### **LINK Consultation Response**

Climate Change Targets Bill

August 2024



#### **Introduction to Scottish Environment LINK**

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.

Its member bodies represent a wide community of environmental interest, sharing the common goal of contributing to a more sustainable society. LINK provides a forum for these organisations, enabling informed debate, assisting co-operation within the voluntary sector, and acting as a strong voice for the environment. Acting at local, national and international levels, LINK aims to ensure that the environmental community participates in the development of policy and legislation affecting Scotland.

LINK works mainly through groups of members working together on topics of mutual interest, exploring the issues and developing advocacy to promote sustainable development, respecting environmental limits.

Scottish Environment LINK endorses Stop Climate Chaos Scotland's response to this consultation: <a href="https://www.stopclimatechaos.scot/wp-content/uploads/2024/08/SCCS-submission\_-Pre-legislative-scrutiny-of-proposed-Climate-Targets-Bill-by-the-Net-Zero-Energy-and-Transport-Committee.pdf">https://www.stopclimatechaos.scot/wp-content/uploads/2024/08/SCCS-submission\_-Pre-legislative-scrutiny-of-proposed-Climate-Targets-Bill-by-the-Net-Zero-Energy-and-Transport-Committee.pdf</a>

## **Budget**

How can the Scottish Government use this year's Budget to ensure all portfolio areas are focused on achieving the 2045 target?

The issues of climate change and biodiversity loss are intimately related. Climate change is a key driver of nature loss, and, in turn, the decline of functioning ecosystems exacerbates climate change through the release of stored carbon. Nature is the first line of defence against climate change, and investment in nature restoration has a crucial role in both reaching the 2045 target and in adapting to the warming which has already occurred.

#### LAND USE AND FORESTRY

The latest Scottish Greenhouse Gas Emissions figures (2022) provide an outline of the sources of emissions across different economic categories. As presented, domestic transport is the largest source of emissions, followed by agriculture. The LULUCF category (Land Use, Land Use Change and Forestry) is measured separately from agriculture, though the majority of Scotland's land is under agricultural management. LULUCF includes both emission sources and emission sinks, which are then presented as a net figure of 0.2 MTCO2e.(1)

However, this accounting methodology obscures an important fact: when looking at emission sources alone, instead of net figures, land use is Scotland's largest source of emissions.(2) While forestry and grassland act as carbon sinks, there are significant emissions from peatland and cropland. Emissions from peatlands alone are higher than those of the entire industry sector.

These figures should serve as a stark warning to policymakers. Reaching Net Zero requires the LULUCF category to be an overall carbon sink, offsetting residual emissions from across the rest of the economy. Today, LULUCF does not even manage to offset itself. Emissions from the sector are staggeringly high and, while we are benefiting from sequestration, this is at too low a rate to reach our 2045 target.

The Climate Change Committee's 2023 report to Parliament said that "woodland creation will need to more than double by the mid-2020s and peatland restoration rates need to increase significantly". The CCC also point out that "Scotland has missed its peatland restoration target for the fifth consecutive year, with the rate needing to triple to reach the Scottish Government's own target, which is in turn lower in ambition than the CCC's recommended rate".(3)

This has implications not just for Scotland's Net Zero target but for UK wide targets. 60% of the UK's peatland is in Scotland, and there is a strong case for greater UK Government funding to support peatland restoration across the four nations.

This does not detract from the need for the Scottish Government to act in the upcoming budget to support a nature-based approach to climate mitigation and adaptation. The last budget saw the Forestry Grant Scheme cut by 41%. The sudden cut to the Forestry Grant Scheme budget had a dramatic effect on land managers' confidence and practical ability to progress woodland creation projects on the ground. Woodland expansion through natural regeneration and planting is central to what has to be done to restore nature, allow biodiversity to adapt to climate change and increase the capacity of woodlands and, importantly, woodland soils to capture and store carbon. Restoring natural ecosystems at landscape scales, with woodlands and peatlands at their heart, is essential in rebuilding the carbon cycle to underpin a more resilient climate in the medium and long term. Securing long term public funding to provide the key means of financing this is vital.

One of the major threats to our native and ancient woodlands, whose importance is outlined above, is overgrazing by deer. The Scottish Government's budget needs to take into account the recommendations from the Deer Working Group Report. Prioritising the reduction of deer numbers will also have economic implications - reducing deer numbers would lessen the reliance on tree guards and expensive fencing, which is funded from FGS and other land use budgets. Reducing overall deer numbers would free up public money for additional tree planting and restoration.

#### **AGRICULTURE**

Agriculture is a significant source of greenhouse gas emissions and action must be taken to support farmers and crofters to transition to environmentally sustainable forms of food production, such as

the restoration of permanent and low input species-rich grasslands, which sequester and store more carbon while keeping land in production. LINK members believe that the new system of agricultural funding must be more ambitious in supporting the sector in delivering emissions reductions alongside nature-friendly food production. One important example is supporting farmers and crofters to integrate trees into their farming systems, which has a variety of well understood benefits (5). However, recent literature has found that current FGS and agri-payment schemes are insufficient in helping the Scottish Government meet its own commitments to transforming the agricultural sector to become more sustainable and regenerative (4). Payment options of this nature must be non-competitive and available to all farmers and crofters to encourage real change. This ambition could be achieved by signalling that the distribution of funding across the four tiers of the new system will change over time, putting increasing focus on measures that deliver emissions reductions as well as other benefits.

New analysis commissioned by the RSPB, the National Trust and the Wildlife Trusts suggests that a big increase in the UK farming budget is required if nature restoration and climate targets are to be met. This analysis suggests that an annual investment in the region of £5.5-5.9 billion a year will be required for at least the next ten years at the UK level. This is substantially higher than investment in recent years, which has been around £3.5 billion each year. But, as the nature and climate crises worsen, we are calling on the new UK and the existing devolved governments to urgently commit to this long-term annual investment in nature and climate friendly farming because any delay to future proofing the agricultural sector will only mean that it costs more to fix in future.

If we look at Scotland on its own, this analysis suggests that public investment in the region of £1.5-1.8 billion a year for at least the next 10 years is needed to deliver nature and climate objectives. This means that Scotland needs to more than double farm funding over the next ten years.

Consequently we need to see an increase in the farming budget in Scotland but only if most of any increase went to help farmers and crofters do more for nature and climate. A boost to direct payments along existing lines would do little for nature or climate. (6)

- (1) <a href="https://www.gov.scot/publications/scottish-greenhouse-gas-statistics-2022/pages/section-b-results/">https://www.gov.scot/publications/scottish-greenhouse-gas-statistics-2022/pages/section-b-results/</a>
- (2) <a href="https://community.rspb.org.uk/ourwork/b/scotland/posts/latest-climate-change-figures-should-focus-minds-on-nature-based-solutions-like-peatland-restoration">https://community.rspb.org.uk/ourwork/b/scotland/posts/latest-climate-change-figures-should-focus-minds-on-nature-based-solutions-like-peatland-restoration</a>
- (3) <a href="https://www.theccc.org.uk/publication/progress-in-reducing-emissions-in-scotland-2023-rep-ort-to-parliament/?chapter=executive-summary#executiv
- (4) <a href="https://www.soilassociation.org/media/27364/farm-tree-payments-scotland-final-report-06">https://www.soilassociation.org/media/27364/farm-tree-payments-scotland-final-report-06</a>
   0624.pdf
- (5) <a href="https://www.soilassociation.org/media/24323/agroforestry-report-r4-digital-final-070622.pd">https://www.soilassociation.org/media/24323/agroforestry-report-r4-digital-final-070622.pd</a>
- (6) <a href="https://www.wildlifetrusts.org/sites/default/files/2024-07/Scale%20of%20Need%20Report%20Julv%202024%20FINAL.pdf">https://www.wildlifetrusts.org/sites/default/files/2024-07/Scale%20of%20Need%20Report%20Julv%202024%20FINAL.pdf</a>

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## For further information contact:

Dan Paris
LINK Advocacy Manager
dan@scotlink.org



