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Edward Mountain MSP
Convener of the Net Zero, Energy and Transport
Committee
The Scottish Parliament
Edinburgh,
EH99 1SP

Our ref: A43065677

27 March 2023

Dear Edward

Thank you for inviting me to present evidence at the 8th meeting of the NZET Committee on 14 March 2023.

I agreed to follow up on several points raised during the meeting, and have included this information in the Annex. You also wrote to me on 23 March with a further query which is also addressed in the Annex.

I hope this additional information helps to clarify your queries. I am copying this letter to the Minister for Environment and Land Reform who has the lead responsibility for some of the matters addressed in the letter, and to Francesca Osowska, the Chief Executive of NatureScot.

Kind regards

LORNA SLATER

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1: To provide a list of representatives on both the advisory and stakeholder groups on the Scottish biodiversity programme

Please see the list of organisations represented on the Stakeholder Engagement Group and the membership of the Programme Advisory Group in the Appendix below.

2: To provide the committee with further details on the Scottish Government's position on taking a 'zonal approach', outlined by the Convener, to directing support, resourcing and activities on land

The specific term 'zonal approach' is not one that we use in the Scottish Government. However, a regional or localised approach is an important component within multiple parts of the Biodiversity Strategy and wider Scottish Government approaches to managing our land and environment.

Our land is a finite resource which meets many of our needs including biodiversity, food, clean air, carbon sequestration, health and wellbeing, leisure, housing and energy production. All of these demands and the way they interact must be considered together to inform our decisions about land use and land use change.

Much of Scotland's land is suitable for a range of different uses and we need to balance national, regional and local priorities. Determining these balances will necessitate compromise between people with different interests and objectives including land managers, landowners and local communities. We see this collaborative approach as a key aspect of a Just Transition to net zero.

Regional Land Use Partnership pilots are in place to stimulate these types of conversations. They seek to test how national and local government, communities, landowners and other stakeholders can work together to find ways to optimise sustainable land use in a fair and inclusive way. The five pilot areas are due to produce Regional Land Use Frameworks by the end of 2023.

Scotland's planning system balances competing demands to make sure that land is used and developed in the public's long-term interest. The 'development plan' sets out where development should and shouldn't happen, and is the basis for decision making on planning applications for new development. The development plan comprises the National Planning Framework (NPF) and the Local Development Plan (LDP). NPF was prepared by the Scottish Government, following extensive public engagement and Parliamentary scrutiny, and was adopted in February 2023. LDPs are prepared by local authorities and national park authorities and changes are being made to the way they are prepared, including enhanced opportunities for people to engage. These plans consider where new homes and workplaces will be built, how services and facilities are provided, such as education and travel, and identify the places we value and should protect: they are not about agricultural or forestry practice. As new LDPs are prepared they must take into account NPF and the priorities within it relating to the climate and nature crises.

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3: Further information on the pilot project being run by NatureScot in relation to private finance for nature restoration. In particular, the Minister agreed to share information around the agreement signed and the financing model, what interest rate the bridging loan would be subject to, the learnings from the project and to clarify what information the Minister is able to share around the project.

NatureScot is part of the SG-led public sector partnership taking forward the commitment to develop a market for responsible investment in natural capital in Scotland. NatureScot has joined a Memorandum of Understanding (MOU) with UK private bank Hampden & Co., Lombard Odier Investment Managers and global impact firm Palladium, which aims to unlock private investment in natural capital to contribute to reducing emissions and restoring biodiversity through landscape scale nature projects.

The recently signed MOU is an agreement between NatureScot and the investment partners. The investment partners are offering a flexible approach to financing these projects and until they have designed each project we cannot provide further financial information. I have therefore asked NatureScot to write to the Committee to provide the additional details requested in due course, noting that, as I said to the Committee, there may be exclusions on the grounds of intellectual property or sensitive commercial information.

However, I have also asked NatureScot for any information they are able to provide at this time which may assist the Committee. At present, NatureScot is working with the investors to firstly scope where the best potential for investment is, and then to design the investment with the partners, land managers and communities. The central aim of the project is to deliver responsible investment to restore natural capital in both the pilot areas and across Scotland but, at this stage, since the detailed investment case has yet to be developed, NatureScot are not able to say exactly how much will be invested, what the returns will be or what interest rates might be charged. Only once they have engaged with land managers will those figures be available. For the project in the Scottish Borders that is likely to be later in 2023, and for the project in the Atlantic Rainforest that is likely to be in 2024.

NatureScot officials have advised that there is the option for investment to be in the form of a loan, but it could also be an equity agreement, or investors may simply buy the carbon. The investment type will depend on what each land manager wants. The benefit of this opportunity is that the investors have an open mind on how the investment will work.

Further to our discussion, you wrote to me on 23 March to ask what role, if any, the Scottish Government played in achieving the MOU and whether the Scottish Government has any legal status or role in relation to it. The Scottish Government is ultimately responsible for NatureScot and other public bodies and, as the Minister and officials responsible for the sponsorship relationship with NatureScot, we were kept closely informed about the development of this MoU and the work NatureScot will undertake as part of the agreement. As you would expect, the partnership will seek to deliver outcomes in line with the expectations of the Scottish Government's Interim Principles for Responsible Investment in Natural Capital. The MOU is legally binding between the parties (NatureScot, Hampden & Co., Lombard Odier Investment Managers and Palladium). Scottish Government Ministers are not directly party to the MoU and do not have a legal status in it. The Scottish Government will not be providing funding to the partnership, although land managers and external parties will still be able to submit applications for public funds and grants. The usual processes and policies for public grants will apply.

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I am copying this letter to the Chief Executive of NatureScot, Francesca Osowska, so that she can provide the additional information requested by the Committee in due course.

4: To outline what action the Scottish Government is taking to preserve indigenous newt populations in Langlands Moss

Following our discussion, I read with interest about the Langlands Moss Local Nature Reserve and the activity of volunteers, in particular the Friends of Langlands Moss, in partnership with South Lanarkshire Council and the Green Action Trust. The activities of the Council, the Friends and their partners feature prominently as a highlight in the Council's Biodiversity Duty Report for 2018 to 2020 and I look forward to reading about future progress in due course. I also note that South Lanarkshire Council has been directly allocated £452,000 through the Edinburgh Process strand of the Nature Restoration Fund since its launch in 2021.

As you noted, Convener, the specifics of action being taken locally in relation to Langlands Moss in Ms Stevenson's constituency is not something with which the Scottish Government would normally be directly engaged, although if she writes to me about any particular issues I will happily ask my officials to look into the matter with NatureScot.

In general, in relation to protection of species, we seek to create the conditions through our Strategic Framework for Biodiversity for species to thrive. *Recover and protect vulnerable and important species* is one of the five priority action themes set out in our Biodiversity Strategy, in which we have also committed to deliver against the targets set out in the new Kunming-Montreal Global Biodiversity Framework.

Our Delivery Plan will set out additional detail of how we propose to take forward a range of species recovery programmes. In addition to the work I discussed at the Committee's session, the National Species Reintroduction Forum considers broad-scale, strategic issues relating to native species reintroductions and other types of conservation translocations in Scotland.

5: To clarify if any discussions have been held within the Scottish Government on the potential for selling areas of its land and estate to generate additional monies through carbon credits

I am unaware of any such discussions within the Scottish Government. For some public bodies with larger landholdings, nature-based insetting projects may enable the removal and storage of more carbon than they emit through their operations. Public bodies with carbon savings surplus to their own requirements to reach net zero should give careful consideration as to the most appropriate use for this surplus. Central government bodies should consider allocating the surplus to other public bodies who are unable to reach net zero within their own boundary. Other bodies, including local authorities, should ensure that decisions made in relation to the end-use of such carbon savings/credits are transparent and equitable, and consistent with wider climate change duties.

Carbon reductions from insetting projects should be externally verified. Bodies may choose to verify carbon reductions through one of the Scottish Government supported carbon codes, however there is no requirement to do so, assuming that any carbon reductions are intended

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for internal use. Carbon credits intended for sale should be verified through one of the codes. The methodologies used to calculate any carbon emissions reductions/carbon stored must be robust, transparent and independently audited.

6: To provide further details on how the Scottish Government is ensuring Marine Protected Areas are being enforced effectively.

The enforcement of restrictions within MPAs is the responsibility of the Compliance Division of the Marine Scotland Directorate. Monitoring of activity is undertaken using a risk-based system utilising three Marine Protection Vessels, two inshore patrol craft, two surveillance aircraft, coastal officers based in 18 offices and the 24-hour UK Fisheries Monitoring Centre. Vessels over 12m are required to operate satellite tracking systems (VMS) and most scallop vessels have Remote Electronic Monitoring equipment (REM) which records video, winch and position data. Legislation is currently being drafted to make this compulsory on all scallop and pelagic vessels.

Intelligence is important in determining risk and priorities. Reports of suspicious activity should be reported using the online reporting form <http://mscompass.marine.gov.scot/>

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SCOTTISH BIODIVERSITY PROGRAMME – STAKEHOLDER ENGAGEMENT

Stakeholder Engagement Group

Organisation
Association of Deer Management Groups
Borders Forest Trust
Cairngorms National Park Authority x2
Chartered Institute of Ecology and Environmental Management
2050 Climate Group
COAST
Confederation of Forest Industries
Convention of Scottish Local Authorities x2
Crown Estate Scotland
Edinburgh University
Flora and Fauna International
Fisheries Management Scotland
Scottish Fisherman's Federation
Forestry and Land Scotland
Clyde Climate Forest
Glasgow and Clyde Green Network
Green Action Trust
James Hutton Institute x 2
John Muir Trust x 2
Loch Lomond & The Trossachs National Park Authority
National Trust Scotland
National Farmers' Union Scotland
Nature Friendly Farming Network
Open Seas
Royal Botanic Garden Edinburgh
Scottish Council for Development and Industry
Scottish Enterprise
Scottish Environment Link – five representatives, from <ul style="list-style-type: none"> • RSPB, • Woodland Trust Scotland, • Marine Conservation Society, • Royal Zoological Society of Scotland and • The Scottish Wildlife Trust.
Scottish Environment Protection Agency
Scottish Forestry
Scottish Futures Trust
Scottish Gamekeepers Association

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Organisation
Scottish Land & Estates
Scottish Local Biodiversity Action Plan Network
Scottish Salmon Producers Organisation
Scottish Renewables
Scottish Young Farmers Clubs
Transport Scotland
Trees for Life x 2
Young Scot
Youth Parliament
Sustainable Inshore Fisheries Trust (SIFT)

Programme Advisory Group

Name	Role	Advice/support
Mathew Williams (chair)	SG Chief Scientific Adviser – Environment, Natural Resources and Agriculture	Specialist/technical advice – environment, natural resources, agriculture.
Professor Des Thompson FRSE	NatureScot - Principal Adviser on Science and Biodiversity	Programme lead for evidence and reporting. Specialist interests include state of nature, and upland ecosystems,
Dr Helen McKay OBE FICF	Scotland's Chief Forester	Fellow of Forest Research, and leads its Centre for Sustainable Forestry and Climate Change
Professor Jerry Wilson FRSE	RSPB	Director of Science. Specialist interests in conservation science and interventions in terrestrial and marine environments
Dr Janet Fisher	University of Edinburgh	Environmental social scientist researching links between environmental change, environmental management and human development
Professor Rob Brooker	James Hutton Institute	Head of Ecological Sciences, with expertise in multi-disciplinary approach to solving problems
Professor Beth Scott	University of Aberdeen	Expert in bio-physical oceanographic processes contributing to multi-disciplinary marine research
Professor Kirsty Park	University of Stirling	Wildlife management expertise, with particular interest in urban, forest and agricultural ecosystems
Professor Pete Hollingsworth FRSE	RBGE	Director of Science. Expert in genetics, conservation biology and international conservation programmes

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Name	Role	Advice/support
Fiona Simpson	Scottish Government	Chief Planner
Ben James	NatureScot	Marine Protected Areas project manager with oversight of research and survey work and reporting
Professor Davy McCracken	SRUC	Head of Department of Integrated Land Management. Expert on constraints and opportunities facing land use sectors
Professor Chris Spray MBE FCIEEM	Loch Lomond and Trossachs National Park and University of Dundee	Emeritus Professor and National Park Board member; international expert on waterfowl and wetland ecosystem restoration
Dr Pete Chaniotis	JNCC Marine Ecosystems Team Leader	Adviser on marine ecosystem health assessment in the outer seas of Scotland.
Dr Philip Boulcott	Marine Scotland	Marine specialist working across UK, Europe and North America, most notably involved in ICES (International Council for the Exploration of the Sea) processes and the EU Marine Strategy Framework Directive
Simon Fuller	SG – Deputy Director, Rural Environment and Analytical Service (RESAS)	Technical/specialist advice and support. Opportunity to ensure alignment and consistency with knowledge accounts and other evidence-based research.

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