

# **Third Natural Capital Roundtable – Taking Action for Climate and Nature 4 December 2019, Edinburgh**

## **Summary Note**

### **Participants – see Annex A**

Apologies received on the day from Bridget Campbell Scottish Government, Jo Green SEPA, Graham Black Marine Scotland and David Wilson Scottish National Investment Bank, and earlier from Viv Cockburn Scottish Futures Trust, Sally Loudon Cosla, Stewart Harris Sportscotland and Mary McAllan Scottish Government.

### **1. Welcome and introductions**

Francesca welcomed everyone to the meeting, noting the traction and engagement that the natural capital agenda now has. She highlighted that nature and nature-based solutions are our best insurance against climate change both in reducing climate warming and in adapting to a changing climate.

### **2. Presentation from Chris Stark, Committee on Climate Change**

Chris Stark explained the key role the UK has, as host for the COP in Glasgow in 2020, in demonstrating what can be achieved towards the targets. He reminded us of the science behind the climate emergency. From evidence from ice cores, Carbon dioxide levels have in the last decades doubled what they have been over the last 800,000 years. The last time they were at current levels was 3m years ago before humans lived on the earth and when sea levels were 20m higher. This highlights the problem to be fixed. We're faced with a choice now as to the action to take if we are to keep within target temperature increases. The cost of cutting emissions is much, much, much less than the cost of adapting. Globally we need to be net zero in emissions of all greenhouse gases by the 2070s. Scotland and the UK have more ambitious targets because we are a mature, well-developed economy.

Emissions from agriculture and transport are still going up, but emissions from energy are now declining as coal is being replaced. Renewable energies are in some cases now cheaper than those based on fossil fuels.

Emissions reductions won't happen by magic. The policies that are made by governments in the next 12 months will determine what happens in the next 30 years, which will matter for the next 1000 years or more.

The UK can't achieve net zero emissions by 2050 without Scotland achieving net zero by 2045. While growing renewable energy, the next shift needed is in agriculture/land use and in transport. The CCC will be publishing the 6<sup>th</sup> carbon budget under the climate legislation with an interim target for the mid-2030s. This will describe what 2030 emissions need to look like and a pathway to get there, with detailed advice for Scottish Government.

Scotland's land is one third of the UK's so very important.

The CCC's next report in January will be on land use and agriculture with policies to drive the change in land use needed.

Emissions from peatlands will be included in the inventory (on which targets are based) by 2024 which will make reductions harder to achieve.

Chris gave some likely messages from the January report.

The CCC have been putting economic values on the range of benefits to the UK economy from land use changes for climate change, e.g. for recreation, air quality and health. Further work is needed to include biodiversity and water quality values.

### 3. Responses and discussion

Francesca invited responses to Chris's talk, and particularly to questions:

- What investments are needed to improve natural capital to support climate change and biodiversity?
- How do we articulate the economic benefits of taking a natural capital approach

It was suggested that Chris turn his talk into a filmed TED Ex talk and this could include contributions on Scotland's response from Francesca Osowska, Andrew Scott and Gary Gillespie. **Action 1/19: Martin Valenti** to follow up this idea.

The following areas were identified as having potential to contribute to achieving net zero emissions targets:

- Scotland needs **supportive UK policies** to be able to meet the net zero emissions target, as well as ensuring that costs for Scottish businesses are not higher than elsewhere in the UK
- **Governance and regulation** as well as incentives will enable the transformational change needed.
- Businesses looking across **supply chains** to improve sustainability
- All countries need to have emissions targets so that there are overall **global reductions** rather than some countries reducing production emissions by exporting emissions from their consumption
- The investment sector is looking for **targeted policies, standard setting and regulatory tools to facilitate investment and** reduce risk, lowering the cost of capital
- **'Green deals'** can join up public and private investments
- The **National Planning Framework 4** being developed over the next 12 months presents both an opportunity and a challenge to develop a radical policy framework that incorporates outcomes for biodiversity, low carbon, well-being and inclusive government outcomes.
- **Regional Land Use Partnerships** and **Regional Spatial Strategies** being developed over the next year or two need to support delivery of climate change and natural capital objectives in a joined up way. The **Place Principle and Place Standard** support this sort of integration locally.

### Specific areas for investment in natural capital

- The large potential to reward land managers for actions that reduce emissions using a significant proportion of the **farm subsidies** available through the Common Agricultural Policy prior to EU Exit.
- **Deer management** can contribute to reducing greenhouse gas emissions through reducing impacts on land use, e.g. woodland.
- The role of **public land** and its management by public agencies (and their tenants) to demonstrate land management that reduces emissions and improves biodiversity.
- One third of the **Vacant and Derelict land** sites in Scotland is public land.
- **Common grazing** land within crofting areas has potential for peatland restoration, and for small scale extensive cattle grazing to improve grasslands for biodiversity and provide product for local markets
- Investing in **green infrastructure** for climate objectives brings **health** benefits
- Investing in **tree planting** should also reflect their value for biodiversity
- **Marine assets** are very important for Scotland

### Other opportunities

- We should tell the **story about how Scotland has de-carbonised power** to show we can do what seems impossible and challenging with positive economic benefits. The Committee on Climate Change May 2019 report highlighted this.
- Scotland is developing a **strategic narrative around wellbeing** that joins up social, environment and economy as part of the transition to a net zero economy. Other countries are taking a similar approach including Iceland, Costa Rica, New Zealand and Finland.
- A **social contract** between urban and rural societies will support the transition needed, and a broader social contract is needed to ensure public support for transport transitions tools such as low emissions zones
- The natural capital (or 'ecosystem') accounts for Scotland published in 2019 showed that **Scotland's natural capital provides nearly £300bn** in benefits each year. There is an opportunity to use this to link to economic models and inform government budgeting.
- **Net gain approaches** to development planning and management have a role in supporting biodiversity and climate change objectives.
- **Public health reforms** promote a whole system approach to improving health and wellbeing and reducing health inequalities, recognising that everyone has to be involved across public bodies and communities. There is a risk that actions to promote sustainability could have a negative impact on health inequalities, if not implemented in a way that takes account of differential impacts.
- **The Just Transition Commission** is looking at land use and will publish an interim report in January. It will be important not to take a short term approach to investing in land for net zero objectives but to seek to build a resilient economy and communities at the same time.

### Addressing other challenges

- A **natural capital approach**, with a robust evidence base, can help to understand the trade-offs involved in nature-based solutions, i.e. which ecosystem services benefit and which do not with different options
- A **place-based approach** will help to maximise benefits in specific areas, and promote a bottom up rather than top down approach, essential to engaging

communities and building consensus on what need to happen to transition to a net zero economy.

- There are challenges around **engaging business** in a way that works for SMEs and those with less direct connections to natural capital, and promotes best available techniques. The public sector needs to support and encourage steps by businesses to contribute rather than write them off as 'greenwash'.

#### Specific contributions from participants

- The **Joint Nature Conservation Committee** (JNCC) can help provide the evidence base on biodiversity and ecosystem services, e.g. mapping peatland condition (with SNH). JNCC could also help the Committee on Climate Change on biodiversity valuing and modelling. **Action 2/19: Marcus Yeo to contact CCC**
- **Scottish Government Planning** will work closely with others during 2020 to ensure input to the National Planning Framework 4 covering the wide range of policy objectives. **Action 3/19: John McNairney to seek input to NPF4**
- **Scottish Enterprise** is working with partners to identify how some of its land can be used to reduce emissions, e.g. through tree planting.
- **Scottish Water** is working to factor in climate change and biodiversity objectives to their objectives through a six capitals approach that reflects broader outcomes for customers.
- **Scottish Natural Heritage** has published natural capital account for SNH land (including National Nature Reserves it owns and manages). It has also worked with **Crown Estates Scotland** and others to trial the Natural Capital Protocol with land-based businesses, and is exploring innovative ways to support a range of land management outcomes.
- **Scottish Forestry (Pat Snowdon)** is part of a British Standards Institute (BSI) working group on standards for corporate natural capital accounting, the approach also used by SNH and Forest estate in England. SF is also working with others on a trial of the Natural Capital Protocol Forest Sector Guide.
- **Highlands and Islands Enterprise** is working with communities who own land on how they can make best use of natural capital. HIE also recognises its leadership role in encouraging businesses to look more seriously at reducing emissions. All HIE staff had the opportunity hear Chris Stark speak on climate change and the net zero targets.
- **Historic Environment Scotland** will be publishing a climate change action plan in early 2020 which includes a section on biodiversity on the HES estate and a wellbeing framework.
- **NHS Health Scotland** and National Services Scotland are producing a sustainability strategy for NHS Scotland which should incorporate the contribution of NHS greenspace as well as procurement, waste management etc. to climate change. This should inform future decisions around what to do with land on the NHS estate.
- **Sustainable Scotland Network** helps to promote place-based approaches and works across the public sector. There is potential to work with SFNC.
- **Zero Waste Scotland's** latest corporate plan emphasises partnership working and there are opportunities to join up with natural capital work e.g. around public procurement and peatland. ZWS have developed a matrix for the carbon impact of waste and would be interested in extending this concept to natural capital, i.e. a natural capital impact framework.

- In **Wales**, the Wellbeing and Future Generations legislation promotes bottom up engagement in policy making and delivery.

#### 4. Sum up by Francesca and agreed actions

2020 is a significant year for nature:

- April – the international (regional) biodiversity conference in Edinburgh, at the Royal Botanic Garden Edinburgh, which is part of the run-up to:
- October – Biodiversity COP15 (Conference of Parties) which will agree biodiversity targets to 2030;
- November – climate change COP26 in Glasgow.

The decade to 2030 needs to be a decade for ecological improvement to halt climate warming (it is also the UN Decade of Ecological Restoration).

#### Summary of Actions

**Action 1/19: Martin Valenti** to follow up with Chris Stark about turning his presentation into a TED Ex talk.

**Action 2/19: Marcus Yeo with input from Scottish Natural Heritage to contact CCC** about the evidence base on biodiversity and ecosystem services and help with biodiversity valuing and modelling.

**Action 3/19: John McNairney to seek input from roundtable participants to NPF4** to ensure that climate considerations are at heart of new planning framework.

**Action 4/19: SNH** to convene a Group to look at natural capital accounts for public sector land with aim to develop standard methodology. Key players as well as SNH include **Forestry and Land Scotland, Crown Estates Scotland, and Scottish Forestry**. Others with public land include **Scottish Enterprise, HIE, Historic Environment Scotland, Transport Scotland, NHS Health Scotland**. **SSN** may be able to facilitate engagement across public sector including local authorities.

**Action 5/19: Martin Valenti** to send proposal details and roundtable members to consider contributions to his proposals for use of public land.

**Action 6/19: SNH to work with roundtable members with public land** to consider how we use our estates to contribute to climate change and biodiversity (and other) objectives.

**Action 7/19: Hamish Trench to work to consider how to connect the different topics of** Regional land use partnerships, regional spatial strategies and NPF4.

**Action 8/19: All** to be clear about the outcomes we're seeking: climate change and biodiversity, well-being at national and community levels.

**Action 9/19: Gary Gillespie** to share resources around outcomes.

**Action 10/19: SFNC** to engage business with supportive narrative that promote market responses, and make clear the costs of acting versus not acting. Also to

support application of the Natural Capital Protocol in a way that works for smaller businesses.

**Action 11/19: Graham Black** to ensure that marine policy and implementation supports climate change and biodiversity benefits from marine natural assets.

**Action 12/19: SSN (George Tarvit)** to help bring different public sector bodies together on climate change and nature.

**Action 13/19: SNH and FLS** to explore potential routes for collaborating on private sector investment and offsetting regimes.

**Action 14/19: EELG green finance group (via Pat Snowdon and Simon Fuller)** to build the discussion from the roundtable into their deliberations.

**Action 15/19: All** to send short written items (with images) on what their organisations are doing on natural capital and nature-based solutions to climate change **to Mary Christie, SNH by Wednesday 15<sup>th</sup> January** for publication in a roundtable newsletter in early 2020.

**Action 16/19: SFNC & SNH to organise next roundtable.**

#### **5. Actions Update (see Annex B)**

It was agreed that we should take these as discharged and focus on the actions from this meeting.

#### **6. Next meeting**

**We should plan the next meeting in November 2020 as an associated event for the Glasgow Climate Change COP.**

## ANNEX A: Participants

Name	Role	Organisation
Grant Moir	Chief Executive	Cairngorms National Park Authority
Chris Stark	Chief Executive	Committee on Climate Change
David Findlay	Solicitor	Crofting Commission
Simon Hodge	Chief Executive	Crown Estate Scotland
Simon Hodgson	Chief Executive	Forestry and Land Scotland
Pat Snowdon	Head of Economics & Woodland Carbon Code	Scottish Forestry
Carroll Buxton	Interim Chief Executive	Highlands and Islands Enterprise
Alison Turnbull	Director of Development & Partnerships	Historic Environment Scotland
Irene Beautyman	Planning for Place Programme Manager	Improvement Service
Marcus Yeo	Chief Executive	Joint Nature Conservation Committee
Simon Jones	Director of Conservation & Visitor Operations	Loch Lomond & the Trossachs National Park Authority
Sarah Williams	Natural Resources and Well-being Integration Manager	Natural Resources Wales
Ali MacDonald	Active Environments	NHS Health Scotland
Pete Hollingsworth	Director of Science	Royal Botanic Garden Edinburgh
Martin Valenti	Head of Climate Enterprise	Scottish Enterprise
Bruce Wilson	Public Affairs Manager Scottish Wildlife Trust	Scottish Forum on Natural Capital
Helena Gray	Deputy Director Climate Change (Domestic Policy)	Scottish Government
Gary Gillespie	Chief Economist	Scottish Government
Julie Wilson	Chief Economist's Team	Scottish Government
Andrew Scott	Director for Sustainable Land Use & Regional Policy	Scottish Government
John McNairney	Chief Planner	Scottish Government
Simon Fuller	Deputy Director Rural & Environment Science & Analytical Services	Scottish Government
Hamish Trench	Chief Executive	Scottish Land Commission
Francesca Osowska	Chief Executive	Scottish Natural Heritage
Claudia Rowse	Head of Natural Resource Management	Scottish Natural Heritage
Mary Christie	Natural Capital Manager	Scottish Natural Heritage
Mark Williams	Head of Sustainability & Climate change	Scottish Water
George Tarvit	Director	Sustainable Scotland Network
Hugh Gillies	Director of Roads	Transport Scotland
Riddell Graham	Director of Industry & Destination Development	VisitScotland
Callum Blackburn	Head of Policy, Research & Evaluation	Zero Waste Scotland

## ANNEX B: Actions Update

### From 2018

- **Action: Participants to send in additional material for newsletter** that can be posted to SFNC website, including Scottish Water involvement at UK level; Crown Estate Scotland Values Project to broaden benefits from asset management; SEPA's involvement in finance initiative. **Discharged. A second set of updates was published on the [SFNC website](#) in June**
- **Action: SFNC project officer and SNH to work with FCS** to help demonstrate natural capital links in new Scottish Forestry Strategy. **Discharged.**
- **Action: Ken Massie** to forward link to plan for Year of Coasts and Seas 2020. **Programme of events for YOCW 2020 was launched in November.** <https://www.visitscotland.org/supporting-your-business/marketing-toolkits/year-of-coasts-and-waters-2020>
- **Action: SFNC (Punit Desai) with SNH to discuss with participants and agree next steps following the meeting. Discharged.** There was no strong support for a follow up workshop but participants welcomed sharing via email contact and newsletters. And there was a call for projects which demonstrate the real-world value and impact of the NC approach.

### From 2017:

- Zero Waste Scotland and Scottish Water to share experience of how natural capital applies to their organisations and what they can learn from each other: **Action Iain Gulland & Mark Williams.**
- To look at how natural capital can be included in land values and evaluations. **Action: Hamish Trench and Andy Wells possibly in liaison with RICS.**
- Consider natural capital item in Scotland Europa activities/papers. **Action: Diane Murray with SNH. Discharged. SNH gave a presentation on natural capital to a Scotland Europa event in March.**