OFFICIAL REPORT
AITHISG OIFIGEIL

Environment, Climate Change and Land Reform Committee

Tuesday 1 October 2019

Session 5

The Scottish Parliament
Pàrlamaid na h-Alba

Tuesday 1 October 2019

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ENVIRONMENT, CLIMATE CHANGE AND LAND REFORM COMMITTEE
26th Meeting 2019, Session 5

CONVENER

*Gillian Martin (Aberdeenshire East) (SNP)

DEPUTY CONVENER

*Finlay Carson (Galloway and West Dumfries) (Con)

COMMITTEE MEMBERS

*Claudia Beamish (South Scotland) (Lab)
*Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con)
*Angus MacDonald (Falkirk East) (SNP)
*Mark Ruskell (Mid Scotland and Fife) (Green)
*Stewart Stevenson (Banffshire and Buchan Coast) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Nick Halfhide (Scottish Natural Heritage)
Jo Pike (Scottish Wildlife Trust)

CLERK TO THE COMMITTEE

Lynn Tullis

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Environment, Climate Change and Land Reform Committee

Tuesday 1 October 2019

[The Convener opened the meeting at 09:54]

Decision on Taking Business in Private

The Convener (Gillian Martin): Welcome to the Environment, Climate Change and Land Reform Committee's 26th meeting in 2019. I remind everyone to switch their mobile phones off or to silent mode, because they might affect the broadcasting system.

The first item on the agenda is for the committee to decide whether it wishes to take agenda item 4, and all future consideration of its work on climate change scrutiny, in private. Do members agree to do so?

Members *indicated agreement.*

Biodiversity Targets Inquiry

09:55

The Convener: The next item on the agenda is evidence on funding for biodiversity as part of our biodiversity targets inquiry. I am delighted to welcome Nick Halfhide, who is the director of sustainable growth at Scottish Natural Heritage, and Jo Pike, who is the new chief executive of the Scottish Wildlife Trust. Good morning to you both.

I will kick off. What progress have we made on achieving the Aichi 2020 targets?

Nick Halfhide (Scottish Natural Heritage): The overall summary is that we are making significant progress on seven of the targets and are making good progress on the other targets, but to a slightly lesser degree. In 2017, we published a report on our progress until then, and we hope to publish another report covering 2018 by the end of the year.

The Convener: Will your work to meet the future—post-2020—targets be informed by the interim report? Will your strategy, and assistance that you might need, be dealt with in that report?

Nick Halfhide: The reports that we publish annually look backwards. Our current programme of work will take us to 2020, but we are working hard behind the scenes to put together a new programme of work—a pipeline of projects—to take us beyond 2020. Some of those are individual projects, while others are to do with how we will modify the future funding arrangements for things such as agricultural support and forestry. There is also the question of how we take forward the programmes that are funded by the European Union that are still being discussed.

The Convener: What are those EU-funded programmes? If they are withdrawn, what gaps will they leave in your work to meet the targets?

Nick Halfhide: I can give you a sense of scale, if that would help. I have the figure of about £40 million per annum being provided through the agri-environment scheme. Significant funds are also provided through the LIFE programme—we might be talking about tens of millions of pounds—and we get money from, for example, European structural funds, which we are spending on green infrastructure in some of our more deprived areas. We are spending about £15 million to £20 million on that over a five-year period. Those figures are not exact, but they give you a sense of the scale of such funding streams.

The Convener: Stewart Stevenson would like to ask questions on that subject. He has helpfully reminded me that he wanted to open the questioning in this area.

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): Are you able to provide an update on the shared prosperity fund in general, and its effect on biodiversity in particular? I know from my other committee work that there appears to be a lack of knowledge about what the fund might be or do, or when we might hear more about it. Do you have any insight into that?

Nick Halfhide: I have little insight into the United Kingdom shared prosperity fund. We have sought to gain information about it, but none has been forthcoming.

Stewart Stevenson: In that case, I will ask the other half of the question about future funding models. This might be a question for the Scottish Wildlife Trust as well as for the Government.

What development work is being done on how we might fund land management, and what models we might use? I am thinking, in particular, of the public money for public goods model. How should we manage, report on and understand what public money in that space is delivering by way of public benefit?

10:00

Jo Pike (Scottish Wildlife Trust): As you might be aware, the Scottish Wildlife Trust produced "Land Stewardship: a Blueprint for Government Policy" for Government policy making post-Brexit, as our contribution to the debate. It is about land stewardship—it is broader than being purely about agriculture. The blueprint was costed: obviously, the costings are indicative and are based on the status quo.

We have built a tiered system of regulation and funding, using natural capital principles that we believe can best unlock the benefits of good land stewardship, and adequately and properly reward the land managers who deliver those benefits. There are four tiers, with regulation at the bottom, moving up to more competitive payments for more ambitious ecological restoration, such as the restoration of large areas of peatland. The document is available: I can provide members with copies.

Stewart Stevenson: Are you aware of our colleague John Scott's work on how we might attach to such activity a value that can be exploited? You are nodding, so I assume that you have given some thought to the issue.

Jo Pike: I am aware of that work, but I am not familiar with the detail. We have been involved in natural capital for quite a number of years, and we have done a lot of valuation work. We have learned from what others are doing, not only elsewhere in the UK through the Natural Capital Committee, but elsewhere in the world.

There is clear agreement between NFU Scotland, Scottish Land & Estates and the non-governmental organisation community that change is needed, and that land managers need to be properly rewarded for the value that they create. The work that we have done has looked at moving us beyond short-termism through preventative spend on areas such as soil quality and flood mitigation, which is a good example in a climate emergency.

Stewart Stevenson: What is the SNH perspective on the public money for public goods model?

Nick Halfhide: We fully support that approach. It is favoured, as Jo Pike said, by a coalition across the public sector, the land management sector and the environmental NGO sector. We are working with colleagues in Government on what, in practical terms, that might look like on the ground.

We need to balance that equally with the need for a period of stability for the industry while we work out what will happen in the EU exit process. As I understand it, the Government's line at the moment is that we need a period of stability and transformation.

However, Jo Pike is right that we need to look at all land management—not just the farming sector, important though it is. We should also not forget the marine environment. It is often forgotten about, but it is as important as the land.

Stewart Stevenson: On the timeline, is the plan to run the support regime that comes from the common agricultural policy through to its natural end, regardless of whether the UK is in the EU? Are we talking about something that will slot into the follow-on support regime that is envisaged?

Nick Halfhide: Broadly speaking, yes—although it is important to say that we will be doing a small number of pilots over this year and next to see what a more outcomes-based approach might look like, and how that could work for different types of farming businesses. I understand that similar work is being done down in England. It is a pan-UK approach, albeit that we are doing it differently in the different parts of the UK.

Mark Ruskell (Mid Scotland and Fife) (Green): Has any assessment been carried out of the total cost of restoring nature in Scotland? If we met all the biodiversity targets, what would be the total cost? We have talked about what is available right now, but how much would we be staring at to get the job done?

Nick Halfhide: I am not aware of the total amount. There is some debate about that. The climate emergency has given us all pause to think about the future of nature. We all want a nature-

rich future, but given the climate change scenarios, what will that look like? That is an area to which we probably need to give greater thought. I absolutely understand the point that if you know what you are aiming for, you can cost it and work back, in broad terms.

We are not quite sure what that nature-rich future will look like and where, therefore, we need to make our investment, because that investment will have to be sound. We know some things that we need to invest in—for example, peatland restoration and woodland cover. We are thinking increasingly that we need to do more about our soils—we need to focus on all of our land—and our water, because we need to look at blue carbon and kelp forests.

Getting the basics right—getting our natural capital in good condition throughout—is probably where our focus needs to be, rather than our focus being too much on some of the nature that relies on that capital, although that is important, too.

Jo Pike: I do not think that a figure has been produced. You are probably aware of a UK-wide report that the Royal Society for the Protection of Birds produced last year called "Bridging the finance gap". That report determined that achieving domestic biodiversity targets across the whole UK requires funding of about £2.3 billion per year, which represents a finance gap of £1.8 billion a year. The RSPB calculated that that is equivalent to 0.2 per cent of Government spending, or 0.1 per cent of UK gross domestic product. In other words, investing in nature is good value—it is not much in terms of GDP, but it is significant in terms of what currently goes into nature conservation.

In the conservation finance projects that the trust is leading with the Scottish Environment Protection Agency, we are exploring such questions. Clearly, investment is urgently required in ecological restoration. However, investment is also required in reducing the downward pressures on biodiversity so that we can find a way out of the funding loop—when I say "we", I mean the whole UK and the whole world; it is not just a Scottish problem—in which on the one hand, we are investing in providing benefits, but on the other we are cancelling out the benefits by investing in things that increase the downward pressures on biodiversity.

The Convener: An Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services—IPBES—report called for transformative change. That report has perhaps had less attention than, for example, the IPCC report that also called for transformative change in relation to climate change. Does the need for transformative change in relation to biodiversity have to become a priority as well? Does the potential biodiversity crisis need the same recognition as the climate change crisis?

Jo Pike: Absolutely. The urgency for action has never been more apparent—it has never been greater. The costs of inaction are enormous, not just financially but socially. This is an existential crisis. We were encouraged that during a First Minister's question time the First Minister recognised that the biodiversity crisis is as important as the climate crisis. She said:

> "I agree ... about the importance of biodiversity; it is as important as the challenge on climate change".—[*Official Report*, 9 May 2019; c 25.]

They are not one and the same thing—it is important for people to understand that—but they must be tackled together. The nature-based solutions—the natural climate solutions that restoring nature offers—are among the most cost effective for helping to tackle climate change.

The Convener: Are you saying that climate change should go through all policy areas and that we need to look at biodiversity in the same light, at the same time, with the same urgency?

Jo Pike: Yes, absolutely.

Claudia Beamish (South Scotland) (Lab): While acknowledging that a lot of countries in Europe will not meet the 2020 targets, I do not want to skate over the fact that 13 of the targets are not being met here. Can either Jo Pike or Nick Halfhide highlight the most intractable problems that are preventing us from meeting those targets?

Nick Halfhide: The problems are the same as those that are highlighted in the international report. One is changing land use, which we have touched on already. We have made considerable progress in some respects—peatland restoration and some of our woodland targets, for example—but quite lot of our land is still not being managed in a way that will give us a nature-rich future or tackle climate change.

There is still overexploitation going on, particularly in the marine environment. To say that some of our fishing regimes are not quite there yet would be a bit of an understatement.

With regard to pollution, our environment in general terms is pretty good compared with much of Europe, but there are some respects in which pollution is still having a detrimental impact on nature.

Invasive non-native species, both invasive to Scotland and within Scotland, are significant. For instance, I sit on the board for the Orkney native wildlife project. Stoats were introduced accidentally to Orkney and are having a major impact on nature there.

The other problem is climate change, which exacerbates all the others. That is a really important overlay. We must make sure, as a nation, that what we do to tackle climate change also helps us with nature, and that what we do to improve nature helps us to tackle climate change. We have talked about some of the win-wins already, including peatlands and having the right woodlands.

We must also look at how we protect our coastlines, including from an economic point of view, because we have billions in assets along our fragile coastlines. In many situations, the solution is to make sure that natural processes are working well to protect them—sand dunes and coastal marshes, for example—rather than building hard infrastructures. At sea, we need to make sure that we have kelp forests that are working well, because they absorb much wave impact. We can get nature to provide many solutions in adapting to climate change and mitigating some of its impacts.

Claudia Beamish: Thank you; that is helpful.

Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con): I want to talk to about sources of funding. I will talk mainly to Scottish Natural Heritage, but it would be interesting if Jo Pike could come in as well.

We know that the SNH budget is declining, and has done so by 26 per cent in real terms over the past five years, according to our briefing. That is quite considerable. There are funding uncertainties, as well as declining lottery ticket sales.

Will you talk us through how you might reach new sources of funding, other than the Heritage Lottery Fund, the EU and non-governmental sources? Have you built up a pipeline of priority projects that you can present to the Heritage Lottery Fund?

Nick Halfhide: I will answer the questions in reverse, which will be slightly easier.

We are building up a pipeline of projects. They are rarely, if ever, SNH-alone projects. We work very closely with Jo Pike and her colleagues in the environmental NGO community and elsewhere, including the private sector, to build up the pipeline of projects. We are looking to major sources of funding such as the lottery, and we are influencing as best we can what the post-EU exit funds will be, if we leave the EU. Equally, we are looking at how we can get back into that funding if we do not leave. It is a foggy area, to say the least.

Our funding has been a moveable feast over the past 10 years. More recently, over the past three years, it has stabilised, primarily due to significant money having come to SNH to fund peatland restoration. We are pretty much on an even keel with regard to cash that we get through the door, although I add the caveat that that does not take into account inflation or the increased cost of staffing, which goes up disproportionately each year due to pension and other costs. It is a tight budget, but it has stabilised.

On diversification of funding, we are always looking at how we can increase funds to SNH, including how we can increase funds from our own land estates. That has some potential: it is limited, but we do what we can. For example, on one of our nature schemes, we have a hydro scheme that is a source of funding, as are the considerable renewables schemes that we have installed throughout our built estate. We are always looking for other sources of funding. We are now looking to the private sector.

10:15

One of the upsides of the IPBES report and, particularly, the climate change emergency, is that the private sector—big businesses, as well as smaller businesses in Scotland—are looking to see how they can minimise their risks. For example, insurance companies are saying, “Wow! Flooding is going to get worse!” so they are asking what they can do—for example, how they can invest in land management in catchments. We will look at how we can direct significant money from investment funds into flood mitigation or peatland restoration, either to give them a return or to lower their risk. Lowering their risks is probably more important.

We have seen that kind of movement right across Europe. I have had discussions with folk at the European Commission about how to deal with big business and how to get a portion of all that money invested in our natural capital. It is significant. We have already talked about the agri-environment scheme moving to more land-based, outcome-based support. Those tentacles of work are going on; some will come through SNH, but the majority will bypass us and go straight from big business into individual projects or into businesses that manage land.

Last week, I was at a Scottish Council for Development and Industry dinner at which I got the sense that much of business in Scotland is alive to the issue. Companies realise that they have to make important business decisions about where they will invest in the future, so they are cognisant of climate change. That corporate and social responsibility is driven home with climate change. We want to make sure that they invest to adapt and mitigate climate change, but also that they do it in a way that gives us a nature-rich future. We think that that is the kind of future that we, as a society, want.

Rachael Hamilton: I am sure that Jo Pike will have comments on that. Before she comes in, is the biodiversity crisis reflected in your future budgeting? You are looking at other sources of funding, including the private sector. Do you have a figure for that? How much more than you get now do you need because of the biodiversity crisis?

Nick Halfhide: The short answer is that we do not have a figure. We work closely with colleagues in Government in the ENGO sector to work out where investment is needed. Subsequently, we have to work out how much of that needs to come through us. The Government recently announced an additional £14 million for peatland this year. A lot of that money comes through SNH, but not all of it does; some of it goes directly through Forestry and Land Scotland. The biodiversity challenge fund came through us, which was £1.8 million to do projects that we had in the pipeline. Therefore, we know what the demand is from that. We have discussions with colleagues in the Scottish Government about projects that are out there an which could deliver, if the money were to be available.

Jo Pike: I will come in briefly on some of the points that Nick Halfhide made.

We and others in the ENGO community are concerned that insufficient funding is going into biodiversity, and that we do not appear, in Government spending, to be reflecting the reality of the twin climate and biodiversity crises.

We have looked at the share of funding that goes to the committee's area of work and funding that goes to SNH, compared with spending on other Government priorities. We believe that the budget share of total Government spending for the remit of the Environment, Climate Change and Land Reform Committee has fallen by 10 per cent since 2012-13. During the same period, SNH funding has fallen by a third, as a share of total Government funding. That is not necessarily the same in real terms, but that looks to us a lot like deprioritisation of the environment, so we are concerned. I agree with Nick Halfhide that money for biodiversity does not have to come to one place. Lots of work is being done across sectors on looking at new sources of funding. However, it is important not to lose sight of that apparent deprioritisation.

Nick Halfhide talked about bringing in money from private markets. An article on conservation finance by the Yale centre for business and the environment cited work by NatureVest and EKO Asset Management Partners in 2014. It is a few years old now, but it estimated that even if only 1 per cent of the global assets under management were allocated for private conservation investments, that would provide enough capital to fill the global shortfall. The money is definitely there.

However, with conservation finance, which we have engaged with heavily over the past couple of years, the state or Government is an absolutely crucial player in unlocking new mechanisms. That might be though acting as a guarantor, through being a player within a blended finance model—as is apparent in a lot of examples from around the world—or by ensuring that private finance is not a replacement for existing sources of money. That is why the subject has to be thought of as a connected whole.

I can answer more questions on that: I thought that it was worth highlighting the issue.

The Convener: You talked about international examples. Are there any where there is a tax incentive? You could argue that large corporations are largely responsible for some climate change and the biodiversity crisis, but you are talking about voluntary measures—companies deciding to give money back. Are there any examples around the world in which Governments are compelling corporations to put money in?

Jo Pike: You have made a couple of important points. I am not an expert on tax. We have started to look at it, and I know that there are some interesting developments in Canada, but those are specifically to do with carbon, rather than biodiversity.

With the conservation finance project, we have looked at where taxes are unpalatable. Clearly, they are absolutely vital. The polluter pays principle is important and needs to be explored in much more depth. Voluntary levies are another option that can be explored, particularly on a trial basis.

On the point about some payments being voluntary, there is money out there and investors are increasingly interested in delivering outcomes that match the sustainable development goals, and are realising that they are probably better long-term investments that will, in many cases, perform better financially. At the moment, there is a huge global shortage of nature conservation projects that are of sufficient scale for investors—scale being one of the core principles within conservation finance.

Forest Resilience Bond in the Unites States is a very good example. The Unites States Forest Service realised that the annual cost of forest fires was enormous, and wanted to make interventions that would reduce risk from and the cost of those fires over many years. There are direct parallels with flooding in Scotland.

One of the projects that we are working on with a range of partners is called riverwoods, which is

one of the spotlight projects of the conservation finance project. It is led by the Scottish Wildlife Trust, but brings together a wide cross-section of people from all sort of sectors. I return to the point about voluntary contributions. The project is not about voluntary payments and corporate social responsibility, but is, to pick up on Nick Halfhide's comments, much more about the insurance community.

Looking at the costs to the Scottish economy, in 2016, *The Independent* indicated that a series of severe floods over Christmas and the new year cost the Scottish economy up to £700 million. That was in a single year.

The Convener: I think that we all know which year that was.

Jo Pike: The challenge is in finding cash flows that will pay investors back over time. Those need to come from avoided costs, such as those associated with flood mitigation or water treatment costs associated with water quality. Once those cash flows are in place, they can be used to repay investors. That is just one of the things that we have been looking at.

The Convener: We will have a very short supplementary question from Mark Ruskell before we move to the next line of questioning.

Mark Ruskell: What about the development consent process? At the moment, it is geared towards minimising harm. Should it not be flipped on its head so that it is more about investing in restoration and enhancement of the environment? I know that it is difficult to have conversations about that with house builders and so on, but could that not be a source of finance?

Nick Halfhide: I understand that that is actively being considered as part of changes to the planning regime. Biodiversity net gain, which is one of the ways in which that concept is described, has already come into play in England to do that very thing. To put it in layperson's terms, the aim is to have an increase in nature, rather than a decrease, at the end of the development. That approach is already creeping up here anyway, from some of the major players who are very active in England. They see it as a way of helping to get their developments through the planning system, which is understandable from their point of view. In general, that should be encouraged. We want to see developments—whether they involve the dualling of the A9 or a new wind farm—adding to the stock of our natural capital and definitely not decreasing it.

Jo Pike: We need transformative change, so we have to be prepared to look at everything differently. It is important that such an approach is carried out well or there could be unintended consequences, so clear guidelines, such as those set out by the International Union for Conservation of Nature on the mitigation hierarchy, should be followed.

Angus MacDonald (Falkirk East) (SNP): Good morning. I want to continue the theme of funding, but looking specifically at biodiversity data. The committee heard from the Scottish biodiversity information forum that an annual investment of £2.85 million in biodiversity data infrastructure could have significant benefits in informing evidence-based policy and maximising the biodiversity benefits of programmes such as agri-environment schemes. Presumably, SNH agrees that that level of investment in data infrastructure is required.

Nick Halfhide: You have caught me on the hop there. I assume that it does. SNH is an evidence-based organisation, so it needs to see very good evidence. I do not have the relevant figures in front of me, but I know that SNH and its partners already invest hugely in initiatives such as habitat mapping of Scotland, to ensure that we have the appropriate level of data so that when we make interventions in planning or land management, for example, we can be assured that their impact will be positive and not negative.

Jo Pike: I echo what Nick Halfhide has said. The work that the Scottish biodiversity information forum review has carried out is vital. If we want to get the very best value for public money, we need to be more strategic about the decisions that we take. There are important gaps in the evidence that we need to fill.

Angus MacDonald: Thanks. It is good to get that on the record.

Finlay Carson (Galloway and West Dumfries) (Con): I want to touch on preventative spending and the cost of inaction. I will give some background to the questions that I will ask. We have already touched on how invasive non-native species can have a significant impact on biodiversity. At the moment, the biodiversity challenge fund supports some projects, especially those covering species such as skunk cabbage, Japanese knotweed and giant hogweed. In the past, some organisations—for example, the Galloway Fisheries Trust—have received significant levels of EU Interreg funding, which has covered multiyear projects aimed at controlling such species across whole river catchment areas rather than just tackling patches. For example, although the plants at the top of a river could be tackled, if their seeds were to travel downstream such work would have limited impact. How important is multiyear funding for biodiversity projects and preventative spending? Do current funding structures address that and allow such projects to be successful?

10:30

Nick Halfhide: Multiannual funding is crucial. We come up against that issue time and again. Whatever the source of funding most, but not all, of those projects need to run over multiple seasons. For example, we rarely, if ever, knock some of the invasive plants out of their catchment in a season; we need to be able to go back for several years thereafter to check that our work has been done effectively. We also need multiyear funding to be able to attract staff who will stay for the duration of the project, as we need to build up that expertise. Multiyear funding is crucial. One of the benefits of EU funding is that it is multiannual, because the blocks of budget work over—I think—seven-year periods, so we can work out bids and it gives us a runway into the work and the knowledge that we can get it through.

It is a challenge not to have multiyear funding. The way we approach it with our core budget is that we guarantee funding over a number of years to the most important projects that we fund, even though our budgets are at the moment set only on an annual basis. We take that risk because of the importance of multiannual funding.

Finlay Carson: At the moment, we see schemes that are—you could argue—underfunded, which means that they are not particularly effective. They are effective only for the time that the officers are on the ground removing plants and, because the funding is so short lived, it does not have a long-term impact.

Nick Halfhide talked about how important multiannual funding is. How can we get other funding models to ensure that projects that have been funded in the past are not a waste of time? Ultimately, that is what we see just now. If organisations are not successful in bidding into the biodiversity challenge fund, the work that was done three or four years ago is completely wasted, because the species are coming back. How can we consider different models?

Nick Halfhide: I will give the committee a live example, which might help to illustrate that. The Orkney native wildlife project, which I mentioned before, is funded by a mixture of SNH money, RSPB money, LIFE money and lottery money. It is a multiyear project to remove stoats from mainland Orkney and attached islands. That is one big bit of the project, but another big bit is to build capacity locally. There is a big schools programme to raise awareness not only of the impact of stoats but of the importance of native wildlife. There is also work with folk in local NGOs and the council to build understanding and capacity, and to build up volunteer bases, so that, when the project comes to an end, it has a very strong legacy.

That can also be true of very short projects. Although some of the challenge fund projects are very short, they are about building capacity and understanding among folk who work for the local authority or the local NGOs, who can then continue that work beyond the project. I know that "capacity building", "resilience" and "legacy" are buzzwords, but it is important that they are all built into whatever project, so that we do not lose out. We invest all that effort, and the last thing we want is for us to walk away and it all to go to pot again, so those things are crucial.

Jo Pike: I will make two very brief points.

On a practical level, where multiyear funding cannot be guaranteed, even if it can be indicative, it can reduce resource and then be confirmed, subject to other things being in place. In addition, as I touched on briefly before around the conservation finance project, we have co-created the billion-pound challenge with a wide leadership group, which includes Francesca Osowska and people from the finance sector and all sorts. Some up-front funding from traditional philanthropic sources and from the Government will probably unlock other sources of longer-term and more innovative funding. However, it has to be done incredibly carefully, so that it does not replace existing money.

The Convener: Jo Pike talked about philanthropic funding and funding from various trusts and all the rest of it. However, Scotland is not performing particularly well—not a lot of funding is going to Scotland compared with England and Wales. Why is that?

Jo Pike: That is a good question. The report that the Environmental Funders Network pulled together highlights that Scotland does not do very well out of that. I do not know why, but the NGOs and the Environmental Funders Network are certainly looking at it. The billion-pound challenge has ignited interest in new sources. If you can bring philanthropic sources together with other sources, there is a multiplier effect, which is relevant.

I do not know why.

The Convener: Are we not shouting loudly enough?

Jo Pike: I am sure that that is part of it. Some of the funding will probably be London-centric because of the sheer concentration of organisations that are based there.

Mark Ruskell: Nick Halfhide talked about the legacy of the work on non-native invasive species. Do you recognise that there are many areas in Scotland where that is not happening? For example, on the Allan Water, a successful Scottish Wildlife Trust group has been using SNH funding

to tackle hogweed and protect a site of special scientific interest at Kippenrait Glen. The money for that is gone. The wider work on the Allan Water is gone and the hogweed is coming back. It has been a complete waste of time and the hogweed is damaging the environment and causing a public health crisis. There is no legacy there. Do you recognise that gaps are appearing and that you need to step in and start to orientate your funding towards ensuring that there is a legacy and that we do not undermine all the good work that has been done over many years?

Nick Halfhide: Yes. The Orkney example that I gave was to illustrate best practice, but I understand that that does not always happen. It is not always easy or possible to keep funding going all the way through.

What we need in some of these circumstances—I am not particularly familiar with the Allan Water example—is a change in land management at a landscape scale. We would like to move towards new support through an outcome base that has to be done at the landscape scale, so we might be talking about quite a fundamental change to the way in which land management is supported and regulated, so that change is brought about at scale, for example at catchment level for invasives such as giant hogweed. Whether it is peatland restoration or ecological corridors, it needs to be done at scale. There are some good examples of that happening, but they are not enough.

Jo Pike: That is an important point. The transformative change in land-based payments, if we can reform our system of subsidies, will by definition be a multiyear, long-term change that will bring about the biggest single source of money that might make a difference to the land.

The Convener: That is a good springboard for the questions on funding mechanisms that Claudia Beamish will ask.

Claudia Beamish: First, I would like to ask a question on the back of the discussion about land use. Do you see a more robust role for the land use strategy? If so, could either or both of you say how you see it developing? We are aware of the new regional developments, but I am asking more broadly than that.

Nick Halfhide: We absolutely need a framework to make a transformative change at the landscape scale. The national land use strategy is the obvious place to have that. We also have a marine version and we need to not lose sight of that. The framework then needs to be broken down into catchments or regions, depending on which is more appropriate.

Jo Pike: The land use strategy is incredibly important. It seems to have fallen out of favour, so we welcome the focus on the new pilots. In terms of utilising public money to the best effect, the creation of a national ecological network, or a Scotland-wide green network, whatever it might be called, will be the best way of doing the opportunity mapping that shows where investment would best be targeted.

Claudia Beamish: You have answered the first of the questions that I was going ask. Could you say a little bit more about the national ecological network and how it will be developed and supported, and something about the national marine networks between and beyond marine protected areas? I was pleased to hear Nick Halfhide highlight marine issues as well as land issues. It would be great if you could both comment briefly on both issues.

Nick Halfhide: I am happy to comment. I am not an expert on either.

We have all struggled to understand what the national ecological approach will look like. Will it be hedges joining everything up or will it be more a philosophy of how we do it? SNH is moving towards the latter. That chimes well with the work that we need to do on climate change. It is about getting all our land into good condition. If we can join up those areas that are in poor condition with those that are in better condition, we will get a physical network and we will raise the natural capital of our nation throughout. That applies equally on land and at sea.

I am more familiar with the protected areas in the marine environment, but I understand that Marine Scotland is working hard beyond the marine protected areas. Obviously, it is a mobile environment, even more so than land. Because it is an area in which we have invested less over decades, our knowledge of how the marine environment works is further behind. However, we are beginning to understand the importance, not only for fisheries, of all the places beyond MPAs; we are beginning to understand how the more fragile environments in the marine sector are interconnected and how we can manage our interaction with the seas to best effect.

Jo Pike: I will pick up on some of those points.

The national ecological network has unanimous support from the ENGO community. A lot of development work has gone into it. Anything that the committee can do to speed up the process of bringing it into action would be welcome. As I said, in the context of conservation finance, it would highlight the obvious places to spend biodiversity funding. We need to take a strategic, Scotland-wide approach to green infrastructure.

As Nick Halfhide alluded to, there are all sorts of interpretations in people's minds as to what a national ecological network might look like, but it is

not about contiguous areas all joined up. It is about taking an equally strategic approach to both green and blue infrastructure and grey infrastructure. The new national infrastructure commission is thinking ahead about its priorities. We believe that we need a green and blue infrastructure plan that sits alongside the traditional infrastructure plan. The national ecological network would be the main focus of that.

Claudia Beamish: Is the commission taking blue and green infrastructure seriously? In the past, it was not taken seriously—it was almost laughed out of court.

Jo Pike: Yes. My colleagues have discussed green and blue infrastructure recently with various people. We are advocating for that; the commission has not yet said that it will do it. However, one of the special advisers picked up on our suggestion of having a national green and blue infrastructure plan. At the moment, that is as far as we have got.

Claudia Beamish: Thank you.

We have had a lot of discussion about private funding of biodiversity programmes. Does either of you want to add to that discussion? Do you have any thoughts about the possible role that the new Scottish national investment bank might play?

Nick Halfhide: My understanding is that ministers have given the investment bank a clear remit to work in the climate crisis sphere. On what that would look like—well, it is early days, but the direction seems sound. In order to have a nature-rich future, that is the direction that the investment bank and the infrastructure commission need to take. I am saying what Jo Pike said in a different way: it all sounds good at the moment. We need to work to make sure that it delivers, but the early signals are good.

Claudia Beamish: For clarification, would I be wrong to say that, in relation to the SNIB, the focus so far is more on the climate emergency than on the biodiversity emergency?

Nick Halfhide: My understanding is that the focus is on climate change. One of the jobs that we have, collectively, is to inform people that the response to climate change can also be a response to the nature crisis.

Jo Pike: I echo that, completely. It is important that we get biodiversity into the top level of the priority list.

10:45

Claudia Beamish: I have found all that has been said this morning about the conservation finance programme to be very interesting in terms of the connections that can be made for future investment. What are the implications of pursuing biodiversity funding through the natural capital approach? Do you see any risks? I believe that that approach is seen as controversial in some quarters. It would certainly be of value in steering funding towards outcomes that are more easily quantified and valued. I am not trying to answer the question, although I may seem to be.

Jo Pike: The point about natural capital is incredibly important. There are risks in commodifying nature. At the core of the natural capital movement, there are large NGOs, the United Nations environment programme, the IUCN and so on. It is important that the natural capital debate continues to be led and steered by those interests rather than by private sector interests, which are, by definition, more focused on profit.

Putting a value on nature does not have to be about money. An excellent example is the natural capital asset index in Scotland, which shows trends over time in natural capital. SNH leads that work. It is important to say that none of the methodologies is perfect. Also, it is not about creating a market for nature; it is not about selling nature but about understanding that nature is one of our most valuable assets, on which our whole economy and wellbeing are based. We have touched on biodiversity net gain, for example, and it is important that things such as the IUCN mitigation hierarchy are applied where relevant.

Some aspects of natural capital in Scotland are, frankly, a no-brainer, because we know that nature-based solutions to some of the problems that we face are by far the most effective. The chief environmental economist at the UN environment programme wrote a really good blog in the summer, highlighting that very point and comparing nature-based interventions for flooding with grey infrastructure. Investment in grey infrastructure relies on the once-in-100-years flood event materialising. Although such an event might be much more likely with climate change, it is not guaranteed, so the investment is not guaranteed to be cost effective. However, if we deliver a nature-based solution, we deliver multiple benefits, regardless of whether the flood event materialises. That is where natural capital comes into its own in a Scottish context. It highlights the value of investing in our natural assets—what it can save and the value that it can create for people.

Claudia Beamish: It would be helpful if you could send the committee a link to that blog.

Jo Pike: Yes, certainly.

The Convener: We are running out of time. Finlay Carson has one very short question.

Finlay Carson: Given the success of the collaboration between various organisations in the

Cairngorms and Loch Lomond, do you see the establishment of further national parks as a useful tool in enhancing and protecting biodiversity in other parts of Scotland?

Jo Pike: The Cairngorms connect project is absolutely brilliant. We are not involved in that, but we would be looking more for other examples of landscape-scale conservation than specifically for other national parks. It is not something that I have thought about in great detail.

Nick Halfhide: I used to work for a national park so I am biased, but our two national parks have been incredibly successful in joining up all of what we might call sustainable development. They have been as active with affordable housing as they have been with improving nature and working at landscape scale.

The Convener: Thank you for your time this morning.

10:49

Meeting suspended.

10:54

On resuming—

Public Petitions

Control of Wild Geese (PE1490)

The Convener: The next item on our agenda is the continuation of our consideration of two public petitions.

The first is petition PE1490, which was submitted by Patrick Krause on behalf of the Scottish Crofting Federation and is entitled "Control of wild goose numbers". Members will recall that the petition

"calls on the Scottish Parliament to urge the Scottish Government to address the problems created by increasing populations of wild geese in crofting areas as a matter of priority; reassess its decision to stop funding existing goose management programmes and assign additional resources to crop protection and adaptive management programmes to ensure this threat to the future of crofting is averted."

The committee last looked at the petition in May 2018, when we agreed to seek an update from the Scottish Government. We subsequently received further correspondence from the Scottish Government in May this year. The SNH review of goose management has also been published.

I ask members to discuss what we now have in front of us and what action we would like to take on the petition.

Angus MacDonald: I refer members to my entry in the register of members' interests, which shows that I own a non-domestic property in the Western Isles.

I have been following the petition since it first came before the Public Petitions Committee six years ago, when I was a member of that committee. Having first-hand knowledge of the impact of greylag geese on my family's farms on Lewis, I have continued to follow the issue closely. Crofting in the Outer Hebrides is fragile in nature, and it is clear that the adaptive management pilots have not demonstrated a reduction in agricultural damage. Over six years, there has been no evidence that goose impacts have been reduced.

The issue of geese is just one of the nails in the coffin of crofting, which is becoming increasingly unsustainable. It is ironic that greylag geese have been protected because they were endangered, but it is now the crofter who is endangered, partly thanks to the proliferation of greylag geese on the islands.

In the review, SNH suggests a self-help group as the way forward, but I am afraid that I do not agree. I would much prefer a return to the machair life scheme, or at least access to agri-environment support schemes and whatever is to replace

Scottish rural development programme pillar 2 funding. There is a commitment to support the on-going suite of goose management schemes until 2021, although the specific funding in the Western Isles will stop this year.

We need to keep the petition open in order to monitor progress and to see the outcome of the RSPB and Wildfowl and Wetlands Trust complaint to the European Commission regarding the situation in Islay, because that is not yet clear. As long as there are concerns in the industry, we must keep the petition open.

I want to mention a meeting that was held by the Scottish Crofting Federation earlier this year in Stornoway. The theme of the meeting was threats to crofting, and the comments from local crofters made clear that greylag geese are a major threat. One crofter said:

"If the geese numbers are allowed to get even more out of control, it will decimate our land. It will finish crofting on this island."

Donald MacKinnon, the vice-chair of the Scottish Crofting Federation, who is also a crofter in Lewis, said:

"It is absolutely essential the goose management scheme continues to be funded. We're not talking about huge amounts of money here, in terms of a percentage of the total amount of money spent on goose management in Scotland. It's minute really, but the work it does here on the ground in Lewis is essential for crofting".

He went on:

"If the goose situation is allowed to get to out of control again—if the goose management scheme stops—we could run into a situation where crofters give up crofting completely, simply because of the damage that geese are causing."

I call on the committee to write to the Scottish Government expressing concern that funding is being withdrawn, given the impact that it will have on crofting and that it will probably kill crofting completely.

The Convener: Thank you—that local knowledge is really important.

11:00

Claudia Beamish: I represent South Scotland, so I do not have first-hand knowledge of the situation, although I have certainly seen how many geese migrate down to the Clyde. It is a serious issue for the whole of Scotland, not just for the Highlands, because crofting is part of all our heritage.

I had real concerns about the cessation of the Machair Life project in the previous parliamentary session, and I think that that should be looked at again, as Angus MacDonald said.

When reading the papers for today's meeting, I found it concerning that, although geese numbers have been cut by the cull, that has not altered the level of serious damage to the crofts concerned. The crofters work in very demanding conditions, not only in winter. I have been to Lewis and I have seen the steepness of the terrain and the challenges that many crofters face, so we owe it to them to look at other ways of dealing with the issue. The Government should do more research.

Frankly, I also found it alarming to read that resources of the same scale as those provided for Islay are unlikely to be imitated in other places where there are intractable goose problems.

It is a very serious problem for Scotland, and I hope that it will be treated as such by the Government and the others who are involved. We should keep the petition open.

Stewart Stevenson: A fifth of the world's population of pink-footed geese overwinter at the Loch of Strathbeg in my constituency. Like greylag geese and other varieties of geese, they are substantial animals. How they feed does significant damage; they also tend to flock, so they land on quite small areas in significant concentrations.

We want to protect the geese—they are an important part of our environment—but we may have to do various things to deal with the issue. However, the bottom line is that there is no direct way in which farmers whose fields are affected can protect the environment from the depredations of geese behaving perfectly naturally. The only sensible intervention that we can make is an economic one, and it is important that the committee gives its support to those who farm our land in economic terms, if there are no other methods by which we can do so. We must make sure that we strike the balance between the interests of the geese and the interests of people in agriculture.

Mark Ruskell: Stewart Stevenson is right to point out that we are talking about globally significant populations of species, including the pink-footed goose. They are legally protected under EU law, and they are the subject of the current complaint to the European Commission.

However, we also need to recognise that the EU common agricultural policy is changing, as is the debate in this country—we are much more focused on public good, and on public money to deliver that public good. I see the maintenance of the goose populations and the conservation status of the species as a hugely important public good that is being delivered. Therefore, we need to get right the public money, the funding and the support for crofting communities in that regard.

We need to keep the petition open and look at what that might involve. If it involves a change in management practice on farms, or farmers and crofters moving away from the way in which they currently manage farms to something very different, that needs to be part of the mix as well. We need to take communities with us and ensure that nobody is left behind.

I would welcome sending a letter to Government, to keep the petition going. Let us see if we can crack the problem and deliver important conservation objectives, while considering the many other challenges that the crofting community is facing, in particular what is happening to the price of lamb. We need to see the issue in the round and try to deliver a solution that works economically for crofting communities. It is about more than just this issue; it is about the range of other issues that are being faced at the moment.

Rachael Hamilton: In addition to the review, the Government should do a cost benefit analysis. The pilot study has suggested that the damage caused by the greylag geese is unacceptable and has increased over the past 20 years, but there are no any figures behind the study, so there is nothing to back that up.

Paragraph 23 of paper 3 says:

"the Pilots have been funded entirely with government support",

and it is highlighted that the pilots are no longer sustainable.

I think that everyone on the committee agrees that we need to support crofters and understand what the economic damage is, as well as understand how much it is costing the Government and why the pilots have not been developed further.

The Convener: Okay. There is a range of things that we can put into a letter to the Government. We can touch on the pilot schemes, ask what has happened to the Machair Life scheme, ask about future agri-environment support mechanisms and ask for an assessment of the costs of the damage. The clerks have taken note of all the committee's points.

Do we agree to keep the petition open and write to the Government in those terms?

Members *indicated agreement.*

The Convener: Is the committee content for me to sign off that letter, or would members like to see it before it goes out?

Angus MacDonald: I would like to see it.

The Convener: I am happy to send you a draft, so that you can add any points that have been missed, or anything else that you want to.

Single-use Drinks Cups (PE1636)

The Convener: The second petition for consideration is PE1636, in the name of Michael Trail, which seeks to ensure that all single-use drinks cups are 100 per cent biodegradable. The committee last considered the petition in September 2017. Since then, the Scottish Government's expert panel on environmental charging and other measures has produced a report making a series of recommendations about single-use cups, and the draft Deposit and Return Scheme for Scotland Regulations 2020 have been published for consultation. We also know that the circular economy bill will be coming through the committee and Parliament. Do members have any comments on the petition?

Finlay Carson: There have been some developments, particularly with the deposit return scheme on the horizon and more work to be done on the circular economy, so I believe that we should keep the petition open to make sure that we keep abreast of what is happening. However, we should perhaps write to the petitioner asking whether there are any further details that they would like. I support keeping the petition open because coffee cups are very much in the public eye and the public want something done about them.

Mark Ruskell: There is a welcome Government commitment to introduce a minimum charge of 20p. I hope that we will see that in the circular economy bill. We should seek some clarity from the Government about how it intends to take forward the expert panel's recommendations. Finlay Carson mentioned the deposit return scheme, and there are exciting developments regarding including coffee cups as well as bottles in the scheme. It would be useful to know where that sits in the Government's current plans. It was not in the programme for government, but I recognise that a lot of work is happening on the DRS more generally. It could be a game changer in terms of how we buy our coffee in future.

Rachael Hamilton: Although the petitioner's original intention was that all single-use drinks cups should be 100 per cent biodegradable, I agree with Mark Ruskell that there could be other ways for the Scottish Government to tackle single-use plastic. There is an article in *The Times* this morning that talks about behavioural change. If somebody buys a coffee and there is an extra 20p charge because they took the coffee cup, that might not necessarily be clear to them. Zero Waste Scotland's suggestion is to charge for the coffee cup and then have it filled, so that there is a distinction between what the cup costs and what the coffee costs, rather than there being just an extra charge for the coffee. There are huge developments and I wonder whether some of the

work on the DRS and the circular economy bill will tease those out and perhaps go beyond what the petitioner is asking for.

The Convener: I guess that we should write back to the petitioner to say that we would like to keep the petition open, and we will use their asks to inform our work and our scrutiny of the DRS and the circular economy bill, the objectives of which are, of course, to reduce waste. Is the committee content for me to sign off that letter?

Members *indicated agreement.*

The Convener: That concludes the committee's public business for today. At its next meeting on 8 October, the committee will consider its approach to the Animals and Wildlife (Penalties, Protections and Powers) (Scotland) Bill and hear evidence on the proposed deposit return scheme. We will also consider the draft report on the Scottish Government's 2020-21 budget.

11:10

Meeting continued in private until 12:26.

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