

Summary

The proposed Nature Restoration Fund 2021 is a great opportunity. Direct investment in nature restoration across Scotland is badly needed. Such investment shows leadership and commitment to tackle the nature emergency. The risk of a 12 month fund is not to be underestimated however: ecological restoration takes decades and considerable investment in project preparation. Moving from a standing start to completed restoration within 12 months is an ecological impossibility, but making a start on that journey is very necessary and timely. The key element of success for this fund, and that should be used to ensure future investment, will be flexibility in delivery and building the resilience of ecosystems and those who work with them and care for them. The direction of travel established will be vital and sends an important message across Scotland and the world as we build up to CoP15 and the Scottish Government commitment to the Edinburgh Declaration.

Scotland's varied habitats support a wide variety of wildlife, including some of the most rare and threatened species in the UK, yet receives substantially less funding for environmental projects compared to England and Wales.

<u>Scotland's wildlife</u> has declined substantially in recent decades and we are in fact one of the most nature-depleted countries in the world. The need to address the biodiversity crisis in Scotland has never been so urgent.

To restore habitats under threat effectively we need to think BIG - multi-partner, multi-year, multi-million landscape-scale projects. It takes combined effort from different specialists, from both large and small organisations, working together to deliver a common goal. Funds that are only limited to one year are not effective.

Longer-term funding also supports Green Recovery, providing job security for project staff and contractors, and gives contractors the confidence to invest in extra staff and infrastructure or equipment.

Grants for "shovel-ready" projects with only capital costs are not an effective funding model for large-scale ecological restoration. For these projects there is a need to incorporate development and revenue funding into grants.

There is a lack of multi-year funding available currently, we have lost big EU nature programmes, not as yet replaced, and the Scottish statutory agencies are not able to offer vital multi-year support.

It can take many years to achieve ecological restoration. It is critical we find funding partners who understand this and will commit to work with us over many years.

Ecological restoration needs to be at the heart of these projects. Public access and engagement is important, but it can't be at the expense of the main objective.

Finding match funding for these kinds of projects can be problematic – different funders have different time scales and different criteria which needs to be built into the project. This is time consuming and can result in lost focus/ineffective working.

LINK's members have been impacted negatively by the pandemic: risk appetite has decreased as members have been forced to use limited financial reserves that ordinarily are invested straight back into delivery. Capacity within the sector to take on financial risk now is therefore very low. Members have also survived by cutting costs: that means they are not









in a robust position to move particularly quickly as staff teams are currently at minimal sizes. More information on the impact of covid on the sector is available from LINK as a confidential report.

There are three foundation pillars for building success through the Nature restoration funding 2021:

- Context: it is very clear that Scotland needs to invest in nature restoration, urgently. We need to demonstrate spend that contributes to progress on nature restoration. Targets agreed at CoP15 will influence future nature restoration activities in Scotland, in the new Scottish Biodiversity Strategy and the new delivery mechanisms. Given we do not yet know what these actions will be, although we can hazard a guess from draft zero, building a strong foundation for future capacity on strong delivery over the next 9 years to 2030 is going to be crucial if Scotland stands any chance of meeting them.
- 2. Measuring success: successful delivery through a 10 month fund for an investment-hungry area of work like nature restoration will be key. However, the limitations of what can be achieved on that timescale need to be recognised. Success therefore is going to look like resilience: a stronger sector able to build and invest in longer term projects, temporary halts in the drivers of biodiversity loss, and building capacity to deliver restoration over larger areas in future. This is going to require a courageous, innovative and highly flexible approach to delivery. Success means building a platform for future development and increased resilience and demonstrating potential. High flexibility at this stage will enable more organisations to engage, it builds their capacity and resilience and puts the entire environmental sector in Scotland in a much stronger position to build wider partnerships and attract more funding moving forward. We realise this is not easy: it takes confidence and a willingness to succeed from Scottish Government as funders and willingness and trust to engage from applicants. However, demonstrating the potential of this, as the start to a process of national nature restoration is a key element of success for this fund in 2021.

The types of innovation and flexibility we mean are:

Unrestricted funding to organisations that have demonstrated they deliver on nature restoration in the recent past. The value of this type of funding has been demonstrated by <u>Esmee Fairbairn</u>. This demands high levels of trust but has the advantages of building future resilience, enables applicants to invest in ongoing projects that are already delivering nature restoration and stronger foundations to build bigger and better nature restoration projects in 2022.

Flexibility on delivery: this fund in 2021 must be highly flexible in order to help organisations invest the funding in projects that build resilience. A useful measure could be the green principles here: progress towards any of these principles could be the measure of success for this fund, demonstrated through direction of travel. Tying delivery to specific outcomes on such a short timescale runs the risk of the funding not being spent or the applicant having to give it back, defeating the fund objective and damaging trust levels. Risk appetite is currently very low in LINK member bodies, reflected in our impact of Covid-19 report.

Strong foundations for future delivery: if this fund can build strong, trusted relationships and productive cooperation between the organisations involved, then that is a key part of building a resilient sector,









able to deliver on nature restoration in this UN Decade of Ecosystem Restoration. Resilience as an outcome is also key.

3. <u>Delivery mechanism:</u> given the extremely short timeframe, the use of an established funder to distribute and manage funds would be a good idea. A funder with the experience and mechanisms already in place to support multiple, highly variable projects would be ideal, able to distribute funding to a wide range of partners. The potential to invest into projects that are already running would be most effectively tackled through unrestricted support to demonstrable delivery organisations (above). This would enable investment in projects that operate across Scotland where nature restoration is most needed. Direct investment in projects already running is less likely to focus exclusively on nature restoration, purely because funding for nature restoration has been extremely difficult to source in the past, with an almost total reliance on EU LIFE funding. However, a focus on flexibility and unrestricted funding may be part of the solution.

Specific issues to address in nature restoration funding:

- 1. Long-term funding is essential for the transformational change that is required to reverse biodiversity loss. It is impossible to be transformational in a year.
- 2. Need for clarity on what capital spend includes: it should include development funds, which in turn includes capacity building, project design, partnership development, survey and delivery design.
- 3. Some revenue funding is always required, which if funded by the applicant, will limit projects.
- 4. 100% funding with no requirement to match would be helpful.
- 5. Wide criteria so projects already in development could be submitted with no need for rewrites / re focussing would be helpful.
- 6. Coverage of applicant's Full Cost Recovery would increase number of possible applications
- 7. Ability to pay in advance: arrears funding is an issue because the applicant must have the cash flow to cover costs before these can be recouped.
- 8. Being able to use current staff teams, without the need to recruit new staff means projects can happen quicker, retains expertise within applicant organisations and have a higher likelihood of success because staff are experienced.
- 9. Being clear on what data will be required in reporting: projects need to collect relevant data while they are operating and changing reporting needs part way through causes difficulties.
- 10. Ecological connectivity is a real issue, but it is often not possible to provide, or evidence within a few months. It is important to recognise the slow nature of change (over years rather than months), especially when multiple land owners need to work together whether across farm boundaries or garden fences.
- 11. This fund is focused on nature restoration: there will always be some social economic benefit to local communities where they live close to healthy semi natural ecosystems. However, Social Science and Economic studies indicate that people are only likely to become engaged in 'societal' matters when their 'basic' needs have been met. If communities have a range of socio-economic issues that they are dealing with they often will not have the capacity to engage in 'societal' matters.
- 12. Needs to be able to fund 'multi-site' projects (unlike this round of BCF)









13. Minimum project costs (eg £100k) are often too high for smaller eNGOS to partake, especially considering very short timescales

Nature restoration ideas for 2021 - 2022

- 1. <u>Still Delivering the Goods</u> projects: some projects featured in the report are still looking for funding. See Table 1. Many projects were not included in this report and require funding.
- 2. LINK maintain a live project list: this is internal to the network as it contains sensitive information. However, relevant projects are listed in Table 2 below. This is confidential.
- 3. Support for the following should be considered:
 - a. Project development, leading to bid submission to funds including the Endangered Landscape Programme and a continuation of the Nature Restoration Fund.
 - b. Contributions to existing projects: see Table 1
 - c. Contributions to new projects: see Table 2.

Table 1: Still Delivering the Goods projects, still looking for additional funding to complete:

Project name and report	Lead organisation	Summary	Total investment to	Investment gap remaining
case study link	and contact		date	
Saving Scotland's Red Squirrels	Scottish Wildlife Trust (on behalf of SSRS Partnership): Steve Gardner	Saving Scotland's Red Squirrels focuses on working with local communities to improve conditions for native red squirrels across Scotland by combatting the spread of the invasive grey squirrel.	£3,629,293	Future continuation of this project is not clear: funding & support are still needed after 2022.
Cairngorms Connect	Cairngorms Connect: Jeremy Roberts	Cairngorms Connect is a partnership of neighbouring land managers, committed to a bold and ambitious 200-year vision to enhance habitats, species, and ecological processes across a vast area within the Cairngorms National Park.	>£2 million	Contribution to 2021 costs being sought, in realm of £284,000
Hebridean Marine mammal Monitoring	Hebridean Whale and Dolphin Trust: Alison Lomax	Species monitoring is vital to conserve wildlife. But long-term monitoring seldom gets the attention it deserves. Monitoring enables a fuller understanding of species and habitats and how best to protect them.	Annual cost: £220,000	Contribution to 2021 costs still being sought









Table 2: Projects in development amongst LINK members

Project name	Organisation lead and contact	Summary: nature restoration	Development stage and progress	Budget required	Barriers to launch
Saving Argyll's Atlantic Rainforest	ACT (Working alongside Alliance for Scotland's Rainforest): Julie Young	To undertake woodland enhancement and public access works in rainforest sites in Argyll.	Active fundraising: EOI was accepted by NHLF early in 2020. Due for resubmission June 2021	£1,130,941	None. We can start straight away and build on new woodland site ACT manages plus existing health & well being and climate change programmes.
Saving Morven's Rainforest Project	RSPB (Working alongside Alliance for Scotland's Rainforest): Alison Connelly	To clear Morven peninsula of rhododendron, expand native forest, control deer - working closely with the local community, landowners, partners.	Active fundraising: A Concept Note to EU Life programme was submitted in July.	£500,000	We would be ready to start this project once funding is confirmed, likely to be summer 2021.
B-Lines - creating a network of pollinator habitats across Scotland	Buglife: Natalie Stevenson/Craig Macadam	Creation of a network of flower-rich habitats to support wild pollinator populations, which in turn benefit agriculture and health and wellbeing.	Active fundraising:	5 year project: £4,940,000	
Joining the Dots for Nature: to build bigger, better well- connected habitats across Scotland's farmed landscapes	Soil Association Scotland (in partnership with Buglife Scotland & Plantlife Scotland): Alistair Whyte; Natalie Stevenson	Increase: in biodiversity (inc. priority species), ecological connectivity & ecosystem health; knowledge & skills for nature & climate friendly farming; area of farmed land put under long-term sustainable management; sustainably produced food; people actively participating in citizen science; opportunities for people to connect with nature - delivering health & well-being benefits	Active fundraising:	£500,000	Partnership building in progress and fundraising
Landscape Leadership - developing leadership skills needed to make transformative	Soil Association Scotland: Bruce Pearson	Primary objective is to build natural capital across managed landscapes, address climate change and biodiversity loss, and deliver inclusive economic and social benefits.	Active fundraising	Annual cost: £150,000	Pilot in progress - already demonstrating impact.







environmental change at a landscape scale					
Relaunch of three existing Regional Parks and designation of two more: Campsie Hills and Ochil Hills	APRS/SCNP: John Mayhew	Provision and management of public recreation; conservation of natural heritage	Other	£5m per annum	Barriers are political and financial - SG/NS/local authorities decisions and funding required
Preparation and implementation of Management Strategies for all National Scenic Areas	APRS/SCNP: John Mayhew	Realising the full potential of the NSA designation after 40 years: landscape conservation and enhancement; climate mitigation and adaptation; nature recovery; community engagement; sustainable rural development	Other	£5m: 33 Management Strategies @ £150k each (out of 40 NSAs, 4 are in NPs and 3 already have Strategies)	Barriers are political and financial - SG/NS/local authorities decisions and funding required
Fife Living Water	Froglife: Kathy Wormald	Wetland recreation; job creation; trainee opportunities; public engagement	Active fundraising	£300,000	Funding shortfall
Living Water	Froglife: Kathy Wormald	Expanding the living water programme to new regions where we have not previously undertaken works	Active fundraising	£500,000	Funding shortfall
Discovering Reptiles	Froglife: Kathy Wormald	Expanding our English Discovering Reptiles to Scotland focusing particularly on slow worm dispersal.	Active fundraising	£250,000	Funding shortfall
East West Wild	Trees for Life, in partnership with NTS, RSPB: Alan McDonnell	The EWW area is potentially 200,000ha of the central Highlands where nature will be restored. We've already seen biodiversity recover in relatively small sections of this landscape - connecting these over a larger area will multiply this progress. Much of the area has potential for peatland and woodland, so the carbon sequestration potential is large.	Part funded: funding package incomplete Total budget for first 2 years: £250,000	£50,000	Funding shortfall
Riverwoods	Scottish Wildlife Trust (as part of the Riverwoods partnership): Lucy Graham	Creating a network of thriving riverbank woodlands and healthy river systems across the whole of Scotland, substantially contributing to a Scottish Nature Network.	Active fundraising: Riverwoods Partnership established with Expert groups focussing upon	£2 million pa: scalable	Funding shortfall







Edinburgh - An Ecologically Coherent Capital	Scottish Wildlife Trust (as part of Edinburgh living Landscape partnership): Lucy Graham	Application of Ecological Coherence Mapping for the city of Edinburgh to identify opportunities to implement nature-based solutions to the twin crises of climate change and biodiversity loss, at sites that will maximise ecological, ecosystem service and socio- economic benefits for people and nature.	(i) science (ii) finance and (iii) delivery Active fundraising: List of potential interventions being prioritised and costed	£1 million + over 5 years: scalable	Funding shortfall
Rural Innovation	Soil Association	Providing professional support	Current funding	£200,000 per	Funding
Support Service	Scotland: Bruce	to farmers to enable them to	has ended,	year, scalable	shortfall
	Pearce	test nature friendly farming	actively		
		practices	fundraising.		

NOTE: these projects are all in development and have multiple objectives for nature, community and climate. The summary in this table relates to the nature restoration objective only. Further details are available from the partners listed.

Ideas for future years

- 1. <u>Demonstrating demand and delivery to ensure the scheme continues:</u> Opportunities and need for nature restoration are huge in Scotland. There is an urgent need to act now and be part of the UN Decade on Ecosystem Restoration and build a strong foundation for future.
- 2. Maximising success: Investment in development and adopting wider criteria to enable projects in development to come on board quickly would have higher likelihood of success and achieve the level of ambition and scale of action required for nature restoration. For example, a Development Fund may help, where it was able to support project managers, tasked with active partnership building working for a common and well-articulated aim, and enabling multiple landscape scale projects to be developed for nature restoration themes. This has been a key part of the success to date for the Scottish Rainforest Alliance. Having to spend within a single financial year is a real limitation because of the difficulties in showing effective nature restoration within that timescale. This is why using 2021 to demonstrate potential impact is a strategic way to address gaps and achieve the scale of restoration required.
- 3. <u>Communicating to Ministers that this year is different:</u> it is vital to communicate that this initial investment is a trial and that ongoing funding is required to make a difference and achieve their aims for nature and climate. If this fund is to be designed to meet the ambitions of the CoP15 draft zero, long term funding is going to be required.
- 4. <u>Connectivity and a Nature Network:</u> as a crucial mechanism to restore resilient species, nature networks across Scotland will be vital. With the additional benefits of operating at scale across large areas and also in small ways,









- working with local communities and achieving national impacts, the mechanism has the potential to deliver. But it requires ambitious and effective investment that, ideally, will pump prime further private investment.
- 5. New protected areas to meet the 30x 30 aims will need to be flexible. The Protected Area mechanisms in use today were devised in the 1950 when the drivers of biodiversity change were very different. Protected Areas as a tool in nature restoration need updating. Flexible and ambitious approaches are needed to ensure that protected areas continue to protect endangered species and habitats but also increase their resilience to change. This may include protecting species and habitat diversity through wilding approaches and enabling movement between areas.

This response has been drawn together from published reports and live documentation held by LINK for the benefit of our members. This briefing is confidential.

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