scotland is Now, VisitScotland/Kenny Lam

4. Bringing equity to the heart of climate change policies

4.1 We know that action taken to tackle climate change has the potential to create both winners and losers. The imperative of a just transition is that Governments design policies in a way that ensures the benefits of climate change action are shared widely, while the costs do not unfairly burden those least able to pay, or whose livelihoods are directly or indirectly at risk as the economy shifts and changes.

4.2 The just transition debate has often focused on jobs and the potential for either their creation or destruction. But consideration of equity needs to be much broader than this. For example, policies to reduce emissions could impact consumer bills in ways that are unfair to those on lower incomes, while investment decisions, if not properly designed, could adversely affect the connectedness of rural communities. On the other hand, there are opportunities to improve wider social outcomes like health and health inequalities as a result of low-carbon investments.

4.3 The landmark 'Net Zero' report from the Committee on Climate Change has set out the technological and societal changes needed to end our contribution to climate change.¹⁹ While political decisions are needed regarding the mixture of policies (investment, regulation, law change, incentives, supporting measures etc.) to bring about this change, there is also an urgent need for consideration of how and to what effect the costs are split between the state, the private sector, and individuals. Different methods of financing must be explored and, in some circumstances, there will be a case for public investment and ownership to best deliver the benefits of a just transition.²⁰

4.4 The allocation of costs is key. A situation whereby only those who have money to invest are in a position to benefit from the opportunities of the net-zero transition would represent an injustice.

4.5 Mechanisms are needed, across all levels of Government, to identify these equity considerations and then make sure they are properly addressed as policy is developed (while acknowledging the split of devolved and reserved responsibilities). The risk associated with not doing so is great – if action taken to reduce emissions is unfair, or is perceived by the public as being unfair, then it risks the kind of backlash seen in France with the 'gilets jaunes' protests. This should serve as a reminder of the importance of ensuring we understand and address public concerns regarding the net-zero transition.

4.6 The just transition cuts across Cabinet portfolios. The drive to reduce emissions will touch on many aspects of people's lives. There is a need for joined-up thinking from Government as to how it can place equity at the heart of its drive to tackle climate change and ensure the transition to net-zero is a fair one.

¹⁹ Committee on Climate Change, Net Zero – The UK's contribution to stopping global warming, 2019 ([link](#))

²⁰ Assuming proper consideration of how the resulting impacts on the public finances affect taxpayers and the health of the economy

4. Bringing equity to the heart of climate change policies

Evidence/Examples

4.7 While matters of equity and fairness have been a consistent theme across all our meetings to date, many of these issues were highlighted to us during an early session we held considering transport and housing.

4.8 With regards to transport, the drive to lower emissions brings with it many equity considerations. For instance, in the case of electric vehicles concerns were raised to us that rural communities may be left behind if future investment in supporting infrastructure lags behind in these areas. Networks in rural areas may also be less resilient, which could exacerbate risks of rural communities feeling isolated or cut-off. Recent work carried out by the Poverty and Inequality Commission has outlined some of the issues rural communities face with regards to transport and has highlighted the importance of paying attention to connectivity when changing transport systems.²¹ Again, related to the uptake of electric vehicles, there have been concerns raised that the distribution of costs required to upgrade the electricity grid may disproportionately fall on low-income households who are less likely to benefit from their uptake.²² While acknowledging the mix of devolved and reserved responsibilities that exist, we would hope this does not prevent consideration by Scottish Government of how such concerns are managed.

4.9 We can also point to the case of Low Emission Zones (LEZs) as an area that requires consideration of equity to be at the heart of any policy proposals. There is evidence demonstrating the impact LEZs can have on reducing air pollution.²³ There are concerns that, if poorly designed, interventions such as LEZs may exacerbate existing health inequalities by simply displacing traffic (and the resulting air pollution) from one area to another. The Clean Air for Scotland Review makes clear that the poorest income groups are currently disproportionately affected by air pollution through residential location and/or occupational exposure.²⁴

4.10 Such nuances highlight the importance of ensuring wider equity concerns (be they related to health or the questions of 'who pays' and 'who benefits') are fully considered alongside the drive to reduce emissions when setting policy. Some stakeholders we spoke to felt that Health Impact Assessments should be given greater priority when decisions are made regarding transport infrastructure to ensure some of these questions are considered.

4.11 We can make similar points regarding equity in the context of housing. Improved energy efficiency of the housing stock brings with it many benefits – reduced emissions, warmer homes, reduction to fuel poverty – but here too there will be questions of how improvements are paid for. During our process of gathering evidence, we heard how existing Government schemes are delivering by lifting households out of fuel poverty. In future this will need to be built on as the need to expand energy efficiency programmes increases.

²¹ Poverty and Inequality Commission, Transport and Poverty in Scotland, 2019 ([link](#))
²² This point can also be made in relation to other areas of electricity and decarbonisation as well

²³ Central London ultra low emission zone – six month report ([link](#))
²⁴ Cleaner Air for Scotland – An Independent Review, Final Report to the Scottish Government ([link](#))

4. Bringing equity to the heart of climate change policies

4.12 We were fortunate to be able to hear directly from residents of a residential home in Aberdeen.²⁵ Residents told us how they had been living with persistently poor and expensive heating that had significant impacts on their quality of life. This had improved dramatically when a local district heating network had been extended to the home, providing cheaper, reliable energy to the residents. We were told how a key to the success of this heat network was the way the company had been established as a not-for-profit with the express aim of keeping prices affordable for consumers. This provides a good demonstration of what is possible when equity considerations (in this case reducing fuel poverty) are given due consideration alongside the need to reduce emissions. We should be thinking about how we take these positive examples and spread them across the country.

Future plans

4.13 The need for equity to be at the heart of climate policy is not new. In many respects, it is why this Commission was established by Scottish Ministers. Even though it is not new, we would argue that there needs to be more thinking on how equity considerations can be incorporated into decisions across portfolio areas. We can point to examples, particularly in housing and transport, where this is being thought about. However, we will need more developed and joined-up approaches as we enter the next stage of emissions reduction, which will impact more directly on people's day to day lives.

4.14 In the year ahead we will seek to build on engagement we have had with NHS Health Scotland. Through this we hope to both better understand the evidence base relating to climate change and equity, and also consider what tools could be applied to identify the interaction between equity and climate policies in practice.²⁶ We hope this will represent a productive contribution that will help Government develop its own thinking on how these wider impacts are incorporated into decision-making.

4.15 In the next section we also outline what we see as being current evidence gaps that require to be filled to support implementation of a just transition in Scotland. While we are not able in the time available to us to answer these ourselves, this interim report will hopefully provide some indication of the areas we believe merit further attention from Government.

²⁵ Just Transition Commission, visit to Aberdeen Heat and Power, September 2019 ([link](#))

²⁶ NHS Health Scotland is the national Health Board that works to "reduce health inequalities and improve population health"

5. Opportunities and the need for immediate action



5. Opportunities and the need for immediate action

5.1 The scale of ambition set out in the Climate Change (Emissions Reduction Targets)(Scotland) Act 2019 represents a step change from previous targets and necessitates immediate, decisive action. The recent progress report from the Committee on Climate Change stresses that meeting these targets will require increased action from all sectors of the economy.²⁷ Alongside the immediate need for action to reduce emissions, there is a pressing need to address existing inequalities in relation to work, housing, and transport.

5.2 Tackling climate change whilst addressing inequity and maximising economic opportunities presents a huge challenge for Government, but it is one that it cannot shy away from. The difficult decisions that will arise will need to be taken in the year ahead. As far as possible, we have argued in this report that Government should be considering action to combine all of these objectives.

5.3 We firmly believe that all decisions taken by Government in the year ahead need to be made with a view to supporting a just transition for Scotland. We don't want Government to wait for our final report to begin planning how a just transition will be achieved. To help thinking on this matter, we've identified a number of preliminary conclusions that we hope will assist the development of the Government's approach on just transition and where we think there is an opportunity for action in the year ahead.

Opportunities in the near-term

5.4 The following should not be taken as an attempt to pre-empt the final conclusions of the Commission, and are instead a summary of some of the areas we believe merit close attention from Government in the year ahead.

1) **Ensure Fair Work is promoted across all climate change programmes receiving public money**

5.5 The Scottish Government has made the concept of 'Fair Work' central to economic strategy, with ambitions to be a world-leading 'Fair Work Nation' by 2025. One delivery mechanism for achieving this is the promotion of Fair Work First, which seeks to extend Fair Work criteria to funding streams, business support grants and public contracts. In practice this should mean that to receive support, businesses are asked to commit to:

- Investment in skills and training
- No inappropriate use of zero hours contracts
- Action to tackle the gender pay gap
- Genuine workforce engagement including with trade unions
- Paying the real Living Wage

5.6 Across sectors of the Climate Change Plan, Government spends money supporting businesses to deliver programmes that deliver emission reductions. Whether funding is granted by Government, or through a delivery partner organisation, we would expect the Fair Work First approach to be the norm.

²⁷ Committee on Climate Change, Reducing emissions in Scotland: 2019 progress report to Parliament ([link](#))

5. Opportunities and the need for immediate action

5.7 This is important for several reasons, not least because the promotion of Fair Work has the potential to alleviate all sorts of social concerns. We would also draw attention to the inclusion of just transition principles in the Climate Change Act which, in particular makes reference to the need to reduce net-emissions in a way which:

“creates decent, fair and high-value work in a way which does not negatively affect the current workforce and overall economy,”²⁸

5.8 This commitment in legislation, and the increase in activity resulting from the new targets, mean that ensuring sufficient priority is given to Fair Work as we reduce emissions will become increasingly vital.

2) Development of a Climate Emergency Skills Action Plan

5.9 Last year’s Programme for Government contained a series of new measures relating to climate change. We were encouraged to see the inclusion of a commitment to develop a Climate Emergency Skills Action Plan. The need for strategic planning on skills is likely to be an important factor in delivering a just transition for Scotland. Our current understanding is that this will be completed before the end of 2020.

5.10 As part of this Action Plan, we would expect to see assessment of workforces most likely to be affected by the transition (including those indirectly affected through supply chains), and the most immediate and pressing skills requirements needed to support the net-zero transition. It will need to identify skills for which demand can be expected to increase or decrease, and set out how these will be managed by the skills system in Scotland.

5.11 We would welcome engagement with the Government regarding what we believe the priorities and objectives for this Plan should be.

3) Place equity at the heart of the Climate Change Plan update

5.12 We have said already in this report that we hope the Climate Change Plan update currently being worked on by Government moves beyond being solely a document focused on emission reductions and begins to acknowledge and address equity concerns in a comprehensive way.

5.13 While we have outlined some of the reasons we believe this to be important in this report, we would also draw attention to the inclusion of just transition principles in the Climate Change Act. This commits Government to consideration of matters relating to fairness when preparing new Climate Change Plans under the terms of the Act. We recognise that this is an only an update of an existing Plan and is being completed in a short timescale. However, we believe that the Government should act in the spirit of the legislation and show that it is serious about ensuring just transition principles are central to its approach to tackling climate change.

4) Ensure the future of Agriculture support post-2024 reflects the importance of just transition for the sector

5.14 The Scottish Government intends to bridge the legislative gap left by Brexit through the Agriculture (Retained EU Law and Data) (Scotland) Bill, until future policy is implemented post-2024.

²⁸ Climate Change (Emission Reduction Targets)(Scotland) Act 2019, Part 3, 35C ([link](#))

5. Opportunities and the need for immediate action

5.15 A group has been convened to consider future policy relating to support for farming and food production.²⁹ However, the Committee on Climate Change have highlighted the need for the Scottish Government to define a long-term post-CAP framework that secures emissions reduction from agriculture.³⁰ There is an opportunity for the new policy framework to incentivise better land use management rather than focusing narrowly on food production.

5.16 Like other sectors, agriculture needs to be supported to reduce emissions in a way which is fair – if not accompanied by dietary change, reducing livestock numbers may simply lead to emissions being offshored.³¹ This would clearly represent an unacceptable outcome for both the Scottish economy, farmers, and the environment. The Scottish Government should look at opportunities within the Agriculture Bill shaping support arrangements post-2024 to reflect the importance of a just transition for the sector.

5) Establishment of a Citizens Assembly in Scotland on climate change

5.17 A Citizens Assembly on climate change will be convened in the year ahead, operating independently of the Scottish Government. We have outlined in this report the need of an on-going, proactive, social dialogue with communities across the country to help define and address society's concerns.

5.18 The creation of a Citizens Assembly is chance to inform the kind of dialogue that will have to take place in future. The remit of the Assembly should be established so as to reflect and support the Government's desire to apply just transition principles to Scotland.

5.19 We would welcome further engagement with the Assembly regarding how this might be done.

6) Promoting Scotland's approach to just transition at COP 26 and taking the opportunity to learn from others

5.20 COP 26 coming to Glasgow presents a unique opportunity for Scotland to demonstrate its leadership on this agenda. The potential to increase the profile of Scotland's experience of planning for a just transition with not only an international audience but also the Scottish public is huge and an opportunity that cannot be missed. It will also be an opportunity to learn from others and strike partnerships that can support us through this challenge in future.

5.21 In the year ahead, we would like to work with the Scottish Government to develop plans to capitalise on the unique opportunity presented by COP 26.

²⁹ Farming and Food Production Policy Group ([link](#))

³⁰ Reducing emissions in Scotland – 2019 Progress Report to Parliament, Committee on Climate Change ([link](#))

³¹ Land use: Policies for a Net Zero UK, Committee on Climate Change ([link](#))

5. Opportunities and the need for immediate action

7) Building on the success of energy efficiency initiatives and support them to expand

5.22 During our consideration of housing, we heard how existing energy efficiency schemes are delivering multiple benefits, in the form of reductions to fuel poverty, reductions to emissions, improvements to health, and the generation of new jobs. In doing so, energy efficiency provides a good example of just transition in action, particularly once efficiency gains enable sustained real income and spending gains.³² We are in agreement with the Climate Emergency Response Group that funding for these schemes should be expanded. The increase in funding announced in the Scottish Budget is a welcome step in the right direction.^{33, 34}

5.23 Government has recently published a consultation on mandatory standards of energy efficiency for owner occupiers.³⁵ We welcome the intention to improve the energy efficiency of Scotland's housing stock, and we hope it will be matched by increased investment in supply chain support and skills development. We would also draw attention to the need to support consumers through this transition as being equally vital.

5.24 With regards to the question of how this is paid for, it seems clear to us that targeted finance must be prioritised on those least able to pay. Government must explore the scale of finance that will likely be required and the most appropriate mechanism for delivery. In particular, the role of the Scottish National Investment Bank must be considered. Other national banks, such as the KfW in Germany have had success in financing large-scale energy efficiency programmes, and the potential for this should be fully explored.³⁶ Energy efficiency joins together many aspects of a just transition, and given that government has said delivering a just transition will be central to the new Bank there is even more reason to explore this in full.

8) Managing the opportunities and challenges of the transition to low-carbon heating

5.25 During the course of our work, we discussed the scale of the challenge relating to decarbonising domestic heating. There is uncertainty regarding the pathway to reduce emissions from heating, due in part to the need for UK Government to determine the future of the gas grid. But there is no doubt about the scale of the challenge regardless of which pathway is taken.

³² Potential wider economic impacts of the Energy Efficient Scotland programme, Centre for Energy Policy, ([link](#))

³³ Funding the 12 immediate actions for Scotland's Climate Emergency Response, Climate Emergency Response Group ([link](#))

³⁴ Scottish Budget 2020-21, Scottish Government ([link](#))

³⁵ Improving energy efficiency in owner occupied homes: a consultation, Scottish Government ([link](#))

³⁶ Ten years of KfW's "energy-efficient construction and refurbishment" programmes ([link](#))

5. Opportunities and the need for immediate action

5.26 The Scottish Government should begin building the evidence base now that will allow it to identify which parts of the transition to low-carbon heating Scotland has specific advantages or opportunities in, and where it can secure additional economic opportunities. Lessons can be learned from the transition in the electricity sector. Some of this is already known – companies in Scotland are already involved in the manufacture of heat pumps, while there is emerging expertise in places like Orkney regarding the production and use of hydrogen. But we consider that it is crucial that planning is undertaken to determine how these opportunities will be maximised.

5.27 In addition to this, the question of who ultimately bears the cost for the transition must also be urgently addressed. While there is no reason to think that in the long-term that low-carbon heating will be more expensive than alternatives, it is likely that there will be transitional costs as new industries and technologies mature and they are deployed at scale.³⁷ Government must consider and set out the policy mechanisms that will be used to best secure an equitable distribution of costs for the decarbonisation of heat during this transition.

9) **Begin planning for and delivering inclusive low-carbon infrastructure now**

5.28 Achieving Scotland's climate change targets will require significant investments to be made (from both public and private sectors). While different estimates exist regarding the likely size of the investment that will be required, there is no doubt that we will need to see a significant change in our infrastructure so that it supports a net-zero economy. Government formed an Infrastructure Commission to advise on priorities for Scotland. Their recent report recommends that all Scottish Government funded projects in its 2020 Infrastructure Investment Plan should be prioritised against available inclusive net-zero economy outcomes, and that an updated assessment framework methodology be developed to assist prioritisation of infrastructure investments.³⁸

5.29 We would strongly agree with this recommendation, and make the point that infrastructure investment from Government should avoid locking in emissions and inequality in the years ahead. Doing so will also make the overall investment required to get to net-zero cheaper over the long-run, by avoiding the need to replace high-carbon infrastructure twice. Consideration of both emissions and equity will mean investments made by the public sector can help support a just transition.

³⁷ Report to the Committee on Climate Change of the Advisory Group on Costs and Benefits of net-zero ([link](#))

³⁸ Phase 1: Key findings report, Infrastructure Commission for Scotland ([link](#))

5. Opportunities and the need for immediate action

5.30 One example of where Government can demonstrate its commitment to delivering inclusive low-carbon infrastructure is the delivery of the over £500 million investment promised in the Programme for Government to support bus priority infrastructure. We welcome this as an attempt to address the decline in bus passengers and reduce emissions in a problem sector.³⁹ However, we would stress the importance of ensuring this investment is delivered in a way that boosts the connectedness of rural communities, and helps better support people reliant on these networks to access employment and local services.

10) Place the climate emergency at the heart of spending decisions

5.31 Scottish Government recently published its Budget for 2020-21. This contained a number of new spending commitments for tackling the climate emergency covering sectors including heating, industry, transport, agriculture and land use. We welcome these new funding commitments, but would make the point that managing a successful transition will require this to be sustained and built upon in the years ahead.

5.32 The Budget also confirmed that the previously announced review of resource spending will be postponed due to political, economic and fiscal uncertainty. When this does take place we would expect tackling the climate emergency in a way that is fair to be firmly at the heart of spending decisions. Government has stated that the upcoming Capital spending review will build on the work of the Infrastructure Commission for Scotland and Climate Change Plan, which we fully support.

5.33 Alongside changes to spending, we would highlight that just transition must be a central component of the Scottish Government's inclusive economic approach. We recommend that the next update to the Scottish Government's Economic Strategy should support the delivery of net-zero commitments and the just transition principles contained in the Climate Change (Emission Reduction Targets)(Scotland) Act.

11) Improved modelling and research to help understand the transition

5.34 We would also highlight the research gaps that exist in relation to the net-zero transition in Scotland. Filling these gaps could assist the development of evidence-based policy and make a real contribution to delivering a fair net-zero society. Some of the gaps we identified include:

- There is a great deal of information and research regarding the number of jobs that may result from investment in a net-zero economy. However, what these job numbers mean in terms of job quality (contractual security, skills, earnings, voice), and the extent to which they offer fair work, is too often unclear.
- More understanding is also needed on the scope of the 'just transition challenge' in Scotland – for instance, detailed mapping of jobs and skills in both existing and emerging industries will help shape transition plans.
- We also believe a greater understanding is needed of the allocation of costs and benefits in relation to the net-zero transition. Needless to say, the way in which these are shared by consumers, businesses and the public sector will have significant implications for the equity of any transition.

³⁹ It should also be noted that people in low income households are more likely to travel by bus, and therefore are more likely to benefit from this investment. See p10 National Transport Strategy, Transport Scotland ([link](#))

5. Opportunities and the need for immediate action

5.35 While we plan to fill some of these gaps ourselves through commissioning of independent research in the year ahead, we would hope the topics identified above act to provide helpful direction to Government policymakers and researchers who are involved in this area.

12) Support to enable the oil and gas industry to transition

5.36 Bodies such as the Committee on Climate Change have made clear that there will still be a requirement for oil and gas in 2045, though that requirement will be much reduced compared to what it is today. The oil and gas industry currently provides and supports a large number of high quality jobs meaning any transition for the sector and its supply chain in the decades ahead will need to be carefully managed. Strategies such as Roadmap 2035 from Oil and Gas UK have begun to set out the role industry believe they can play in a net-zero economy.⁴⁰

5.37 There is a need to inject a degree of urgency and pace into the transition that industry needs to undergo. The Scottish Government have stated that support for the oil and gas industry is “conditional upon a sustainable, secure and inclusive energy transition”. The recent Budget provided funding to help the North Sea develop to become the first net-zero carbon hydrocarbon basin. To further support the deployment of CCUS and hydrogen, Government should consider supporting a programme of focussed research in collaboration with industry, with the aim of delivering a reduction in the costs of deploying these energy solutions in a way that secures a just transition for workers and stakeholders. Government must also push industry to ensure that sufficient concrete actions are being taken to deliver a just energy transition.

Future plans

5.38 We will continue to follow through with our work plan in the year ahead, and refine and expand our recommendations to Government. We have highlighted a number of areas in this report that we believe offer promise and could make an important contribution towards delivering a just transition for Scotland. We would welcome engagement with Government as these are developed in the year ahead.

5.39 It is important to us that our final recommendations accurately reflect the concerns and aspirations of individuals, communities and businesses across the country. We have heard from a range of voices over the last year, but we are conscious that we need to ensure everyone has had an opportunity to feed in their thoughts before we finish our work.

5.40 To support, this we are launching an open call for evidence. The questions we are asking are broad and hopefully give the opportunity for interested parties to outline their views and inform our final recommendations.

5.41 We want to hear your view on the just transition challenge in Scotland and what you think Government should do to manage the net-zero transition. Delivering on the opportunity of a low-emission, fairer society is a unique challenge that will need to be the focus of Government for years into the future. This is your opportunity to shape how Government should approach this challenge and we look forward to hearing your views.

⁴⁰ UK Oil and Gas industry outlines transition plans, Oil and Gas UK ([link](#))

Annex A – Call for Evidence

This call for evidence document is available on our webpage ([link](#))

Introduction

5.42 The Climate Change (Emissions Reduction Targets)(Scotland) Act 2019 recently passed by the Scottish Parliament contains some of the most ambitious statutory emission reduction targets in the world. The transition required to meet these targets will be one of a number of long-term structural changes to the economy that will require a response and active management from the Scottish Government.

5.43 Against this backdrop of increasingly ambitious emission reduction targets, calls for fairness in climate change action and securing a 'just transition' have grown. Originating from the trade union movement, the concept of just transition refers to the need for Government's to take action to reduce emissions in a way which is fair and leaves no-one behind.

5.44 Against this backdrop, the Just Transition Commission has been established to provide Scottish Ministers with practical, realistic, affordable recommendations for action that will:

- maximise the economic and social opportunities that the move to a net-zero economy by 2045 offers
- build on Scotland's existing strengths and assets
- understand and mitigate risks that could arise in relation to regional cohesion, equalities, poverty (including fuel poverty), and a sustainable and inclusive labour market

5.45 The Commission's final recommendations are due by January 2021, and will be reported to:

- Cabinet Secretary for Environment, Climate Change and Land Reform
- Cabinet Secretary for Local Government and Communities
- Cabinet Secretary for Economy, Fair Work, and Culture

Call for Evidence

5.46 The Commission's remit tasks it with working openly and transparently and engaging meaningfully with workers, communities, NGOs, businesses and other relevant bodies across Scotland.

5.47 To support this, we are inviting written submissions to inform the development of our final recommendations. We hope this will provide as wide a range of individuals, representative bodies, public bodies and businesses as possible the opportunity to feed into our work.

Deadline and how to submit

5.48 Given the short timeframe available to the Commission in preparing its report and recommendations we would ask that any written submissions are sent to the Commission Secretariat as soon as possible, but in any case, no later than 28 May 2020.

5.49 There are two ways in which you can submit: using the following email address: justtransitioncommission@gov.scot

Annex A – Call for Evidence

5.50 Or if you are unable to respond via email, then via post at the following address:

Just Transition Commission Secretariat
PO Box 24152
Edinburgh
EH7 9FW

Questions

5.51 Please base your submission on the following questions and limit responses to each question to a maximum of 500 words:

5.52 The Commission may wish to publish your response at a later date and would like your permission to do so. Please indicate your publishing preference:

Publish with name ☐

Publish response only (without name) ☐

Do not publish response ☐

5.53 Information for organisations: The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published. If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

Annex A – Call for Evidence

Full name or organisation's name

ANSWER:

Does your response relate to a specific sector?

ANSWER:

What do you see as the main economic opportunities and challenges associated with meeting Scotland's climate change targets?

ANSWER:

What do you think are the wider social (health, community etc.) opportunities and challenges associated with meeting Scotland's climate change targets?

ANSWER:

Annex A – Call for Evidence

What would a successful transition to net-zero emissions look like for your sector/community?

ANSWER:

What actions do you think the Scottish Government should take to manage the opportunities and challenges referenced above?

ANSWER:

**Are there specific groups or communities that may be, or feel that they may be, adversely affected by a transition to a net-zero carbon economy?
What steps can be taken to address their concerns?**

ANSWER:

Please provide here any other information, evidence, or research you consider relevant to the work of the Commission.

ANSWER:



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This publication is available at www.gov.scot

Any enquiries regarding this publication should be sent to us at
The Scottish Government
St Andrew's House
Edinburgh
EH1 3DG

ISBN: 978-1-83960-598-7 (web only)

Published by The Scottish Government, February 2020

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA
PPDAS691794 (02/20)