Briefing for MSPs

Budget 2022-23: funding the response to the nature and climate emergency 24 January 2022



This is a critical decade for Scotland to deliver action to restore nature and to meet ambitious climate change targets. The scale of the nature and climate emergency is not to be underestimated: one in nine wildlife species are at risk of extinction in Scotland¹ and the last three years of annual climate targets have been missed.²

The Scottish Government and parliament must take urgent action to address the nature and climate emergency and the Scottish Government's annual Budgets must deliver the necessary funding to achieve the transformational change needed. Year on year, LINK members believe an increasing proportion of Scottish Government funding must be targeted to initiatives, programmes and schemes that will deliver for Scotland's nature and climate, from investing in green jobs, restoration of ecosystems and redirecting land management funding. In addition all budget lines, and in particular capital investment programmes, should contribute to these objectives and must be subject to impact assessments which at the very least ensure that they are not making them worse.

The Scottish Government's Nature Restoration Fund, announced ahead of COP26, which allocates a minimum of £13.5m per year to address Scotland's biodiversity loss is a welcome start that must be built upon.³ Restoring Scotland's natural habitats can play an important role in reducing Scotland's greenhouse gas emissions over the long term, with carbon being stored, for example, in native woodlands, biodiverse grasslands and the maine sea bed. Recent figures from the Green Finance Institute estimate that between 2022-2032 there is an £8bn finance gap in what is needed to protect and restore Scotland's biodiversity.⁴

Key nature and climate funding recommendations for the Scottish Budget:

- An annual increase in funding for nature restoration through the Nature Restoration Fund. This £55m Fund divided across the life of this parliamentary session is a welcome starting point but must be ramped up to facilitate nature restoration at the scales needed and attract private investment in nature restoration.
- Prioritise nature restoration in the Resource Spending Review, due in May, which will set
 out spending plans for the remainder of the parliamentary term. The government's
 consultation document sets out priorities for child poverty, a fairer economy and climate
 change however to address the interlinked nature and climate emergency spending on
 ecosystem restoration at scale.
- **Restore funding for Scotland's environment agencies**, which experienced a 40% decline in funding from 2010-2020.⁵
- Invest in creating new, green jobs and upskilling the workforce. Scottish Environment LINK has outlined how investment of £74m in an entry-level training programme could contribute to nature restoration at a national scale see this <u>briefing</u>.

² Bol, D., 2021. 'SNP fails to meet greenhouse gas targets for third straight year,' *The Herald*, 15 June 2021. <u>https://www.heraldscotland.com/news/19373171.snp-fails-hit-greenhouse-gas-targets-third-straight-year/</u>

¹ State of Nature Scotland report, 2019. <u>https://scotlink.org/files/state-of-nature-Report-Scotland_.pdf</u>

³ Scottish Government, 2021. '<u>Expanded funding to protect and restore nature</u>'

⁴ Green Finance Institute, 2021. <u>The Finance Gap for UK Nature</u>, p.7.

⁵ Scottish Environment LINK, 2021. <u>Still Delivering the Goods</u>.

- Increasing the public budget for marine conservation, including for marine monitoring programmes and Marine Protected Area management plans. See <u>LINK's Manifesto for</u> Ocean Recovery for more detail.
- Scotland will be transitioning to a post-EU agricultural funding system from 2024. The new system must redirect a higher proportion of funding to farmers and land managers whose practises deliver benefits for nature and climate. Scottish Budgets should ease that transition by maintaining the commitment to fund the Agri-Environment Climate Scheme (AECS).
- The forthcoming **National Strategy for Economic Transformation** must deliver a true transformation in Scotland's fiscal policies to meet its objectives of tackling climate change and protecting nature. Future Scottish Budgets must actively prioritise the policies and programmes that will bring about transformation to net zero and nature positive. This includes ensuring the Infrastructure Investment Plan fully aligns with and contributes to efforts to decarbonise and protect the natural environment.

Scottish Environment LINK is the forum for Scotland's voluntary environment community, with over 40 member bodies representing a broad spectrum of environmental interests with the common goal of contributing to a more environmentally sustainable society.

This response represents the collective view of LINK's Green Recovery Group. Members may also respond individually in order to raise more detailed issues that are important to their particular organisation.

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