

Scottish Wildlife Trust Briefing



Scottish Government Debate:

Environment and Climate Change (European Union Referendum)

What is at Stake?

The *state* of Scotland's natural environment is inextricably linked to Scotland's future prosperity, the wellbeing of its people and Scotland's ability to cope with the effects of climate change. The *quality* of Scotland's natural environment and being *renowned* for maintaining high environmental standards are both significant to 'Brand Scotland' and hence Scotland's economy e.g. the tourism sector is worth at least £11.6 billion¹ (nature-based tourism alone is estimated to generate at least £1.4 billion, with c. 39,000 full-time equivalent jobs²) and the food and drinks sector is worth at least £5.1 billion in exports.³ The beauty of Scotland's landscapes and nature-rich spaces in and around cities also makes Scotland an attractive place to do business as well as attracting people with knowledge and skills.

Therefore, protecting the interests of Scotland following the EU referendum result, means *inter alia* deciding how Scotland's species, habitats and ecosystems will be secured and enhanced in the future through legislation and policies - this is essential to achieving healthy ecosystems, resilient to global warming - as well as determining how best to spend taxpayers' money to maximise public benefits to achieve sustainable land management and carbon sequestering landscapes.⁴

The Trust has identified three policy areas which should be an essential part of the negotiations to protect Scotland's interests, both during and post Brexit: the future of environmental legislation; funding to support sustainable land management and how Scotland achieves healthy seas.

The future of EU Environmental Regulations and Directives

Over the last 30 years, transposition of EU Environmental Regulations and Directives into Scot's law has been key to protecting and improving the quality of Scotland's environment and enhancing Scotland's global reputation. (Although the Trust believes there is still ground to be made up - as shown by the recently updated State of Nature Report⁵ - to achieve a connected network of healthy and resilient ecosystems that are supporting expanding populations of species.)

The implementation of EU environmental legislation has led to: preventing further deterioration of Scotland's most biodiverse habitats and wildlife; cleaner rivers, coastal waters and beaches; more sustainable decisions regarding plans, proposals and projects because of environmental assessment legislation; improved air quality; increased recycling; and more accountability for polluters.

It is important to note that even if the Scottish Government's preferred option, post referendum result,⁶ of remaining in the single market becomes the UK negotiating position, the European Economic Area (EEA) agreement covers much of the environmental legislation **but not** the Birds and Habitats Directives or Bathing Water Quality Directive or being part of the Common Agricultural Policy and the Common Fisheries Policy. (Also of note, Norway who are part of the EEA have not implemented the EU's Marine Strategy Framework Directive – for further details on this Directive see section on Healthy Season page 3)

Despite the economic and societal benefits that better regulation and protection of the environment brings, there is no doubt that Brexit will be seen by some as an chance to de-regulate and/or weaken environmental targets and legislation – what the Trust would call “a race to the bottom”. Even if this only happens in the rest of the UK it would inevitably put at risk Scotland's environmental policies because in the long term it may be perceived by some, who do not recognise the value of Scotland's natural capital to the economy and society, as decreasing Scotland's competitive advantage. Therefore the Trust believes the Scottish Government must present the strongest case during negotiations and, all elected parties must be united in this effort, to ensure the UK as a *whole* maintains, and where opportunities allow, increases environmental protection and standards.

Going forward, any weakening of Scotland's legislation risks its global reputation, the economy, its ability to mitigate and adapt to climate change and would be at odds with the commitment to global goals and targets including: the Aichi biodiversity targets; the UN Sustainable Development Goals; the Paris Agreement on Climate Change and older environmental commitments such as the Ramsar Convention; the Convention on Biological Diversity; the Bonn Agreement; the Bern Convention and CITES.

Funding to support sustainable land management

European initiatives, and the funding provided by them, have contributed towards improving and protecting the ecosystems upon which Scotland relies. Schemes under the EU's Common Agricultural Policy (CAP) have funded many conservation initiatives in Scotland. **However the CAP has many flaws** and the Trust believes it does not provide value for taxpayers' money as the bulk of payments (e.g. Pillar 1) are not contingent on delivering public benefit. A recent Audit Scotland report on the current CAP programme confirms this view.⁷

Failures of the present CAP include:

- Direct payments delivering subsidised food production, which has obvious benefits but also creates its own problems. Food waste is a major issue with Scots throwing away 600,000 tonnes of food and drink every year, costing over £1 billion⁸
- Agriculture and related land uses contributing around 20% of total greenhouse gas emissions in Scotland⁹
- Intensive farming being a significant contributor to diffuse pollution¹⁰
- Having a negative impact on biodiversity e.g. farmland birds and specialist butterflies have continued to decline because of agricultural intensification¹¹

In the current 2014 – 2020 CAP period c. £3.3 billion will be paid in direct payments ('Pillar 1' – EU money) to farmers, and around £1.3 billion will be paid through the Scottish Rural Development Programme (SRDP) ('Pillar 2' – a combination of Government and EU money)¹² of which only £350 million supports agri-environment schemes¹³ that incentivises land managers to deliver public benefits¹⁴ including: improving, promoting and providing public access; creating new habitats; removing non-native species; planting native woodland; expanding native species; supporting conservation grazing and restoring peatlands.¹⁵

The UK Government has guaranteed funding for schemes signed off under CAP until 2020.¹⁶ However, there is extreme uncertainty about what might happen after this period and what level of funding will come to Scotland from the UK post Brexit.

Risks

Post Brexit, it is likely to be the responsibility of the Scottish Government to decide future schemes and funding mechanisms. The budget will inevitably be tight, and it may be tempting to cut funding for 'Pillar 2 type' schemes – which deliver the most environmental and other public benefits - rather than cutting the funding to subsidise food production. That said, it is difficult to see how different schemes to support farming across the UK could run in parallel. A further complication may arise if the UK adopts the 'WTO model' meaning WTO rules for international trade apply – this would affect food production subsidies to farmers ('Pillar 1 type' payments) which are not allowed under WTO rules.

Opportunities

Notwithstanding which trading model is adopted post Brexit, the Trust would urge the Scottish Government (and all elected parties) to involve Scotland's land managers, local communities and communities of interest in discussions now, to shape a more coherent approach to supporting land management through tax payers money which ensures perversities that damage biodiversity and ecosystems are phased out - whilst recognising the need to support fragile rural economies. This would mean money is better spent to deliver multiple benefits including sustainable food production and carbon sequestering and resilient landscapes.

Scotland also has the opportunity to change its approach to the way it views impacts and dependencies on the natural environment. Going forward, it is important that land managers are appropriately rewarded for the services they provide – such as carbon, soil and water management, recreation and nutrient cycling – and that society is prepared to pay the correct price for food that reflects its full cost of production.

Whatever new scheme is developed for Scotland, it must be better aligned to other high level Government strategies which deliver the public interest such as the Land Use Strategy, climate change and biodiversity

strategies and international commitments to the UN Sustainable Development Goals, the Paris Agreement on Climate Change, the Aichi biodiversity targets and other older environmental commitments mentioned above.

Towards healthy seas

Healthy marine ecosystems can bring enormous benefits to Scotland's society and economy, yet much of Scotland's seas have become degraded and vulnerable to the impacts of climate change. The transposition and implementation of EU environmental legislation and policies has supported the recovery of Scotland's seas, which in turn has helped to sustain local coastal communities and made a positive contribution to the national economy. For example, tourist expenditure on marine-related activities in Scotland is estimated at £3.5 billion per year,¹⁷ while Scotland's fisheries are worth approximately £440 million per year and employ nearly 5,000 people.^{18,19}

Marine protection

Under the EU Birds and Habitats Directives and the Marine Strategy Framework Directive (MSFD), Scotland has established a network of Marine Protected Areas (MPA), including 92 Natura sites and 30 MPAs.²⁰ MPAs are vital for protecting important species and habitats and provide nursery grounds for commercially important species, improve carbon capture and sequestration, and create healthy ecosystems that support marine tourism. Scotland's MPA network is highly advanced and contributes to the broader European MPA network, but it is not yet complete. To improve and expand the network, the Scottish Government should maintain and implement the EU Habitats and Birds Directives and continues to support current and proposed Natura sites and MPAs for mobile species.

The transposition and implementation of the MSFD commits the Scottish Government to working towards achieving Good Environmental Status (GES) of its marine environment by 2020 and as well as the MPA network has led to the development of a National Marine Plan (- Regional Marine Plans are still being developed), which ensures environmental protection is incorporated into marine decision making.

The MSFD is entrenched in Scotland's marine planning system and it is imperative post Brexit that the Scottish Government continues to work towards achieving the standards set out in the MSFD and ensures that future negotiations do not lead to a weakening of these much needed measures of marine conservation and sustainable management both within Scottish waters and the rest of the UK.

Scotland's fisheries

The EU's Common Fisheries Policy (CFP) currently provides an international, ecosystem-based management strategy that assigns total allowable catch (TAC)²¹ limits of commercial fish stocks to Member States. The TAC limits have enhanced some depleted fish stocks, most notably North Sea cod stocks (which led to a 15% quota increase to over 40,000 tonnes)²². The region-scale approach of the CFP is essential for managing highly mobile fish species, such as mackerel, that regularly pass between national boundaries. However, despite better fish stock management, the CFP is not without its flaws – it is too centralised and has been slow to administer much needed policy amendments. Brexit presents an opportunity for Scotland to adopt and improve fisheries management, integrate the most up-to-date scientific information, and implement any required amendments in a timely and less bureaucratic fashion.

Post Brexit, it is essential that Marine Scotland is ready to replicate the role of the CFP and enforce a sustainable fisheries management plan (which means it needs to be *sufficiently* resourced). Marine Scotland would be responsible for: determining *scientifically-based* TACs; monitoring and controlling fish exploitation in national waters; and establishing cross-border collaborations with nations that share a common resource. Maintaining a productive fishing industry in Scotland is essential, but the impacts these activities can have on the health of the environment must be recognised.

Securing Scotland's fisheries for future generations is a priority and, therefore the Trust believes *sustainability* must form the basis of all decision making. Brexit presents an opportunity to establish an open and transparent dialogue with relevant stakeholders and coastal communities on how Scotland's fisheries are managed.

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- ¹ 2013 Visitor Scotland figures see: http://www.visitscotland.org/what_we_do/deliveringforscotland.aspx
- ² UK National Ecosystem Assessment 2011 available to download at: <http://uknea.unep-wcmc.org/Resources/tabid/82/Default.aspx>
- ³ 2014 Scottish Government estimate see: <http://news.scotland.gov.uk/News/New-record-for-Scottish-food-exports-1933.aspx>
- ⁴ For further information see Scottish Wildlife Trust's Policy Futures 3: Climate Connections
http://scottishwildlifetrust.org.uk/docs/027_104_publications_Climate_Connections_final_low_res_1306398243.pdf
- ⁵ <http://scottishwildlifetrust.org.uk/article/state-of-nature-report-reveals-continued-decline-in-scotlands-wildlife/>
- ⁶ The preferred option is of course to remain part of the EU
- ⁷ See: http://www.audit-scotland.gov.uk/uploads/docs/report/2016/nr_160519_cap_futures.pdf
- ⁸ See: <http://scotland.lovefoodhatewaste.com/>
- ⁹ Bell, M.J., Cloy, J.M. & Rees, R.M. 2014. The true extent of agriculture's contribution to national greenhouse gas emissions. *Environmental Science & Policy*, 39, 1-12.
- ¹⁰ Diffuse pollution is the release of potential pollutants from a range of activities that, individually, may have no effect on the water environment, but, at the scale of a catchment, can have a significant effect. Please see : <http://www.sepa.org.uk/regulations/water/diffuse-pollution/>
- ¹¹ http://scottishwildlifetrust.org.uk/docs/002_466_stateofnature2016_scotland_1sept_1473756177.pdf
- ¹² See:: <http://www.gov.scot/Topics/International/Europe/Benefits-EU-Membership/Funding>
- ¹³ Also known as agri-environment climate change schemes
- ¹⁴ The full range of options available under the SRDP and their objectives can be viewed on the Scottish Government website:
<http://www.gov.scot/Topics/farmingrural/SRDP/SRDP20142020Schemes>
- ¹⁵ See: http://www.audit-scotland.gov.uk/uploads/docs/report/2016/nr_160519_cap_futures.pdf
- ¹⁶ See: <https://www.gov.uk/government/news/chancellor-philip-hammond-guarantees-eu-funding-beyond-date-uk-leaves-the-eu>
- ¹⁷ Marine Tourism Success - <http://news.scotland.gov.uk/News/Marine-tourism-success-248f.aspx>
- ¹⁸ <http://www.gov.scot/Topics/Statistics/Browse/Agriculture-Fisheries/TrendSeaFisheries>
- ¹⁹ Scotland Sea Fisheries Statistics 2014 - <http://www.gov.scot/Resource/0048/00484499.pdf>
- ²⁰ <http://www.gov.scot/Topics/marine/marine-environment/mpanetwork>
- ²¹ Allocation of fish resources to control the total number of removed fish, expressed in tonnes or numbers.
- ²² <http://europeche.chil.me/post/63339/ices-advice-on-north-sea-fishing-quotas-2016-recommends-increase-on-major-stocks>