

## BRIEFING: DELIVERING COP15 AND COP26 PRIORITIES IN SCOTLAND

### Nature-based solutions key to addressing nature and climate crises

COP15 and COP26 are linked by a common theme. The COP15 Kunming Declaration proclaimed that “*putting biodiversity on a path to recovery is a defining challenge of this decade*” and requires “*strong political momentum to develop, adopt and implement an ambitious and transformative post-2020 global biodiversity framework*”. COP26 brought countries together in Glasgow to accelerate action towards international climate change targets with a key objective being to protect and restore ecosystems.

This follows world renowned economist Sir Partha Dasgupta’s seminal [report](#) earlier this year on the economics of nature. It demonstrated that our economy is embedded in nature and that we need to transform the way we manage our natural assets. In Scotland, like elsewhere, this means preventing our demands on nature exceeding its supply by investing in [nature-based solutions](#). In addition, we must redefine our measure of economic success to be one that incorporates our wealth in terms of all assets, including the natural assets that are vital for our wellbeing now and in the future.

As the UN Secretary General, António Guterres [said](#) “*Making peace with nature is the defining task of the 21st century. It must be the top, top priority for everyone, everywhere*”. **There are 7 crucial steps we can take in Scotland now to make our plans truly transformational and in keeping with the urgency set out at COP15 and COP26. We need to put biodiversity improvement at the core of policy to improve our wellbeing and:**

#### 1. Adopt the four capitals and wellbeing approach for economic transformation

The development of a new 10-year National Strategy for Economic Transformation provides a real opportunity for Scotland to demonstrate international leadership and set out a pioneering and holistic approach that truly accounts for our economy being embedded in nature. Sir David Attenborough said “*by bringing economics and ecology together, we can help save the natural world at what may be the last minute – and in doing so, save ourselves*”.

The independent Advisory Group on Economic Recovery set out in its [report](#) last year that Government “*should consider adopting a Four Capitals framework in forming its future economic strategy, and reporting against it*” (the four are natural, human, social and economic capital). This builds on the commitment from the previous Economic Strategy to “*protect and enhance our natural capital*” and should set out how to treat all types of capital equally. In particular, invest in nature-based solutions on land and in the sea to reverse the long-term decline in our natural capital and deliver valuable new jobs.

Scotland’s partner in the [Wellbeing Economy Governments](#) partnership - New Zealand - has demonstrated how to do this. Their [Living Standards Framework](#) has the four capitals at its heart. In the detail of the monitoring framework, biodiversity is one of the key indicators for assessing trends in natural capital. As Dasgupta points out, Adam Smith, considered by some to be the founding father of economics, considered the Wealth of Nations, not their GDP. What could be more fitting than the country of his birth to lead the way in managing a much more inclusive and holistic measure of wealth?

## **2. Move quicker on setting new nature targets**

The long-term decline in Scotland's biodiversity is well documented in the [State of Nature Report](#) and the fact that Scotland ranks 28<sup>th</sup> from bottom out of 240 countries in the [Biodiversity Intactness Index](#). To galvanise efforts to redress this decline and give biodiversity parity with other areas of policy such as climate change we need legally binding targets for biodiversity. It is encouraging that the Programme for Government committed to bring forward a new Natural Environment Bill that includes "targets for nature restoration that cover land and sea, and an effective, statutory, target-setting monitoring, enforcing and reporting framework". However, it is disappointing that the Bill will not be brought forward until year 3 of this Parliament and we hope that it can be delivered sooner, with ambitious targets backed by a well-resourced and transformational Biodiversity Strategy. If we don't act quicker the framework will not be in place until we are halfway through the UN's Decade of Ecosystem Restoration, which is far too late. It is important that we also set the right targets and that they should include increasing wildlife populations and their spread across Scotland, ending the threat of species going extinct and increasing the extent and quality of habitats on land and in the sea.

## **3. Double down on agricultural payments reform**

Dasgupta highlights how subsidies that harm the environment far outweigh those that benefit them, with fossil fuel and agricultural subsidies being two of the biggest. The current system of £600m of farm subsidies in Scotland is no different and fails to address the climate and biodiversity impacts of farming activities. There is a lack of policy coherence and the timetable for change needs to be clearly set out and payments redesigned to deliver more for nature and biodiversity. For these reasons the signal by Government that half of all funding for farming and crofting will shift by 2025 towards conditional measures that support biodiversity and help lower carbon emissions is a good start. Government can still go further by giving greater clarity on the consultation and transition process, what conditionality entails and setting out how the remaining 50% of payments that will remain unconditional will evolve beyond 2025.

## **4. Deliver new nature networks and better planning**

Current land management practices are one of the biggest drivers of habitat and wildlife loss and result in space for wildlife continually being squeezed into increasingly small, isolated and more vulnerable islands of habitat. [Nature Networks](#) can help reverse these pressures and make biodiversity more resilient. The Government's commitment over the course of this Parliament to "*Ensure that every Local Authority area will have a Nature Network of new, locally driven projects which aim to improve ecological connectivity across Scotland*" is welcome and needs to be urgently progressed with each authority undertaking an Ecological Coherence Plan like [that](#) done in Edinburgh to inform decision making. This also needs to be supported by a fourth [National Planning Framework](#) (NPF4) that ensures these local networks are coordinated, complementary and joined up with a National Network as a national development.

Dasgupta illustrates how [Biodiversity Net Gain](#) can improve 'natures quantity and quality' and this should be an important tool for NPF4 which should place a duty of securing positive effects for biodiversity on all new development. The 2019 Planning Bill contained provisions for Scottish Ministers to bring forward regulations for an Infrastructure Levy that can be applied to new development by local authorities and used by them to fund investment including in blue and green infrastructure. Current plans are to bring forward legislation in 2023-24 but that is too long to wait for something agreed in 2019 and that is needed now to facilitate vital funding for local Nature Networks, such as [Riverwoods](#).

## **5. Fast-track regional land use management**

With strategic guidance from government, the [Regional Land Use Partnerships](#) (RLUPs) planned for 2023 can play a vital role in co-creating the regional approach across all stakeholders. This includes delivering local Nature Networks and nature-based solutions, whilst also helping identify local environmental priorities for the new system of agricultural payments. The current [5 pilots](#) need to progress quickly and help speed up delivery of all RLUPs so they are ready to deliver on these key objectives across Scotland. It is concerning that at the moment Government's commitment seems to be lacking resources and also somewhat conditional on the success of the pilots. While we should learn from the experience of the pilots Government should also be fully committed to planning for the full roll out of RLUPs from 2023.

## **6. Transform our marine environment**

Scotland's seas play a key role in all our lives but they have never been in a poorer state of health. [Our seas](#) are becoming increasingly busy and will continue to decline in health unless we fundamentally change how we manage marine activities. The inclusion of Highly Protected Marine Areas in the Programme for Government and confirmation of the intention to protect 10% of Scotland's seas from extractive, destructive and depositional activities is welcome as it was one of our key policy asks in the [Nature Recovery Plan](#). However, current legislation only allows for the designation of protected areas for specific features (habitats or species), rather than protecting everything within a specified area. The intention is that the Natural Environment Bill will address this legislative gap and is another reason why this Bill should be brought forward without delay.

Urgent reform of [aquaculture regulation](#) is needed to address the environmental impact of existing farms. However, the proposed review of the salmon farming regulatory process, beginning with an initial review led by Professor Russel Griggs is perplexing. The three-year timeframe for the review suggests that any significant reform of regulation won't happen until 2025 at the earliest – seven years after the Rural Economy and Connectivity Committee's inquiry concluded that the "status quo in terms of the regulatory regime in Scotland was not an option". With two recent parliamentary inquiries into salmon farming, and numerous consultations on salmon farm management and regulation, it is unclear what additional insight this review will provide.

We also need to see more progress on new policies and, where necessary, legislation to support a fair transition to a modern, climate and nature positive [fishing industry](#). In addition, more investment is needed to give Scottish marine authorities the capacity to enforce compliance and ensure ocean recovery.

## **7. Unlock new methods of conservation finance**

Dasgupta also highlighted that we need to transform our finance systems, so that financial flows to activities that increase our natural assets increase substantially. In Scotland natural infrastructure is already included in our Infrastructure Investment Plan but it must get its fair share of funding and at the scale necessary to deliver transformative change. We also need to consider how to make better use of existing funding and the Climate Change Committee has advised that we must also consider changes in tax policy. The Scottish National Investment Bank also has a key role to play given its objectives to invest to promote environmental wellbeing and biodiversity.

Given the scale of the challenge we will need to go further and develop new innovative ways to finance investment in our natural infrastructure such as those set out by the Trust in partnership with SEPA, in the '[Route Map to £1bn](#)', which identifies new funding pathways for protecting and restoring nature. The Scottish Marine Environmental Enhancement Fund ([SMEEF](#)) should continue to be developed and fully implemented. The [Nature Restoration Fund](#) needs to be funded for the long-term and able to support new pioneering projects. Alongside this, we need Scottish Government to resource a facility for [investment readiness](#) that helps build the capacity for nature restoration projects and ensures that they are ready for private investment.

If we can make swift progress on all 7 steps outlined above then we will have a more coherent and joined up approach to tackling the climate and biodiversity crises. We will also be able to demonstrate true international leadership as discussions continue during COP15 and following COP26. Our approach must continue to evolve and we must ensure there is full consultation and engagement on policy development with a set of detailed and [SMART](#) action plans to ensure swift implementation.

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