

Scottish Forum on Natural Capital – Sustainable Land Management Group Meeting

5th May 2022. 1000 – 1200.

MS Teams meeting

Chair: Kerry Waylen (JHI)

Coordinator: Paul Richardson (SLE)

Attendees: Alistair McVittie (JHI); Marina Curran-Colthart (Argyll and Bute Council); Kirsty Hutchinson (NatureScot); Louise Bond (SEPA); Anne Gray (Heather Trust); Jared Stewart (Scottish Water); Hamish Walls (SAOS); Kerry Waylen (JHI); Paul Richardson (SLE); Eleanor Harris (Galbraith); Campbell Gerrard (Crown Estate Scotland), Stuart Shaw (NatureScot), Ross Lilley (NatureScot), Ross Johnston (ScotGov), Mary Christie (NatureScot); Jayne Ashley (SOSE); Bruce Wilson (Scottish Wildlife Trust).

Apologies: Pat Snowdon (Scottish Forestry); Andy Tharme (SOSE); Rory McLeod (GCV Green Network); Catherine Preston (SEPA).

Purpose:

- To update on policy, projects, events, and research links pertinent to group members
- To identify how the group can support RLUP stakeholder engagement and pilots

Agenda:

1. Welcome & update on SLMG – (Kerry Waylen)

2. SLMG Terms of Reference – (Kerry Waylen)

General discussion around the updated ToR. Recurring point to remember to continue to connect with land managers, and it is incumbent on all members of the SLMG to continue to do this. It was suggested by the group include the NGO / expert stakeholders, and that we adopt Rory's observation that the SLMG "brings together public, private and voluntary sector organisations to explore innovative approaches to sustainable land management".

A core facilitation group led by the Chair will review the membership, update and check the references with the Scottish Forum. The 'Chatham House Rules' approach to the group is important, particularly when we are inviting Scottish Government colleagues to speak.

Action – All to email any further points, interest in the core facilitation group to Kerry.

Action – Kerry / core facilitation group to revise the ToR.

3. External event update – (Anne Gray)

Anne will progress actions in preparation for an event in the summer (July onwards), aimed at land managers in the style of a 'walk & talk'. The aim is to highlight natural capital approaches, perhaps at GWCT Auchnerran or the MacRobert Trust.

Action – Anne to progress.

4. NCAPP update & Green Finance Guidance for Land Managers – (Mary Christie / Stuart Shaw)

Mary's presentation slides are included with the minutes. Following stakeholder engagement, the first version of Green Finance Guidance for Land Managers has now been published and is [available online](#). There are opportunities for further stakeholder feedback ahead of a review in the autumn, with an update expected in March 2023. The guidance addresses some of the issues around green finance, but the main focus is on the opportunities, including important issues to consider.

Action – All please share the guidance with as many land managers as possible.

Agriculture Bill due for consultation this summer, and NCAPP is beginning to link into this as well as the National Test Programme. Track 1 is currently supporting baselining using carbon audits and nutrient management plans, but biodiversity audits will form part of that in time. NCAPP planning to have these audits ready for Spring 2023 so that all farmers can map their basic habitat and condition scoring. POBAS ongoing in year 2 of phase 3, testing scorecards across several test farms through the app, and this is generating positive results.

5. Exploring single malt value chain and supply chain approaches to natural capital
(Hamish Walls / Kirsty Blackstock)

A copy of the presentations is included with the minutes. SAOS is tasked with delivering the supply chain development element of the Scotland Food & Drink Partnership Recovery Plan. Hamish focused on the malting barley and distilling supply chain as an example of the approach they are taking to mapping supply chains to identify key issues.

The key external drivers on the supply chain include the climate, exchange rates and tariffs, market demand, alcohol consumption, health consciousness, and disposable income. A substantial amount of malting barley is grown in Scotland, making it our largest cereal crop (around 80% of the total), though around half is used for animal feed.

Kirsty focussed on the MOVING project value chain analysis of Speyside malt whisky; production, processing, distribution and marketing, and consumption, and the contribution to mountain rural development. Scotland's natural capital, especially water, is critical to the whisky industry and the impact of land cover, land use, and land management. The malt whisky value chain is just one value chain that land managers are contributing to, with research ongoing to look at others including tourism and food and drink.

6. ScotGov policy update – (Ross Johnston)

There was a commitment to develop a market for private investment in natural capital as part of the Economic Strategy, with a renewed focus on the wider economic and social benefits. Looking to broaden engagement and research to include more stakeholders in supporting Scottish Government's vision for a high-integrity, values led market for investment in natural capital, and they have recently published the Interim Principles for Responsible Investment, linked to the UN Principles for Responsible Investment. A Land Reform Bill is being developed, with an initial consultation later this year.

The UK Financing Nature Recovery Report is due to be published in May, having been developed over the past 18-months. The report sets out a template for market development, suggesting a 10-year roadmap to successful, functioning markets for investment in natural capital.

7. Track 1, National Test Programme Launch – (Ross Johnston / Paul Richardson)

Important in the Vision for Agriculture, setting out Scottish Government's broad ambitions for the industry. The National Test Programme builds on the work of the farmer-led groups and the ARIOB, testing ideas ahead of the full CAP replacement.

The Track 1 "Preparing for Sustainable Farming" announcement at the end of April is open to all and provides funding for carbon audits and soil sampling in helping farmers to establish a baseline. A fixed amount of £500 is available for carbon audits, and an actual cost payment of up to £30 per hectare for soil sampling and analysis of 20% of Region 1 land per year. Track 2 is still being developed, looking at delivering on targeted climate and biodiversity outcomes.

8. **Outputs & actions**

Proposed that at a future meeting we look at links between the Natural Capital Protocol and supply chains, using some of the JHI and SAOS work.

Action – **All** to email any further points on the ToR, interest in the core facilitation group to Kerry.

Action – **Kerry** / core facilitation group to revise the ToR.

Action – **Anne** to progress external event.

Action – **All** please share the green finance guidance with as many land managers as possible.