The Environment Strategy for Scotland:

Progress Report to the Parliament





Mi	Ministerial foreword				
Executive summary					
1.	Background	07			
2.	Progress, challenges and opportunities	15			
	Nature	15			
	Climate change	22			
	Resource-use	26			
	Economy	29			
	Society	34			
	Global footprint	41			
3.	Next steps	45			

Laid before the Scottish Parliament by the Scottish Ministers under Section 47 of the UK Withdrawal from the European Union (Continuity) (Scotland) Act 2021

March 2022

SG/2022/41

Ministerial foreword

I am happy to present to Parliament this first progress report on the development of our environment strategy.

The world recognised at COP26 in Glasgow that now is the time to set a new path for our economies and societies, so that we can flourish within the limits of what our planet can sustain.

The Scottish Government is determined that Scotland plays our full part in responding to the global climate and nature crises. We are demonstrating this commitment through our action, by delivering our updated Climate Change Plan and supporting a just transition to net zero. Through our international leadership on the Edinburgh Declaration, we are calling for an ambitious global biodiversity framework to be agreed at COP15, and we will implement its goals through a new biodiversity strategy. The First Minister's endorsement of the Leaders' Pledge for Nature commits us to help create a nature-positive world by 2030. We are reflecting this goal in our new economic strategy and our planning framework.

We have set out a strong statement of our ambition through the environment strategy vision and outcomes. The development of an over-arching environment strategy presents an opportunity to coordinate and enhance the wide range of actions across government that will deliver transformative change. It creates a framework for our strategies on nature, climate and resource-use and helps to drive a whole-of-government approach to tackling the climate and nature

crises. It also recognises the many ways in which our economy and the health of our communities are dependent on our natural environment to prosper and thrive.

Our ambitions for our environment are underpinned by the provisions in the Continuity Act on environmental principles, the role of Environmental Standards Scotland in supporting environmental governance, and through our new environment strategy. We have committed to introduce legislation for a human right to a healthy environment.

We are now developing the environment strategy to identify the pathways for achieving the vision, building on the commitment to high environmental standards that runs through the Bute House Agreement. This report non-exhaustively sets out many areas of Scottish Government policy and action that are already contributing towards these goals, as well as what we have committed to achieve and some of the challenges and opportunities in realising our vision.

Màiri McAllan MSP

Minister for Environment and Land Reform

Executive summary

This is the first annual progress report to Parliament on the development of the environmental policy strategy which Scottish Ministers are required to publish under section 47 of the Continuity Act ('the Act'). The Scottish Government intends to meet the requirement by building on existing work to develop an Environment Strategy for Scotland, including the publication of the strategy's vision and outcomes (Figure 2) and monitoring framework (Figure 3).

The Environment Strategy vision and outcomes, published in 2020, describe our long-term ambitions for restoring Scotland's natural environment and playing our part in tackling the global climate and nature crises. This will require transformative economic and social change. The delivery of policies and programmes across the Scottish Government is already working to drive progress towards these outcomes, as illustrated in Figure 1.

Nature

COP26 saw the First Minister endorse the Leaders' Pledge for Nature, an international commitment to reverse biodiversity loss and create a 'nature-positive' world by 2030. Through our international leadership on the Edinburgh Declaration, the Scottish Government is calling for an ambitious Global Biodiversity Framework to be agreed at COP 15, setting out bold actions to restore biodiversity.

The Scottish Government is delivering actions across land and sea to improve our natural environment. We are

investing £500 million in the natural economy over the course of this Parliament to support a transformative approach to protecting and restoring Scotland's biodiversity. A new Biodiversity Strategy, to be published by autumn 2022, will set out how we will deliver Scotland's contribution to the goals of the Global Biodiversity Framework. New statutory targets for nature recovery will be implemented through a Natural Environment Bill. A range of additional strategies and initiatives are in place to protect and restore Scotland's marine biodiversity and improve the marine environment, including the Marine Nature Conservation Strategy.

Climate change

Although it is disappointing that the recent annual climate change emissions targets were missed, good long-term progress is being made, with emissions having more than halved since 1990. The updated Climate Change Plan sets out over 200 policies and proposals to drive the emissions reduction needed to 2032, as we progress towards Scotland's 2045 net zero target. The focus is now on delivering this Plan.

The 2022-23 Budget set out record levels of investment to support net zero delivery, including the first £20 million of our £500 million Just Transition Fund. We are also delivering the Scottish Climate Change Adaptation Programme, to support Scotland's resilience to climate change, and developing a new Programme to respond to the Climate Change Committee's updated UK risk assessment, published in 2021.

Resource-use

A Circular Economy Bill will be introduced during this Parliamentary session to ensure legislation is in place to support Scotland's transition to a circular economy. This will build on the wide range of actions underway to help deliver this transition.

The Deposit Return Scheme, to be implemented by August 2023, will be among the most environmentally ambitious and accessible in Europe. Regulations have been laid to ban a wide range of single-use plastic items from June 2022, going further than anywhere else in the UK, subject to the impact of the UK Internal Market Act 2020. The Scottish Government, alongside other UK administrations, has committed to introduce an Extended Producer Responsibility system for packaging, and is developing a Route Map to deliver our waste and recycling targets to 2025 and beyond.

Economy

Tackling the climate and nature crises will require transformative changes in our economy. The Scottish Government's new National Strategy for Economic Transformation (NSET), published in March 2022, sets the direction through its ambition to deliver a just transition to a net zero, nature-positive economy and to harness the opportunities this creates for jobs, businesses and our green recovery from the Covid pandemic.

We are working to deliver these ambitions, for example through the development of Just Transition Plans, the NSET commitment to establish a market for responsible private investment in natural capital, and through support for green jobs and skills. We also need to transform how we use and manage our land and seas to help meet climate and nature targets. This is reflected in the vision for agriculture, published in March 2022, which describes our ambition to be a alobal leader in sustainable and regenerative agriculture, and in our commitment to a Blue Economy strategy and action plan.

Society

Transformation in our society is also needed. Restoring the health of our natural environment, and making our lifestyles more sustainable, will help to tackle poverty and inequality, improve people's physical and mental health and wellbeing, and enhance children's early years and educational experiences.

Many policies across government are working to deliver these multiple benefits for people, net zero and nature. These include improvements to air quality delivered through the Cleaner Air for Scotland 2 strategy, the emphasis on active travel in the National Transport Strategy, and the promotion of healthy, sustainable diets through the Good Food Nation Bill and draft Local Food Strategy. The draft Fourth National Planning Framework and Regeneration Strategy will help to create healthier, more sustainable places by promoting urban natural infrastructure, and the creation of 20-minute neighbourhoods that reduce the need to travel.

A just transition to a net zero, nature-positive country will help to tackle wider national challenges around poverty and inequalities – for example, by creating good, green jobs with opportunities for all, reducing fuel and transport poverty, and addressing inequalities in the quality of people's local environments and access to nature.

Global footprint

The Environment Strategy sets out the ambition for Scotland to have a sustainable global footprint. This is at the heart of Scotland's Vision for Trade, published in 2021, which is seeking opportunities to use trade as a lever to improve our international environmental impact. The Scottish Government is working to identify opportunities to strengthen coherence between our trade, environment and climate policies and is engaging with the UK Government to press for innovative, robust and enforceable text on the environment in all Free Trade Agreements. The Scottish Government is also committed to supporting climate justice and has announced a trebling of the Climate Justice Fund.

Next steps for the Environment Strategy

The Environment Strategy will not be a separate programme of action – instead it will support a whole-of-government approach to achieving our vision. Delivery is already happening, as described in this report, and the Scottish Government is developing **pathways** to support further delivery of the strategy outcomes through a wide range of policies and programmes.

The outcome pathways on nature, climate change and resource-use will signpost Scotland's established strategies and plans in these areas. The outcome pathways on Scotland's economy, society and global footprint will identify the potential for further action to deliver these outcomes, building on the policies set out in this report, summarised in Figure 1.

The pathways will be informed by extensive engagement and will be published for public consultation. In parallel, we are working to further develop the Environment Strategy **monitoring framework**, which will inform and measure progress to deliver our 2045 vision.

Figure 1: Environment Strategy – key areas of existing action

UN Sustainable Development Goals 1 NO 2 ZERO 3 GOOD HEALTH POVERTY 2 LINGER 4 QUALITY EQUALITY FOVERTY 5 GENDER EQUALITY 6 AND SANITATION 7 AFFORDABLE AND 8 DECENT WORK AND SANITATION 7 CLEAN ENERGY 8 ECONOMIC GROWTH CONTROL OF THE POVERTY CLEAN ENERGY 5 CLEAN WATER 7 AFFORDABLE AND 8 DECENT WORK AND SANITATION 7 CLEAN ENERGY 5 CLEAN WATER 7 AFFORDABLE AND 8 DECENT WORK AND SANITATION 7 CLEAN ENERGY 5 CLEAN WATER 7 AFFORDABLE AND 8 DECENT WORK AND SANITATION 7 CLEAN ENERGY 5 CLEAN WATER 7 AFFORDABLE AND 8 DECENT WORK AND SANITATION 7 CLEAN ENERGY 5 CLEAN WATER 7 AFFORDABLE AND 8 DECENT WORK AND SANITATION 7 CLEAN ENERGY 5 CLEAN WATER 7 AFFORDABLE AND 8 DECENT WORK AND SANITATION 7 CLEAN ENERGY 5 CLEAN WATER 7 AFFORDABLE AND 8 DECENT WORK AND SANITATION 7 CLEAN ENERGY 5 CLEAN WATER 7 AFFORDABLE AND 8 DECENT WORK AND SANITATION 7 CLEAN ENERGY 5 CLEAN WATER 7 AFFORDABLE AND 8 DECENT WORK AND SANITATION 7 CLEAN ENERGY 5 CLEAN WATER 7 CLEAN ENERGY 5 CLEAN ENERGY 5 CLEAN WATER 7 CLEAN ENERGY 5 CLEAN WATER 7 CLEAN ENERGY 5 CLEAN ENERGY 5 CLEAN ENERGY 5 CLEAN WATER 7 CLEAN ENERGY 5 CLEAN



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

National Performance Framework National Outcomes



The Environment Strategy for Scotland

By restoring nature and ending Scotland's contribution to climate change, our country is transformed for the better - helping to secure the wellbeing of our people and planet for generations to come

Scotland's nature is protected and restored, with flourishing biodiversity and clean and healthy air, water, seas and soils	We play our full role in tackling the global climate emergency and limiting temperature rise to 1.5°C	We use and re-use resources wisely and have ended the throw-away culture	Our thriving, sustainable economy conserves and grows our natural assets	Our healthy environment supports a fairer, healthier, more inclusive society	We are responsible global citizens with a sustainable international footprint
New Scottish Biodiversity Strategy & Delivery Plan	Climate Change Act	Circular Economy Strategy: Making Things Last	National Strategy for Economic Transformation	Fourth National Planning Framework	Scotland's Vision for Trade Global Affairs Framework International Development Strategy
Natural Environment Bill	Climate Change Plan Update	Circular Economy Bill	Climate Emergency Skills Action Plan	National Transport Strategy 2	
Marine Nature Conservation & Litter Strategies		Food Waste Reduction Action Plan	Just Transition Plans	Cleaner Air for Scotland 2	
Cleaner Air for Scotland 2	Scottish Climate Change Adaptation Programme 2		Infrastructure Investment Plan	Good Food Nation Bill	
River Basin		National Litter & Flytipping Strategy	Vision for Agriculture	New Local Food Strategy	
Management Plans	Net Zero Nation: Public Engagement Strategy		Agriculture Bill	Regeneration Strategy	
Scottish Soils Framework		New Waste & Recycling Route Map	Scotland's Forestry Strategy	Human Rights Bill	

Third Land Use Strategy, National Marine Plan & New Blue Economy Strategy

Outcome pathways

Signposting to these strategies and identifying opportunities for **joined-up approaches**

Outcome pathways

Building on these strategies by identifying areas where there is potential for further action to help drive transformative change

1. Background

Section 47 of the UK Withdrawal from the European Union (Continuity) (Scotland) Act 2021 ('the Continuity Act') requires the Scotlish Ministers to prepare and publish an environmental policy strategy. The section places a number of requirements on the process and content of this strategy, including that a report containing an explanation of progress towards preparation of the strategy should be submitted to the Parliament annually until it is completed. This is the first annual report on progress.

In order to meet the requirements of section 47 of the Continuity Act, the Scottish Government will build on existing work to develop an Environment Strategy. The Environment Strategy vision and outcomes document was published in 2020, and this is already influencing policy development across government.

In this chapter, we will:

- summarise progress to date in developing the Environment Strategy, including publication of the vision and outcomes, initial monitoring framework and website;
- discuss how the development of the strategy will fulfil the requirements in the Continuity Act;
- explain how the Environment Strategy will continue to influence policy development across government as it is developed.

1.1 Environment Strategy: vision and outcomes

The Environment Strategy vision and outcomes¹ were published by the Scottish Government in February 2020. This followed lengthy consultation with stakeholders, through an online discussion and consultative groups. A series of knowledge accounts were published at the same time, summarising the key evidence that supported the development of the strategy.

One Earth. One home. One shared future.

By 2045: by restoring nature and ending Scotland's contribution to climate change, our country is transformed for the better – helping to secure the wellbeing of our people and planet for generations to come.

Alongside the vision, we presented six outcomes that provide focus for the efforts of the Scottish Government and partners to achieve the vision.

^{1 &}lt;u>The Environment Strategy for Scotland: vision</u> and outcomes

Three of the outcomes describe our ambitions for the environment, focussing on nature, climate change and sustainable resource-use:

- Scotland's nature is protected and restored with flourishing biodiversity and clean and healthy air, water, seas and soils.
- We play our full role in tackling the global climate emergency and limiting temperature rise to 1.5°C.
- We use and re-use resources wisely and have ended the throw-away culture.

There are established policies and strategies in these areas, which are reflected in the Environment Strategy.

The Environment Strategy sets an overall framework for these policies and explores synergies between them.

The remaining three outcomes describe wider ambitions for Scotland's economy, society and global citizenship – drawing out connections with wider government policies:

- Our thriving, sustainable economy conserves and grows our natural assets.
- Our healthy environment supports a fairer, healthier, more inclusive society.
- We are responsible global citizens with a sustainable international footprint.

It is important that all areas of policy contribute towards the vision of the strategy, driving the transformative changes needed to tackle the twin crises, through a just transition. It is also vital to recognise the role nature can play in achieving wider goals for the health and wellbeing of Scotland's people and the resilience of our economy.

Figure 2 shows how our action to deliver the strategy outcomes will help to achieve the Scottish Government's national outcomes and contribute to the UN sustainable development goals.

Figure 2: Contribution of the Environment Strategy vision and outcomes to National Outcomes and UN Sustainable Development Goals



Centre: Environment Strategy vision

Inner ring: Environment Strategy

outcomes

Middle ring: National Outcomes in the National Performance Framework

Outer ring: UN Sustainable Development Goals

Key National Outcomes in the National Performance Framework



Children and young people: We grow up loved, safe and respected so that we realise our full potential



Communities: We live in communities that are inclusive, empowered, resilient and safe



Culture: We are creative and our vibrant and diverse cultures are expressed and enjoyed widely



Economy: We have a globally competitive, entrepreneurial, inclusive and sustainable economy



Education: We are well educated, skilled and able to contribute to society



Environment: We value, enjoy, protect and enhance our environment



Fair work and business: We have thriving and innovative businesses, with quality jobs and fair work for everyone



Health: We are healthy and active



Human rights: We respect, protect and fulfil human rights and live free from discrimination



International: We are open, connected and make a positive contribution internationally



Poverty: We tackle poverty by sharing opportunities, wealth and power more equally

UN Sustainable Development Goals







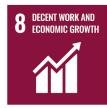




SUSTAINABLE CITIES AND COMMUNITIES











PEACE, JUSTICE

AND STRONG















1.2 Environment Strategy: initial monitoring framework

The Scottish Government published an initial monitoring framework for the Environment Strategy in February 2021.² This set out the initial selection of indicators that will be used to track progress towards the strategy outcomes, summarised in Figure 3, and plans for reporting progress. It also identified areas where further work will be undertaken to explore indicators as the monitoring framework is further developed.

A website³ for reporting on the monitoring framework was launched in November 2021. The website presents information on the status of indicators and summarises what this tells us about progress towards the strategy's outcomes. It also signposts to where more detailed monitoring information can be found for the strategies and plans that sit within the Environment Strategy framework. The website will be updated as new data becomes available.

^{2 &}lt;u>Environment Strategy: initial monitoring framework</u>

^{3 &}lt;u>Environment Strategy: monitoring framework website</u>

Access to green and blue space **Active** Visits to the travel outdoors Global **Natural Capital** environmental **Accounts** impact of (monetary flows, Scotland's excluding fossil consumption* Sustainability fuels) Our healthy environment of fish supports a fairer, healthier, more stocks Our inclusive society thriving, We are **Natural** responsible sustainable Capital One Earth. % of Scotland's economy global citizens **Asset** One home. waste managed with a conserves One shared future. Index in Scotland sustainable and grows By 2045: By restoring nature international our natural and ending Scotland's assets footprint contribution to climate change, our country is transformed for Scotland's nature We use the better - helping to is protected and re-use secure the wellbeing of Marine and and restored Total resources our people and planet terrestrial with flourishing waste wisely and have for generations species biodiversity and ended the generated to come. Air throw-away clean and healthy Carbon pollutant culture air, water, seas footprint of We play our full emissions and soils role in tackling the Scotland's global climate emergency waste Marine and limiting temperature **Freshwater** environmental rise to 1.5°C condition quality † **Material** Greenhouse footprint Soil health* gas emissions Nature-based Scotland's solutions carbon footprint to climate change ††

Figure 3: Environment Strategy: Initial Monitoring Framework

Key:

Centre: Environment Strategy vision

Inner ring: Environment Strategy

outcomes

Outer ring: Indicators in initial

monitoring framework

- * Indicators to be confirmed
- † A suite of indicators reflecting chemical contamination, marine litter and seafloor integrity
- †† A suite of indicators relating to woodland expansion and peatland restoration

1.3 Environment Strategy: outcome pathways

The vision and outcomes set a clear direction for restoring our natural environment, tackling the climate and nature crises, and harnessing wider benefits for Scotland's prosperity and wellbeing.

In the next phase of work on the strategy, we are developing 'outcome pathways': identifying the policies and actions needed to achieve the strategy's outcomes, working across government. Further information on our plans for this work is set out in Chapter 3.

1.4 How the development of the strategy will fulfil the requirements in the Continuity Act

Section 47 of the Continuity Act requires Scottish Ministers to prepare and publish an 'environmental policy strategy', and to have due regard to it when developing policies. These provisions allow for work completed before the Act came into force to form part of the environmental policy strategy. To meet these requirements, the Scottish Government will build on the existing development of the Environment Strategy.

As required in section 47(2), further work on the strategy will continue to set out:

- objectives for protecting and improving the environment,
- policies and proposals for achieving the objectives (or a summary or indication of such polices and proposals), and
- arrangements for monitoring progress towards achieving the objectives.

As required in section 47(3), we will ensure that the strategy:

- aims at a high level of environmental protection,
- contributes to sustainable development,
- contributes to improving the health and wellbeing of Scotland's people,
- contributes to objectives in policy areas other than environmental policy,
- integrates environmental policy objectives into the development of policies in other areas, and
- responds to global crises in relation to climate change and biodiversity.

We shall ensure that our plans for consultation on the strategy meet the requirements set out in section 47(6).

1.5 How the Environment Strategy will continue to influence policy development across government as it is developed

The provisions of the Continuity Act require Ministers to consider how the strategy contributes to wider policy objectives across government, as well as integrating environmental policy objectives into other areas of policy development. This is fundamental to the effectiveness of the strategy.

The twin climate and nature crises are amongst the greatest challenges that Scotland faces in the comina decades. The international consensus is clear that tackling these crises will rely on transformative changes in the economies and societies of countries around the world, particularly in rich, developed countries like Scotland. To play our part, it is essential that ambitious policies are in place, reflected across the full range of government activities. At the same time, our action will create new opportunities to address national challenges around poverty, inequalities, health and wellbeing, helping to transform our country for the better.

Throughout the development of the strategy to date, there has already been substantial interaction with policy areas across government. Continued cross-government working is key to the next stages of strategy development, including cooperation with partners across the public, charity and private sectors. We do not want to wait until the Environment Strategy is complete, and then seek to incorporate policies in other plans and programmes. Rather, our aim is to work across policy areas as we develop the strategy. The Environment Strategy is not intended to be a separate programme of actions. Instead, we will report how actions to help achieve the strategy's vision are being incorporated into strategies and programmes across the breadth of government activity, helping to achieve lasting, transformative change.

2. Progress, challenges and opportunities

This chapter provides examples of how policies across government are helping to drive progress towards the Environment Strategy's vision and outcomes. The vision and outcomes publication provides a full description of the outcomes, highlighting key evidence and policy challenges – that information is not duplicated in this report. When developing outcome pathways, we will take stock of existing actions across government and explore where new or different action may help to deliver transformative change. The summaries for each outcome, presented below, are not intended to provide a comprehensive review. Instead, they describe examples of key areas of progress, including existing commitments for future action. We also set out some of the challenges and opportunities that will be explored as the strategy is developed.

Outcome:

Scotland's nature is protected and restored with flourishing biodiversity and clean and healthy air, water, seas and soils

This outcome is about restoring the richness and resilience of nature in Scotland – for its own sake, and because it is fundamental to our health, wellbeing and prosperity. It means reversing biodiversity loss and improving the health and quality of our natural environment.

Our natural world is in crisis. Recent global studies have shown that the health of the world's ecosystems is declining faster than at any point in human history, with a million species at risk of extinction. The World Economic Forum's 2022 Global Risks Report⁴ identified biodiversity loss as one of the most severe risks the world faces over the next 10 years. The decline in nature is also reflected in Scotland, where there has been a sustained net loss of biodiversity in recent decades.⁵

We are committed to playing Scotland's full role in tackling this crisis. At COP26, the First Minister endorsed the **Leaders' Pledge for Nature**, an international commitment to reverse biodiversity loss and create a 'nature-positive' world by 2030. A new Global Biodiversity Framework will be agreed this year at COP15. Through our leadership in launching and promoting the **Edinburgh Declaration**, we are calling for the Framework to set out bold actions to tackle biodiversity loss, and to recognise the vital role of subnational governments in achieving this.

⁴ World Economic Forum: Global Risks Report 2022

⁵ State of Nature Scotland Report 2019

⁶ Leaders' Pledge For Nature

⁷ Edinburgh Declaration on post-2020 biodiversity framework

The Scottish Government is also committed to improving the quality of our natural environment, including our air, freshwater, seas and soils, to help restore the health of Scotland's ecosystems. This, in turn, will support the health and wellbeing of people and communities across Scotland, and the productivity of many sectors in our economy.

Although further transformative action is needed, the Scottish Government has a range of existing strategies and policies that are working towards achieving this outcome. Key examples are outlined below.

Biodiversity

The **Statement of Intent on Biodiversity**, ⁸ published in 2020, announced our plans for publishing a new biodiversity strategy by autumn 2022. This will set out our approach to delivering Scotland's contribution to the goals of the new Global Biodiversity Framework. We are currently working to develop the strategy, supported by extensive stakeholder engagement, and will shortly invite views through a public consultation. We will publish a delivery plan within six months of the new strategy.

In parallel, we are developing statutory targets for nature recovery, which will be implemented through a **Natural Environment Bill**, to be laid before Parliament in 2024. We have already made an ambitious commitment to protect 30% of Scotland's land for nature by 2030, and highly protect 10% – a world-leading target. This will build on our existing strong networks of protected areas, which currently cover around 18% of Scotland's land area,9 compared to 6.5% in England and a UK average of 10.8%.

The Bute House Agreement¹⁰ sets out a wide range of ambitious commitments to strengthen our approach to protecting and restoring Scotland's biodiversity. For example:

 We will increase the annual native woodland creation target to 4000 hectares and set evidence-based targets for both native woodlands and natural regeneration as part of the new Biodiversity Strategy. This will build on strong progress in delivering the existing Biodiversity Strategy annual target for native woodland creation over the last four years. To support natural regeneration, the recommendations of the Deer Management Working Group¹¹ will be implemented and agricultural support schemes will encourage a reduction in grazing pressure in the uplands.

⁹ Including Sites of Special Scientific Interest (SSSI), Special Protection Areas (SPA), Special Areas of Conservation (SAC) and Ramsar wetland sites.

^{10 &}lt;u>Scottish Government and Scottish Green</u> <u>Party: draft shared policy programme</u>

^{11 &}lt;u>Deer Working Group recommendations:</u> Scottish Government response

^{8 &}lt;u>Scottish biodiversity strategy post-2020:</u> statement of intent

- Recognising that urgent action is needed to tackle wildlife crime and to address the environmental impacts of intensive grouse moor management, we will deliver the recommendations of the Grouse Moor Management Review Group, including the licensing of grouse moors. Licensing or further regulation will cover the key areas identified in the review, including muirburn, wildlife control, the use of medicated grit and wildlife crime. Licensing will be supported by clear penalties to encourage compliance, as well as additional effort to detect wildlife crime.
- Recognising the role of species
 reintroductions and translocations in
 helping to restore biodiversity, we will
 support the continued expansion of
 the beaver population. This will include
 considering other locations in Scotland
 and providing financial and practical
 support to facilitate translocation.

Tackling the nature crisis will require a step change in investment. In July 2021, we launched the Nature Restoration **Fund**¹² – our biggest-ever grant scheme targeted at nature restoration. Following an expansion to the Fund announced during COP26, it will provide £65 million over the term of this Parliament. This will enable large-scale, multi-year projects to restore wildlife and habitats on land and sea. Over the course of this Parliament, we have committed to investing £500 million in the natural economy, to support a transformative approach to protecting and restoring Scotland's biodiversity. In addition to the Nature Restoration Fund, this will support a wide range of investments, including

woodland creation, peatland restoration, the restoration and expansion of Scotland's rainforests, and funding to ensure that every Local Authority area will have a Nature Network of new, locally driven projects to improve ecological connectivity across Scotland. Though the Low Carbon Fund, we are also investing £50 million in the Royal Botanic Garden Edinburgh's Biomes Initiative. This is the biggest conservation initiative in the organisation's history, helping to deliver climate, economic, wellbeing and environmental benefits.

We recognise that public investment alone will not be sufficient to meet the scale and pace of action needed to tackle the nature crisis. We are also committed to seeking opportunities to increase the contribution from private finance. Activities designed to help harness private investment are described on page 32.

Marine environment

The North-East Atlantic Environment
Strategy¹³ is the key means by which
OSPAR's 16 Contracting Parties will
implement the OSPAR Convention¹⁴
until 2030. Adopted in 2021, it sets out
collective objectives to tackle the triple
challenge facing the North-East Atlantic
ocean: biodiversity loss, pollution,
including marine litter, and climate
change. We are working with the rest
of the UK and the other Contracting
Parties on the implementation of this
new Strategy to improve the state
of the marine environment.

The Marine Nature Conservation

Strategy¹⁵ sets out our approach
for protecting and restoring

Scotland's marine biodiversity and
improving the marine environment.

Scotland also collaborates with other
UK administrations to deliver the
UK Marine Strategy,¹⁶ which aims to
achieve Good Environmental Status in
UK waters by monitoring, assessing and
managing our marine environment.

To help drive progress towards these goals, a range of additional strategies have been published, or are under development:

- The **Scottish Wild Salmon Strategy**, ¹⁷ published in January 2022, sets out a framework for supporting the recovery of Scotland's wild Atlantic salmon populations, which have undergone significant decline in recent decades. An Implementation Plan for the strategy will be published by the end of 2022.
- A Scottish Seabird Conservation
 Strategy will aim to maximise the
 conservation prospects of seabirds,
 recognising that Scotland's marine
 environment is globally important
 for many seabird species.
- We are leading the development of a UK Dolphin and Porpoise Strategy, to provide a coherent approach to conserving these species, given their highly mobile populations.
- Earlier this year, we consulted on a refreshed Marine Litter Strategy¹⁸ to set out our plans for tackling marine litter, in particular marine plastics, and its damaging impacts on marine wildlife and ecosystems. The strategy sets out measures to prevent litter from entering the marine and coastal environment. and to support its removal. We have also recently consulted on an updated National Litter and Flytipping Strategy. 19 Since the majority of marine litter originates from land, this terrestrial strategy and action plan will directly impact on marine litter levels. Both strategies will be published later in 2022.

¹³ North-East Atlantic Environment Strategy 2030

¹⁴ OSPAR is the mechanism by which 15 Governments & the EU cooperate to protect the marine environment of the North-East Atlantic

^{15 &}lt;u>Marine Scotland - Nature Conservation</u> Strategy, 2013

^{16 &}lt;u>UK Marine Strategy</u>

¹⁷ Scottish Wild Salmon Strategy

¹⁸ Marine litter strategy: consultation

¹⁹ Litter strategy - five years on: review

Over 37% of our seas are already in Marine Protected Areas, with fisheries management measures, for those sites which still require them, to be implemented by 2024. As set out in the Bute House Agreement, we will add to this network by designating a world-leading suite of Highly Protected Marine Areas (HPMAs) covering at least 10% of Scotland's seas. This will exceed the commitment to 'strict protection' by 2030 made in the EU biodiversity strategy by achieving this by 2026 for inshore waters and - subject to the cooperation of the UK Government - by the same year for offshore waters. HPMAs will provide protection from all extractive, destructive or depositional activities (including all fisheries, aquaculture and other infrastructure developments) while allowing other activities, such as tourism or recreational water activities, at non-damaging levels. This will deliver a significant increase in the level of environmental protection for Scotland's seas, supporting our commitment to achieve good environmental status for our waters. We are currently developing a policy framework to underpin the selection and designation of HPMAs and expect to consult on this in autumn 2022.

We are also continuing to expand the network of marine **Special Protection Areas** (SPAs) by designating two new SPAs in Orkney, covering an area larger than the size of Edinburgh and Glasgow, in February 2022, providing protection for vulnerable seabirds. These new designations largely complete the network of marine SPAs, with fourteen sites across Scotland's seas.

Air quality

The new air quality strategy, Cleaner Air for Scotland 2 – Towards a Better Place for Everyone,²⁰ was published in 2021. It describes our vision for Scotland to have the best air quality in Europe, to safeguard the health and wellbeing of Scotland's people and our natural environment. Although there have been significant improvements in air quality in recent years, the strategy emphasises that sustained and systemic action is needed to drive further progress. This will require a cross-government approach, building on connections across transport, climate change, health, environment, planning, energy and land use.

Examples of progress since the first Cleaner Air for Scotland strategy include:

- establishing Scotland's first Low Emission Zone in Glasgow
- becoming the first European country to place the World Health Organization guideline value for PM2.5 in domestic legislation
- committing to reduce motor vehicle kilometres by 20% by 2030
- increasing our active travel funding to £500 million over five years from 2020/21
- reforming Scotland's planning system, including plans for 20-minute neighbourhoods that reduce the need for vehicle use.

^{20 &}lt;u>Cleaner Air for Scotland 2 - Towards a Better</u> <u>Place for Everyone</u>

The new strategy sets out plans for improving air quality over the next five years. Actions are designed to help reduce the sources of air pollution from industry, transport, agriculture and domestic burning. The strategy promotes a whole-of-government approach, including through our approach to place-making and 20-minute neighbourhoods. It also promotes a precautionary approach to the health impacts of air pollution. It emphasises the importance of public awareness and engagement to encourage behaviour change, as well as improvements to data collection, governance, accountability and delivery. A progress review will commence in 2024. We have established a three tier governance structure to drive forward the delivery of the strategy. A Ministerial Group, chaired by the Minister for Environment and Land Reform, provides high-level strategic direction. This is supported by a Delivery Group, to ensure that implementation of actions remains on track, and a series of Expert Groups to provide specialist input on key areas.

Water quality

Our **River Basin Management Plans** set out a framework for protecting and improving Scotland's water environment including rivers, estuaries, lochs, groundwater and coastal areas. The water environment in Scotland is divided into 3,652 individual waterbodies that are monitored and assessed by the Scotlish Environment Protection Agency (SEPA). There are also 1,526 protected areas associated with the water environment, including bathing waters, shellfish waters, areas protected for wildlife conservation or areas used to supply drinking water.

One aspect of the Plans is focussed on achieving good water quality. SEPA's most recent 2020 classification results²¹ show that 87% of Scotland's rivers, lochs, estuaries, and coastal waterbodies have good water quality. This is up from 82% when the second Plans were published in 2015. The upgrade in water quality reflects improvements made through Scottish Water's investment programme²² and the sustained hard work by all stakeholders to improve rural land management practices and reduce diffuse pollution. However, there are still significant problems affecting water quality. Setting out a framework of actions for public bodies, industry and land managers, River Basin Management Planning is addressing these issues to protect and improve Scotland's water environment for the benefit of people, wildlife and the economy. An example of where this approach has delivered a marked improvement is in the quality of Scotland's bathing waters, which is the best it has been since tighter standards came into force in 2015. In 2021, 99% of designated bathing waters met the required standards.

The third River Basin Management Plans²³ were published by SEPA, on behalf of the Scottish Government, in December 2021. They set out revised objectives for the 2021-27 period. The associated work programme aims to ensure that 92% of Scotland's waterbodies achieve a 'good' or better classification for water quality by 2027, and continue to improve as natural conditions recover beyond that date.

²¹ SEPA Water Classification Hub

²² Investment Programme - Scottish Water

²³ The River Basin Management Plan for Scotland 2021 - 2027

To support delivery of the third River Basin Management Plans, Scottish Water published the **Improving Urban Waters Route Map**²⁴ in 2021 and announced plans to invest half a billion pounds in Scotland's waste water network. The Route Map includes a wide range of actions to improve the water quality of rivers, beaches and urban waters, ensure they are free from debris and reduce spills from sewers.

Soils, including peatland

Scotland's soils are at the heart of our terrestrial ecosystems, supporting key lifecycle processes. They help to provide essential natural services we all rely on, from healthy food to protection from flooding, and support the productivity of many industries. However, soils are also extremely vulnerable and require sustainable and effective management. The Scotlish Government supports the maintenance, management and protection of Scotland's soils through our planning, biodiversity, agriculture and water environment policies.

The £51 million **National Test Programme**,²⁵ which will launch in spring 2022, will support and encourage farmers and crofters to learn about how their work impacts on climate and nature, including offering financial support to carry out carbon audits, soil testing and nutrient management planning. In parallel, the Scottish Government is supporting the **Soil Regenerative Agriculture Group**,²⁶ which facilitates joint working by farmers to establish how best to support, enhance and protect their farm soils.

Scotland has also joined the '4 per 1000' initiative,²⁷ which encourages stakeholders to work towards improved soil carbon storage and soil health through a peer-to-peer support network. The initiative demonstrates how sustainable soil management can help to achieve goals for both climate change and food security.

Scotland's peat soils have the potential to play a key role role in meeting our climate change targets. More than 20% of Scotland's land area is covered by peat. In good condition, peatlands store carbon from the atmosphere, support biodiversity, help to improve water quality and manage flood risk. However, it is estimated that over 80% of our peatlands are degraded. When degraded, peatlands no longer provide these benefits and become a net source of carbon emissions.

^{25 &}lt;u>A National Test Programme to start</u> transforming agriculture in Scotland

²⁶ Farming for a Better Climate: Soil Regenerative Agriculture Group

^{27 4} per 1000 initiative

Since 2012, the Scottish Government has supported restoration activities on around 30,000 hectares of degraded peatland through the Peatland ACTION project, run by NatureScot. However, we are committed to significantly increasing the rate of peatland restoration. In 2020, ambitious plans were announced to invest more than £250 million over ten years to restore at least 250,000 hectares of degraded peatlands by 2030. We have commissioned NatureScot to consider transformative new delivery models to support this target. We are working across government and with partners to help leverage private investment in peatland restoration, recognising that a blend of public and private investment will be essential. We know that some of the best opportunities will come from restoring peat that is currently under some form of agricultural use. We will work with the agriculture and land use sectors to explore opportunities for delivering increased peatland restoration alongside sustainable food production.

Outcome:

We play our full role in tackling the global climate emergency and limiting temperature rise to 1.5°C

At COP26 in Glasgow last year, countries came together to agree a path to limit global temperature rise to 1.5°C – the critical threshold for protecting current and future generations from the worst impacts of climate change. Scotland's aspirations were for an international agreement that:

- set out action to limit global warning to 1.5°C;
- delivered the \$100 billion of finance, promised by the global north to developing nations in 2009; and
- recognised the developed world's obligation to help developing countries pay for loss and damage they are already suffering as a result of climate change.

The **Glasgow Climate Pact**²⁸ represents progress on many of these issues - but it must be built on urgently. As the First Minister noted in her address to Parliament following COP26, 'the key test will be whether it is implemented fully and with the required urgency'.²⁹ To keep 1.5°C in reach, global emissions must be almost halved by the end of this decade. This means it is vital for countries to bring substantially increased nationally determined contributions to COP27 this year. Further urgent action is also required on climate finance and loss and damage.

²⁸ Glasgow Climate Pact

²⁹ COP26: First Minister's statement - 16 November 2021

We are committed to playing Scotland's full part in tackling the global climate emergency. This means delivering action to reduce our own greenhouse gas emissions to net zero by 2045, through a just transition. It also means supporting international climate justice and tackling our global carbon footprint, including emissions associated with our consumption of imported products. Finally, it means ensuring that Scotland's communities, natural environment and economy are resilient to the locked-in impacts of climate change, through our action on climate change adaptation.

Progress in delivering these ambitions for climate change mitigation and adaptation is summarised below. Our approach to achieving the just transition to a net zero economy is described on page 31, under the outcome on Scotland's economy. Actions to support climate justice and reduce our global carbon footprint are described on pages 41-43, under the outcome on Scotland's international footprint.

Climate Change Plan update and monitoring

Whilst it is disappointing that recent annual emissions targets have been missed, good long-term progress in reducing Scotland's greenhouse gas emissions is being made, with emissions having more than halved since 1990. We need to do the same again over the next two decades to achieve a just transition to net zero by 2045, while meeting statutory annual targets including a 75% reduction in emissions by 2030.³⁰

The update to our 2018 Climate Change Plan (CCPu),31 published in 2020, sets out over 200 policies and proposals to drive the economy-wide emissions reduction needed to 2032. Our focus is now on delivering this Plan. In their recently published Progress Report,32 the Climate Change Committee (CCC) recognised that the updated Plan represents a further advance in the Scottish Government's climate policy ambition. The 2022-23 Budget also set out record levels of investment to support our just transition to net zero, including the first £20 million of our £500 million Just Transition Fund.

The CCPu adopts a 'learning by doing' approach that acknowledges current uncertainties, such as the pace of technological development and action by UK Government, and seeks to iterate, review and adapt our approach. The monitoring framework, laid out in the CCPu and reported on an annual basis, lies at the heart of this approach. The most recent monitoring report,33 published in May 2021, found that ten indicators were 'on track', two were 'off track' and for 29 it was 'too early to say'. The next report will be published in May, and we expect the indicator assessments to offer a more complete picture.

³⁰ Climate Change (Emissions Reduction Targets) (Scotland) Act 2019

^{31 &}lt;u>Securing a green recovery on a path to</u> net zero: climate change plan 2018–2032 update

^{32 &}lt;u>Climate Change Committee: progress</u>
reducing emissions in Scotland 2021 report to
Parliament

^{33 &}lt;u>Climate Change Plan: monitoring reports - 2021 compendium</u>

We recognise that the climate and nature crises are intrinsically linked and are committed to taking a joined-up approach to reaching net zero and restoring nature. We are investing in nature-based solutions to climate change. For example:

- We have committed £250 million to support peatland restoration, as described above.
- We are investing an additional £100 million to support woodland creation, through the Low Carbon Fund. Scotland's forest and woodlands are a net carbon sink, absorbing the equivalent of 6.2 million tonnes of carbon dioxide in 2019, equivalent to around 10% of our gross GHG emissions. Scotland is raising the bar on tackling climate change and nature loss through tree planting by increasing yearly targets from 12,000 hectares to 18,000 hectares of new woodland each year by 2024/5. In the last two years, 22,000 hectares of new woodland has been created. 40% of which is **native woodland**. Last year, Scotland was responsible for around 80% of all new woodland created in the UK.
- We have committed to protect and expand **Scotland's rainforest** over the life of this Parliament, as part of the £500 million investment in our natural economy. The west of Scotland is home to one of the most important remaining rainforest sites in Europe, with its rich diversity of species making it internationally important. We are engaging with the Alliance for Scotland's Rainforests to determine how best to fulfil this commitment.

We have committed over £650,000
to Scotland's blue carbon research
programme through the Scottish Blue
Carbon Forum, leveraging significant
additional funding from partnerships.
Research by the Forum is helping to
identify the contribution blue carbon
habitats (such as saltmarsh, seagrass
and shelf-sea sediments) can make to
climate change mitigation, adaptation
and resilience.

The next statutory Climate Change Plan will be completed by March 2025 at the latest, containing a comprehensive, detailed and ambitious policy package from 2024 to 2039/40.

Climate change adaptation and resilience

We are already seeing the effects of climate change here in Scotland, with more extreme weather events and rising sea levels. As a nation, we must adapt to these changes and prepare for the impacts of global climate change which are already locked in. The Scottish Government's approach to building resilience to the future impacts of climate change is set out in our statutory Scotlish Climate Change Adaptation Programme 2019-2024.³⁴

^{34 &}lt;u>Climate Ready Scotland: climate change</u> <u>adaptation programme 2019-2024</u>

The Programme responds to the main climate risks for Scotland – covering a range of global warming scenarios and taking an outcomes-based and people-centric approach. It sets out over 170 policies and proposals across Scotland, including investing an additional £150 million for flood risk management and £12 million for coastal change adaptation over this Parliament. Progress in delivering the Programme is summarised in our second annual progress report, 35 published May 2021. The next progress report is due in May 2022.

Both the CCC's updated independent assessment of climate risk across the UK nations³⁶ published in June 2021, and the IPCC report on Impacts, Adaptation and Vulnerability,³⁷ published in February 2022, have emphasised the urgency of the adaptation and resilience challenge. The Scottish Government has accepted in full the findings of the CCC's risk assessment and acknowledged that more needs to be done on adaptation as part of Scotland's just climate transition.

In response to the CCC's updated risk assessment, the Scottish Government hosted a National Climate Resilience Summit to help raise collective ambition across the public, private and third sectors. We are also beginning to develop Scotland's next statutory climate change adaptation programme. To help inform this, we have recently received additional, more detailed, advice from the CCC on Scotland's current approach to adaptation and resilience.38 This advice, along with the findings of the National Climate Resilience Summit, Scotland's Just Transition Commission and Climate Assembly, will all help to shape the development of the next statutory programme, which is due for publication in 2024. In addition, we are exploring options for an early response in the highest priority risk areas identified by the CCC.

^{35 &}lt;u>Climate change - adaptation programme:</u> <u>progress report 2021</u>

³⁶ UK Climate Risk

³⁷ IPCC Report - Climate Change 2022: Impacts, Adaptation and Vulnerability

^{38 &}lt;u>Is Scotland climate ready? - 2022 Report</u> to Scottish Parliament - Climate Change Committee

Outcome:

We use and re-use resources wisely and have ended the throw-away culture

The global use of natural resources has more than tripled since 1970 and continues to grow.³⁹ In Scotland, our new Material Footprint indicator shows that our per capita consumption of resources is more than double the estimated sustainable level.40 Around 80% of Scotland's carbon footprint stems from our consumption of materials, goods and services, so sustainable resource-use is key to tackling climate change. It will also help to reduce the pressure on natural systems created as we extract resources and dispose of waste. To achieve this, we need to move to a circular economy where we reduce the demand for raw material in products, encourage reuse and repairs through responsible production, and recycle waste and energy to maximise the value of any waste that is generated. Making these changes will create new opportunities for businesses, jobs, trade and innovation.

The Scottish Government has been amongst the leaders in developing policies for zero waste and the circular economy, and has made significant long-term progress, working with many partners, in increasing recycling and diverting waste from landfill. We know that further action is needed to accelerate progress towards Scotland's ambitious waste prevention and recycling targets, to tackle our throwaway culture and to scale up and mainstream circular economy business models in Scotland.

Circular economy

We have committed to bring forward a **Circular Economy Bill** later in this Parliamentary session. This will ensure that the necessary legislation is in place to help build a circular economy that reduces demand for raw materials, designs products to last as long as possible and encourages reuse, repair and recycling.

Our new **Deposit Return Scheme** will be among the most environmentally ambitious and accessible in Europe. Consumers will pay a 20p deposit when buying a drink in an in-scope container. These can then be returned at tens of thousands of return points for plastic, metal and glass containers, as well as pick-ups for online deliveries. The scheme will help to improve the quality and quantity of recycling, reduce litter and achieve our climate change targets. We have committed to implement the scheme by 16 August 2023. It will be managed by an industry-led not-for-profit organisation, Circularity Scotland Ltd. 41

³⁹ Global resources outlook 2019 report

⁴⁰ Scotland's Material Flow Accounts

^{41 &}lt;u>Deposit Return Scheme</u> | <u>Circularity Scotland</u> <u>Ltd</u>

Waste reduction

We are also committed to reducing the use of single-use plastics and will continue to meet or exceed the requirements of the EU Single-Use Plastics Directive. We have laid Regulations before Parliament that ban the manufacture and supply of some of the most problematic single-use plastic products, with limited exceptions where necessary, for example to ensure the new rules do not disadvantage disabled people.⁴² The regulations come into effect on 1 June 2022. This is the first legislation in the UK to ban such a wide range of single-use plastic items and goes further than the bans in force elsewhere in the UK. An additional challenge is presented by the UK Internal Market Act 2020, which would allow the supply of items banned in Scotland if they are produced in, or imported via, another part of the UK. We are working with governments across the UK to ensure a ban in Scotland will be effective. Going forward, we will take further steps to consult on a charge for single-use disposable beverage cups and will keep under review what other measures we should take to reduce consumption of single-use plastic products.

We have set an ambitious target for reducing food waste, an important source of carbon emissions, by 33% by 2025. We are working with Zero Waste Scotland and a wide range of other partners to achieve this target through our Food Waste Reduction Action Plan. 43 We will publish a review of the plan later this year, identifying new actions needed to meet our 2025 target. In February, we also launched Phase 2 of our food waste marketing campaign. This is designed to raise public awareness of the links between food waste and climate change; and to encourage people to buy what they need, eat what they buy and recycle food waste that they cannot prevent. Future policy development will include a focus on supporting behaviour change to reduce food waste in the home, since this is the main source of Scotland's food waste.

Recognising that textile waste makes up just 4% of household waste but 32% of the carbon impacts, we have committed to introduce a new £2 million **Textile**Innovation Fund in the first half of 2022.

This will support businesses working in this sector to help tackle textile waste and the throwaway culture.

⁴² Including expanded polystyrene cups and food containers, single-use plastic stirrers, plastic cutlery, straws, balloon sticks and plastic plates

⁴³ Food waste reduction: action plan

Increasing recycling and recovery

Alongside other UK administrations, we have committed to introduce an **Extended Producer Responsibility system** for packaging to replace the existing UK-wide scheme. This will place responsibility on producers to cover the full net cost of packaging waste - ensuring that those responsible for creating the waste also pay for it. This represents a major reform to the current system, with producers being required to pay a much higher percentage of the costs of collecting, sorting, treating and disposing of their packaging when it becomes waste. The reform will be in line with the EU Circular Economy Package.

We know that poor-quality recycling and contamination are linked to confusion about how best to recycle. We need to make it easier for people to recycle by ensuring clearer information and labelling, and by promoting more consistent collection services. To achieve this, we have established a £70 million fund to improve local authority recycling infrastructure, and made our first investments from the Fund this financial vear. To date, over £20.3 million has been awarded to 13 local authorities to increase the quantity and quality of recycling, marking the beginning of one of the biggest investments in recycling in Scotland in a generation. We are funding a range of improvements, including more frequent recycling collections, the extension of food and garden waste collections, boosting Scotland's capacity to recycle soft plastics and films, and local service redesigns to align with Scotland's Household Recycling Charter. The projects announced to date have the

potential to reduce CO₂ emissions by 21,400 tonnes each year - the equivalent of taking 11,400 cars off the road. This landmark investment will make it easier for households to make the right recycling choices, and make an important contribution to meeting Scotland's waste, recycling and climate targets.

Future opportunities

A consultation seeking views on plans for a mandatory **digital waste tracking** service in the UK was launched on 21 January 2022. Our ambition is to provide a step change in the quality and timeliness of data on waste and resource flows, to support decision-making. By making it easier to identify opportunities to reduce the waste produced and reuse the materials we consume, this will support our transition to a circular economy.

Finally, we have committed to work with industry, local government and environmental groups to develop a **Route Map** to deliver our waste, recycling and climate change targets to 2025 and beyond.

Outcome:

Our thriving, sustainable economy conserves and grows our natural assets

This outcome means driving the transformative economic changes needed to play our role in tackling the global climate and nature crises – while achieving wider goals for Scotland's prosperity, wellbeing and our recovery from Covid-19. It means supporting the just transition to a **net zero**, **nature-positive**, **circular economy** and harnessing the new opportunities this creates for businesses and jobs.

In the new **National Strategy for Economic Transformation**,⁴⁴ published on 1 March 2022, the Cabinet Secretary for Finance and the Economy set out the Scottish Government's commitment to drive a green economic recovery to meet our climate and nature targets while ensuring we maximise the benefits as part of a just transition.

The National Strategy for Economic Transformation highlights the need to recognise 'the embeddedness of our economy in the natural world, and the need to live within the sustainable limits of our single, shared planet.' We need to transform our economy to ensure it is designed to thrive within the planet's sustainable limits. This will create new opportunities for businesses, jobs, trade and innovation, while also helping to tackle structural challenges around poverty and inequalities.

44 <u>Scotland's National Strategy for Economic Transformation</u>

Economic policy

The National Strategy for Economic
Transformation sets out a vision for a
wellbeing economy that thrives across
economic, social and environmental
dimensions. It recognises that, in
achieving this vision, we need to respect
environmental limits and promote a shift to
sustainable consumption and production.

Three ambitions will support this vision, including creating a greener economy that demonstrates global leadership in delivering a just transition to a net zero, nature-positive economy, and rebuilding natural capital.

The strategy sets out six policy programmes, including strengthening Scotland's position in new markets and industries. This programme includes a range of actions which will lay the foundations of a Net Zero Industrial Strategy and a commitment to establish a values-led, high-integrity market for responsible private investment in natural capital.

The new economic strategy commits to publishing a Wellbeing Economy Monitor - acknowledging that Scotland's progress towards a wellbeing economy cannot be measured by GDP alone. The new Monitor will use a wide range of factors to measure Scotland's economic success. including indicators of greenhouse gas emissions and biodiversity alongside healthy life expectancy, fair work, mental wellbeing and child poverty. The economic strategy also commits to publishing a Wellbeing Economy Framework, to provide a toolkit to support local councils and regions across Scotland to develop local wellbeing economies, including opportunities for improving environmental sustainability.

Figure 4: An illustration of the embeddedness of our economy in nature



Dasgupta, P. (2021), The Economics of Biodiversity: The Dasgupta Review. <u>Abridged Version</u>. (London: HM Treasury). Licenced under the <u>Open Government Licence</u>

The just transition to a net zero, nature-positive, circular economy

Through the delivery of our updated Climate Change Plan, and record levels of investment to address the climate emergency in the 2022-23 Budget, we are helping to support the economic transformations needed to reach net zero. We are committed to ensuring this is a **just transition**, where no-one is left behind. Scotland is world-renowned for having underpinned our net zero targets with a legislative commitment to a just transition. Our response to the Just Transition Commission, 45 published in September 2021, set out the world's first National Just Transition Planning Framework. We have launched a renewed Just Transition Commission, to advise and scrutinise us as we develop Just Transition Plans for sectors and regions. Our first Just Transition Plan for the Energy sector will be published this year, to help ensure the economic and social impacts of our transition are managed in a way that is fair for all. We have also committed to developing a Land and Agriculture Just Transition Plan and will shortly set out our intentions for further Plans.

The National Strategy for Economic Transformation explains that in tandem with our just transition to net zero, we will also strive to build a nature-positive economy that will help reverse biodiversity loss by 2030 and support international efforts to tackle the global nature crisis. This will require public and private investment in nature's recovery by rebuilding Scotland's natural capital and driving a shift to sustainable production and consumption. The economic value of Scotland's natural capital is very significant, with its partial asset value in 2017 assessed as £156 billion (noting that its true value will be far greater). Taking a natural capital approach to policy development can help to ensure that our natural assets are maintained and enhanced, providing greater and more sustainable benefits to our society and economy. Our transition to a nature-positive economy will create new opportunities for nature-based businesses and jobs across Scotland. The nature-based sector in Scotland is already expanding rapidly, growing at more than five times the rate of all jobs between 2015-19,46 and there is strong potential for future growth.

To tackle the climate and nature crises, we need to transition to a **circular economy**, where resources are kept in high-value use for as long as possible and waste is minimised. Examples of policies designed to support this transition are summarised under the outcome on sustainable resource-use (pages 26-28).

^{45 &}lt;u>Just Transition - A Fairer, Greener Scotland:</u> <u>Scottish Government response</u>

^{46 &}lt;u>Nature-based jobs and skills for net zero - an</u> initial assessment

A whole-of-government approach

Although public investment will continue to play a vital role, we know that responsible private investment will also be essential to meet the scale and pace of the action needed to tackle the climate and nature crises. Building on our position as an established global financial centre, a new industry-led taskforce is drawing up Scotland's action plan to capitalise on the opportunities of financing the global shift to net zero, setting out the actions we will take to promote and establish Scotland as a leading centre for green and sustainable finance. The Scottish National Investment Bank⁴⁷ will also continue to play a key role in crowding-in and leveraging private investment for tackling climate change, through its mission on net zero.

There are also significant opportunities for responsible private finance to help protect and restore Scotland's natural capital, learning from the success of the Woodland Carbon Code and the Peatland Code. In 2020, the Scottish Conservation Finance Project, led by SEPA and the Scottish Wildlife Trust, launched the £1 Billion Challenge route map⁴⁸ to showcase cutting-edge investment and funding models for protecting and restoring Scotland's natural capital. Building on this, the National Strategy for Economic Transformation sets out our plans for developing a values-led, high-integrity market for responsible investment in natural capital. This will be designed to help restore nature and deliver benefits for local communities and wider society,

The Infrastructure Investment Plan for Scotland: 2021-22 to 2025-26⁴⁹ sets out our plans for capital investment in infrastructure over the coming years. One of its three themes is 'enabling net zero emissions and environmental sustainability'. The Plan includes natural infrastructure within its scope, recognising the strategic importance of investment in natural infrastructure and nature-based solutions and their potential to create multiple benefits for carbon, biodiversity, health, wellbeing and jobs.

The just transition to a net zero, nature-positive, circular economy will create significant new opportunities for green jobs across Scotland. We need to harness this job creation potential, investing in up-skilling and re-skilling people for the green jobs of the future. We need to ensure this creates a diverse workforce with opportunities for all, as part of a just transition. The Climate Emergency Skills Action Plan 2020-2025⁵⁰ will play a central role in delivering this, alongside key initiatives such as the Green Jobs Workforce Academy, Green Jobs Fund and targeted support for up-skilling and re-skilling.

Progress is being made to integrate sustainability goals in place-based and regional economic development initiatives, including community wealth building pilots, regional economic partnerships and city region and growth

in line with just transition principles, our land reform objectives and within safe environmental limits.

⁴⁷ Scottish National Investment Bank

^{48 £1} billion challenge route map

⁴⁹ Infrastructure Investment Plan

^{50 &}lt;u>Climate Emergency Skills Action Plan 2020-2025</u>

deals. **Regional Land Use Partnership** pilots are also exploring how to support improved decision-making to maximise the contribution that land use makes to tackling the climate and nature crises.

Achieving our goals for climate and nature will mean transforming the way we use and manage our land and seas. This means ensuring our land-based and marine industries are regenerative – helping to restore the natural systems that underpin our economy and wellbeing, and supporting the just transition to net zero. Key areas for transformation include:

- Agriculture

The State of Nature Scotland Report 2019⁵¹ found that agriculture is one of the key pressures contributing to biodiversity loss in Scotland, although some farmers have adopted wildlife-friendly farming techniques, and High Nature Value farming systems are associated with high biodiversity. Agriculture also accounts for just under a quarter of Scotland's greenhouse gas emissions. To address this, the Scottish Government's vision for agriculture,⁵² published in March 2022, is to transform how we support farming and food production in Scotland to become a global leader in sustainable and regenerative agriculture. We are delivering on this vision through the £51 million National Test Programme (NTP), which will support and encourage farmers and crofters to learn about how their work impacts on climate and nature. The NTP and the work of the Agricultural Reform Implementation Oversight Board, announced in August 2021, will support

the transition towards a replacement for the Common Agricultural Policy, for which a new **Scottish Agriculture Bill** will be brought forward in 2023. This will build on a range of existing policies which are currently working to deliver the vision, including the Agri-Environment Climate Scheme, which has invested around £244 million since 2015, supporting land managers to restore nature and help meet climate targets.

- Forestry

The long-term vision of **Scotland's Forestry Strategy 2019-2029**53 is that 'Scotland will have more forests and woodlands, sustainably managed and better integrated with other land uses. These will provide a more resilient, adaptable resource, with greater natural capital value, that supports a strong economy, a thriving environment, and healthy and flourishing communities'. The contribution of Scotland's forests and woodlands to reaching net zero and restoring nature is guided by woodland creation targets in the updated Climate Change Plan, and native woodland creation targets in the Biodiversity Strategy. The Scottish Government and partners are delivering a range of initiatives set out in the **Scotland's Forestry Strategy** Implementation Plan 2020-22⁵⁴ to drive progress towards these goals. These initiatives include working with farmers and crofters to raise awareness of the benefits of woodland to agricultural businesses and promote the better integration of forestry and farming.

⁵¹ State of Nature Scotland Report 2019

^{52 &}lt;u>Sustainable and regenerative farming - next</u> <u>steps: statement</u>

⁵³ Scotland's Forestry Strategy 2019–2029

^{54 &}lt;u>Scotland's Forestry Strategy Implementation</u> <u>Plan 2020-2022</u>

- Blue economy

The 2021/22 Programme for Government commits us to publish a **Blue Economy** Action Plan. Ahead of this, a Blue **Economy Vision** will be published in spring 2022 to set out long-term outcomes for Scotland's marine space up to 2045. It will provide a clear framework for decisions about the use of Scotland's marine environment and support wider ambitions on net zero and biodiversity. Scotland's blue economy approach will recognise that our economy and wellbeing are embedded in nature, and we must take a holistic, marine management approach to managing the marine environment. Scotland's marine space and marine sectors are a national asset - critical to meeting our climate, biodiversity and societal ambitions and to deliver a 'blue' recovery from both the Covid-19 pandemic and the impacts of EU exit.

Outcome:

Our healthy environment supports a fairer, healthier, more inclusive society

This outcome is about the transformative changes to our society needed to play Scotland's role in tackling the climate and nature crises. It is also about the fundamental role of a healthy environment in supporting the health and wellbeing of Scotland's people; and the positive social outcomes created through the just transition to a net-zero, sustainable society – helping to create quality jobs and promote fairness and environmental justice.

We are part of Nature, not separate from it⁵⁵ – both as individuals and collectively as the society we create together. The natural world provides the essentials to sustain our lives and communities: the air we breathe: the water we drink: the food we eat; the materials for our homes and the means to regulate their temperature, and, the self-regulating climatic systems to create and maintain these essentials for life. Beyond our most basic need for food and shelter, the natural world also enables us to maintain our health through the green and blue spaces where we can exercise and provides the means to make medicines to support our health. And, beyond this, the natural world provides us with the means for our mental and spiritual wellbeing through spaces for work, leisure, learning, relaxation, places to connect with one another, and to develop and support

^{55 &}lt;u>The Economics of Biodiversity The Dasgupta</u> <u>Review: Headline Messages</u>

our sense of purpose⁵⁶ and meaning in life. The Environment Strategy vision recognises the fundamental place of people and society as part of nature.

Our challenge is about how we make changes to our current way of living so that we contribute to protecting and restoring our natural environment, and doing this in a way which supports a fairer, healthier, more inclusive society – a society which nurtures the physical, mental and spiritual wellbeing of us individually and as a whole. The Scottish Government will, this year, launch a consultation on the **Human Rights Bill**. The Bill will include the right to a healthy environment for the people of Scotland.

Physical health

The Scottish Government is committed to high environmental standards which protect health. The quality of the air we breathe is crucial. We know that there is an increasingly robust body of evidence which confirms the impact of both short and long-term exposure to air pollution on human health. The very young, the elderly, and those with pre-existing cardiovascular and respiratory conditions, are disproportionately impacted. The Scottish Government's new air quality strategy, Cleaner Air for Scotland 2 – Towards a Better Place for Everyone,⁵⁷ sets out the air quality policy framework to 2026, aiming to build on achievements to date. There was a significant decrease in emissions of key air pollutants between 2005 and 2019 (the latest year for which

The quality of the food we eat is also of critical importance to our health.58 We want Scotland to be a 'Good Food Nation' where everyone has ready access to the healthy, nutritious food they need. An integrated approach to 'good food' for Scotland is well underway, with programmes including Food for Life,59 which supports the provision of more locally sourced, healthier food being served throughout the local schools, and community 'Grow Your Own' opportunities in disadvantaged areas. Building on this, in the last quarter of 2021, the Scottish Government consulted on a new local food strategy⁶⁰ focussed on three themes: connecting people with food, connecting producers with buyers and harnessing the buying power of public sector procurement. The Good Food Nation Bill,61 introduced to the Scottish Parliament in October 2021, will develop this further, ensuring that reliable access to nutritious, locally sourced, locally produced, good quality food is a practical everyday reality for everyone in Scotland, and, that government and public bodies act coherently across a wide range of areas to create an improved food landscape in Scotland. The choices we make as consumers, what food we choose to eat, buy and how we dispose of what we don't

figures are available) although there is much more still to be done. There is a fundamental link between air quality and the ways we choose to travel.

⁵⁶ What matters for our sense of purpose? - What Works Wellbeing

^{57 &}lt;u>Cleaner Air for Scotland 2 - Towards a Better Place for Everyone</u>

^{58 &}lt;u>Food Standards Scotland: Nutritional advice - Healthy eating</u>

⁵⁹ Food for Life Scotland

⁶⁰ Local food strategy consultation launched

⁶¹ Good Food Nation Bill Introduced

eat, not only affects our health but also, through its production and waste disposal, impacts its very source: our natural environment.⁶² Critically, for those who have little or no consumer food choice because of poverty; poor health outcomes, and the probability of being overweight or having obesity, are significantly greater than for those in higher socioeconomic groups.⁶³

The physical benefits of time spent outdoors are well documented.64 We know that physical activity has positive physiological effects: reducing blood pressure and the likelihood of developing diabetes, cancer, dementia and suffering bone fractures. The health effects of outdoor physical activity⁶⁵ are even greater, for example, the enhanced uptake of vitamin D, which boosts the immune system and further reduces the likelihood of illness. Interconnected with these positive health benefits, amplified for outdoor physical activity, is its role in weight management and reducing the likelihood of having obesity. The Scottish Government's early learning and childcare policies promote outdoor play, not least because of the health benefits of physical activity and the opportunity to create a life-long habit of outdoor physical activity. The Scottish Government has made commitments to work with Sportscotland to make Active School programmes free for all children and

young people and to double the investment in sport and active living to £100 million a year, during this Parliament.

Building physical activity into everyday life⁴⁸ is recognised as a successful way of becoming more active – whether this is for leisure or commuting purposes. Achieving 'a green transport revolution'66 is a key Scottish Government commitment, journeys by **active travel**⁶⁷ is a National Indicator in Scotland's National Performance Framework (NPF), and active travel is at the core of the **National Transport Strategy** (NTS2).68 The Sustainable Travel Hierarchy puts active travel - walking, wheeling and cycling – at the top. Transport Scotland is piloting free bikes for children who cannot afford them, across different school age groups, and in both rural and urban areas. It is encouraging local authorities to deliver more Safe to School⁶⁹ initiatives, providing safer infrastructure to and around schools, with the aim of ensuring every child who lives within two miles of school is able to walk or wheel safely. Transport Scotland will also publish a new Cycling Framework and Action Plan and develop design standards for, and pilot the location of, an active freeway network for Scotland. This will include local networks within towns and cities and connect settlements and major destinations with high quality, safe routes. The synergies between active travel and physical activity align for the common good of individuals, society and the environment.

⁶² Zero Waste Scotland: Food waste - the environmental impact - how to waste less

^{63 &}lt;u>Food Standards Scotland: the Scottish diet - it</u> needs to change

⁶⁴ Health benefits of exercise | NHS inform

^{65 &}lt;u>The Benefits of Exercising in Nature - Woodland Trust</u>

^{66 &}lt;u>A Fairer, Greener Scotland - Programme for</u> Government 2021/22

^{67 &}lt;u>Journeys by active travel | National</u> Performance Framework

^{68 &}lt;u>Sustainable travel and the National Transport Strategy | Transport Scotland</u>

^{69 &}lt;u>A Fairer, Greener Scotland - Programme for Government 2021/22</u>

Mental health and spiritual wellbeing

The benefits of time outdoors flow from physical to mental health too. The physiological effects of exercise, amplified by exercise in green/blue spaces, cause the release of hormones which help to protect from and fight depression,70 foster wellbeing and enhance personal resilience. The Scottish Government's Clear Your Head campaign,⁷¹ devised to respond to the detrimental effect of Covid-19 on mental health, recommends activity in nature as a key part of its toolkit. A NatureScot Survey commissioned during 2021,72 demonstrates how essential nature and access to local greenspace for physical activity is for our health and wellbeing. NatureScot has built on its ground breaking Natural Health Service initiative by funding four Green Health **Partnerships** in Lanarkshire, Dundee, North Ayrshire and Highland. These are working to highlight nature as a resource for health and wellbeing by improving access to green health information; raising awareness of the value of green health within healthcare; developing referral pathways to green health projects; promoting the benefits of green health to the public; and developing green health projects and opportunities. As with physical health benefits, the positive mental health benefits reach across every

age group, including those with disabilities and different types of morbidity⁷³ even though access is an issue.⁷⁴

Building on these physical and mental health benefits, there is also a positive impact for children and young people of learning outdoors, as well as a wider societal impact. There is evidence⁷⁵ that learning outdoors enhances cognition, leading to improved learning outcomes. Learning for Sustainability (LfS)⁷⁶ is an important cross-curricular theme within Scotland's curriculum⁷⁷ for learners from 3 to 18. LfS is an entitlement for all pupils, it helps them to learn the skills and capacities to build a socially just, sustainable and equitable society, and weaves together global citizenship, sustainable development education and outdoor learning. It will also lay the groundwork for a flexible skills and education system, able to meet the needs of net zero while addressing existing inequalities in the labour market.78 NatureScot's recently concluded Learning in Local Greenspace project, which aimed to reduce the barriers to learning in local greenspace, enabled over 6000 learners from the most deprived and disadvantaged backgrounds to access

^{70 &}lt;u>Developing an Approach to Monitoring the</u>
<u>Health and Well-Being Benefits of Visits to</u>
<u>Scotland's Forests - Forest Research</u>

⁷¹ Home | clearyourhead.scot

⁷² NatureScot Research Report 1289 - Enjoying the Outdoors - Monitoring the impact of Coronavirus and social distancing - Wave 3 survey results (September 2021) | NatureScot

⁷³ Natural England: Is it nice outside? Consulting people living with dementia and
their carers about engaging with the natural
environment

^{74 &}lt;u>Scotland's People and Nature Survey - The</u> benefits associated with visiting the outdoors

⁷⁵ Outdoor Learning (education.gov.scot)

^{76 &}lt;u>A summary of learning for sustainability</u>
resources | Learning resources | National
Improvement Hub

^{77 &}lt;u>Scotland's Curriculum for Excellence</u>

^{78 &}lt;u>Just Transition: A Fairer, Greener Scotland</u>

their local greenspace for learning and play over the life of the project. NatureScot is also supporting 12,000 young people to undertake a range of volunteering opportunities, including volunteering schemes across their reserves, and supporting Path Skillz⁷⁹ and the John Muir Trust's John Muir Award. The Scottish Government is preparing a strengthened LfS Action Plan,80 recognising the renewed commitments arising from COP26, including further disseminating LfS practice into the early learning and childcare sector. This collective work across different learning settings is important both in connecting children and young people with nature, and is also helping to reduce the negative effects of poverty and to support climate-nature literacy.81

Towards a fairer and more inclusive society

The physical, mental and spiritual wellbeing benefits of activity and time spent in nature are not enjoyed equally by everyone. Socio-economic factors affecting those living in areas of deprivation show that those already suffering the effects of poverty have less access to green/blue spaces.⁸²

The Scottish Government has many policies aimed at mitigating the effects of poverty, including child poverty, which also support the transition to a nature-positive, net zero society. For example, the aim of making our homes easier and greener to heat is supporting those in fuel poverty through incentivising the social housing sector (via £30 million of investment) to work on green heating and energy efficiency projects, and providing £50 million for Warmer Homes Scotland⁸³ to support those in fuel poverty through the heat transition. Tackling poor energy efficiency, as part of housing decarbonisation policy, offers great potential for reducing fuel poverty. Reducing waste helps to cut food costs, as well as promote healthier eating and the Parent Club website has lots of recipe ideas for using leftovers to keep food waste to a minimum while helping families to reduce their food expenditure. Food waste is a major contributor to carbon emissions.84 The Scottish Government has been funding access to free period products since 2017. It has encouraged consideration of the environmental impact of single use products and the provision of reusable and/or sustainable products, an approach that will be strengthened through the Period Products (Free Provision) (Scotland) Act 2021, which comes into force in August 2022, and through an associated procurement framework. It funds a project delivered by FareShare⁸⁵ which distributes period

⁷⁹ About - Path Skillz

^{80 &}lt;u>Learning for Sustainability - Vision 2030 Action Plan</u>

^{81 &}lt;u>Public Engagement Strategy for Climate</u> <u>Change</u>

^{82 &}lt;u>Social Inequalities in Environmental Resources</u> of Green and Blue Spaces: A Review of Evidence in the WHO European Region

^{83 &}lt;u>Warmer Homes Scotland - Home Energy Scotland</u>

^{84 &}lt;u>Food waste: The environmental impact | How to Waste Less</u>

^{85 &}lt;u>Free sanitary products project extended in Scotland - FareShare</u>

products to local community groups and organisations working with people on low incomes. FareShare has included reusable period products within their offer and in 2020/21 they reported a huge growth (750%) in the distribution of reusable products. This is a good example of how community and stakeholder engagement can help to seed behavioural change with a positive outcome in helping to reduce the effects of poverty while, at the same time, cutting domestic waste with its associated detrimental impact on the environment.

Our sense of place rooted in nature

The **Draft National Planning Framework** 4 (NPF4),86 which was published for consultation at the end of 2021, sets out how Scotland's approach to planning and development will help achieve a net zero, sustainable Scotland by 2045. NPF4 re-focusses planning's role so that restoring nature and moving to net zero are the primary guiding principles for all our plans and decisions. NPF4 aims to create places where people can easily access the goods and services they need locally, and move around sustainably and safely (e.g. through active travel or public transport⁸⁷). It aims to promote nature-rich spaces and use of blue-green infrastructure to deliver multiple benefits, including improvements to people's wellbeing

and resilience to future climate impacts, such as flooding. A consultation⁸⁸ on the duty on Planning Authorities to produce **Open Space Strategies**, set out in the Planning (Scotland) Act 2019,⁸⁹ is currently open for consultation. It complements NPF4 and proposes an outcomes-based approach, including outcomes on improving health and wellbeing, and on advancing equality and eliminating discrimination.

This vision of place, which promotes local liveability through **20-minute neighbourhoods**, takes an infrastructure-first approach and embeds place and wellbeing outcomes, 90 will help to achieve our linked ambitions for climate, nature and a fairer, healthier, more inclusive society.

^{86 &}lt;u>Draft National Planning Framework 4 - Scottish</u> <u>Government - Citizen Space</u>

⁸⁷ Public Health Scotland published a report in January 2022 on the health and health inequality impacts of the SG target for a 20% reduction in car km by 2030. It concluded that a place-based approach will be needed both to support the target and to help realise health benefits.

⁸⁸ Supporting documents - Open Space
Strategies and Play Sufficiency Assessments
Regulations: consultation - gov.scot (www. gov.scot)

^{89 &}lt;u>Planning (Scotland) Act 2019 (legislation.gov.uk)</u>

⁹⁰ The <u>place and wellbeing outcomes</u>, focussing on five themes (movement, space, stewardship, resources and civic) underpinned by the principles of equity, net zero and sustainability.

Scottish Government's Regeneration Strategy⁹¹ and place-based approach to regeneration are already focussing on the delivery of green infrastructure. The new £50 million low carbon Vacant and **Derelict Land Investment Programme** is supporting local approaches to unblock the reuse of persistent vacant and derelict land to deliver new green infrastructure and support the just transition to net zero. With people and community at its heart, both the Scottish Government and COSLA are committed to delivering the **Place Principle**⁹² which asks that all local decisions are made collaboratively, are relevant to the communities in that place, and are for the benefit of all the people who live there. The £325 million Place Based **Investment Programme** is accelerating wellbeing and inclusion policy, aiming to reduce inequality and child poverty; support local sustainability; and, through 20-minute neighbourhoods, promote community-led regeneration and town centre revitalisation. This links closely to the principles of a just transition, where areen jobs are embedded in the communities where the work is happening. The development of green skills has the potential to reduce the attainment gap as well as providing employment in places throughout Scotland.

All these aspects of 20-minute neighbourhoods: local services, facilities, jobs, ease and safe movement through health-supporting blue/green spaces, have the potential to reduce the inequalities which hold us back from achieving a fairer and more inclusive society.

The links between our ambitions for nature, climate and a healthy, fair and inclusive society are clear. Putting nature-positive and transition to net zero at the heart of our policy landscape, also puts people and society there.

^{91 &}lt;u>Achieving a sustainable future: regeneration</u> strategy

⁹² Public Health Scotland are currently piloting a climate lens for the Place Standard Tool, aiming to enable communities to discuss the future of their place taking the climate change impacts on health and wellbeing into account.

Outcome:

We are responsible global citizens with a sustainable international footprint

If everyone on Earth lived as we do in Scotland, we would need three planets to sustain us. Our demands on nature far exceed its supply. Some of the commodities we consume are associated with damaging environmental impacts in the countries where they are produced, including deforestation, water stress and species overexploitation. The ways in which we use and dispose of resources also creates environmental impacts far beyond our borders, including damage to the marine environment from plastic litter, and impacts of waste exports. Scotland's per capita consumption of material resources is more than double the estimated sustainable level.93

To achieve this outcome, we will strive to ensure that Scotland lives within the sustainable limits of our single, shared planet, and that the overseas impact of our consumption and production is sustainable. We will also seek to work collaboratively with other nations to tackle the climate and nature crises and support climate justice.

We are working to build our understanding of the policy levers needed to achieve this outcome, noting that some important levers around trade are reserved.

Sustainable consumption

A shift to sustainable consumption – ensuring our demands on nature do not exceed the planet's sustainable limits – is fundamental to tackling the climate and nature crises. In Scotland, 80% of our carbon footprint stems from the goods, materials and services we consume. Globally, bending the curve of biodiversity loss will rely on tackling the unsustainable consumption of natural resources.

To realise our goals for sustainable consumption, we need to transition to a **circular economy**. The Scottish Government's approach to driving this transition is summarised in the outcome on resource-use (pages 26-28).

A range of other policies are helping to support the shift to sustainable consumption. For example, our **Net Zero Nation: Public Engagement Strategy**⁹⁴ sets out a framework for engaging the people of Scotland in helping to tackle climate change. This includes the Net Zero Nation website,⁹⁵ which provides practical advice on sustainable consumption, in areas such as tackling food waste and fast fashion.

From April 2022, a new non-ministerial office, **Consumer Scotland**, will be established. Through its statutory remit of providing consumer advocacy and advice, it will aim to encourage 'sustainable consumption of natural resources' and 'other environmentally sustainable practices in relation to the acquisition, use and disposal of goods by consumers in Scotland'.

^{94 &}lt;u>Achieving a sustainable future: regeneration</u> <u>strategy</u>

⁹⁵ Net Zero Nation: Public Engagement Strategy

Trade policy

The Scottish Government's Vision for **Trade**, 96 published in 2021, supports the shift to sustainable consumption and production. The Vision commits to seeking opportunities, within our devolved powers, to use trade as a lever to improve our international environmental impact. In implementing the Vision, we will build coherence between our climate, environment and trade policies. We have already taken steps to do so, including through aligning trade support with our climate priorities and enhancing our understanding of Scotland's strengths and opportunities in environmental goods and services.97 We will continue to identify further avenues to strengthen this coherence, such as through building our evidence base on the impacts of trade on climate change and on Scotland's international footprint. We will also continue to engage with the UK Government to press for innovative, robust and enforceable text on the environment, alongside environmental impact assessments, in all Free Trade Agreements.

We are committed to ensuring the international impact of waste created in Scotland is sustainable. Around 14% of Scotland's waste is currently processed outside Scotland, representing a lost economic opportunity and an environmental cost. While waste export legislation is a reserved matter, we are engaging with the UK Government in areas such as waste shipment regulations to help promote sustainable waste management that aligns with our goals for creating a circular economy.

International development and climate justice

Good global citizenship is at the heart of our **International Development Strategy.** 98 The strategy highlights the importance of supporting climate justice, recognising that the communities which have done the least to cause the climate crisis are often affected worst and hardest. Our **Climate Justice Fund** 99 supports vulnerable communities to build resilience to climate change, tackle structural inequalities and address loss and damage.

Scotland has led the way in recognising our moral responsibility to help developing countries address the loss and damage they are already suffering as a result of climate change. For example, at COP26, we announced our plans to treble funding for climate justice to £36 million across this Parliament, committing £2 million to loss and damage.

⁹⁶ Trade: our vision

⁹⁷ Fossil fuel energy sector overseas - trade promotion support: policy

^{98 &}lt;u>Global Citizenship: Scotland's International</u> <u>Development Strategy</u>

⁹⁹ Climate Justice Fund

Key to our approach to international development is a will to provide ethical leadership on issues such as climate change. Increasingly, we are focussing our international development work through the lens of 'policy coherence for sustainable development' and a 'beyond aid' agenda: ensuring that we take a holistic, cross-government approach both to 'do no harm' and to contribute positively to development outcomes. Based on the 2021 review of our approach to international development,100 we have developed a set of principles to guide our work, including a commitment to be innovative, adapting and sustainable. In recognition of the global climate emergency, the principles set out our commitment to support resilience to climate change and, as appropriate, the just transition to net zero in a way that is fair and leaves no one behind.

Global cooperation and partnership

As we work to achieve the Environment Strategy's vision, we will strive to collaborate with other nations, and through European and global forums, as a committed international partner. The Scottish Government is committed to aligning where possible with improvements in EU environmental standards.

Globally, this is a pivotal moment in securing international agreement on tackling the climate and nature crises. The Glasgow Climate Pact, 101 agreed at COP26, requires nations to revisit their emissions targets (nationally determined contributions) ahead of this year's COP27, with the aim of placing the world on the critical 1.5°C pathway. The high ambition of our net zero targets, coupled with tangible action on delivery, will ensure Scotland plays its full part in delivering on the Glasgow Climate Pact. Scotland is the current European co-chair of the Under2 Coalition, 102 a network of states, regions and devolved governments committed to ambitious climate action. As co-chair, we are working to increase the ambition of governments of all levels towards net zero, just transition and increased resilience.

^{100&}lt;u>Summary Report on the Review of Scottish</u>
Government's International Development
Programme in light of COVID-19

^{102 &}lt;u>Under2 Coalition</u>

This year will also see the agreement of the new **Global Biodiversity Framework** at COP15. Scotland has played a proactive role in supporting the development of the Framework through our leadership on the **Edinburgh Declaration**, 103 signed by nearly 200 parties from around the world.

Scotland's approach to international engagement will support collaboration and partnership in tackling the climate and nature crises. This will continue to be a high priority for Scotland's network of overseas offices and hubs, as a key focus for their economic, diplomatic and cultural activity.

Scotland is committed to playing our full role in achieving the UN's
Sustainable Development Goals (SDGs)

 a call to action for all countries to promote prosperity while protecting the planet. We demonstrated this commitment by embedding the SDGs within our National Performance Framework. In 2020, we published an in-depth review of Scotland's performance in delivering the Goals, in partnership with the SDG Network Scotland and COSLA.¹⁰⁴ As shown in Figure 2 (page 9), our work to drive progress towards the Environment Strategy's outcomes will support Scotland's contribution to a wide range of the Goals¹⁰⁵ – emphasising the fundamental importance of our action on the environment for Scotland's prosperity, wellbeing and global citizenship.

^{104 &}lt;u>Scotland and the sustainable development</u> goals: a national review to drive action

¹⁰⁵ Contribution of the Environment Strategy vision and outcomes to National Outcomes and UN Sustainable Development Goals

¹⁰³ Edinburgh Declaration on post-2020 global biodiversity framework

3. Next steps

3.1 Development of outcome pathways

The Environment Strategy will not be a separate programme of action - instead it will promote a whole-of-government approach to achieving our vision. Progress with delivery does not have to wait until the strategy is fully developed. As shown by the examples outlined in this report, delivery is already happening. The Scottish Government is developing pathways to support further delivery of the strategy outcomes through a wide range of policies and programmes. These will be informed by extensive engagement with stakeholders, public bodies and across government. Once developed, we will publish these 'outcome pathways' for public consultation.

For the outcomes on **nature**, **climate change and resource-use**, outcome pathways will signpost to Scotland's established strategies and plans in these areas, as shown in Figure 1 (page 6).

For the outcomes on Scotland's economy, society and global footprint, pathways will explore where there is potential for further action to help drive transformative change, building on the existing policies set out in this report and in Figure 1. As a core part of this process, we will seek opportunities to build actions into strategies and programmes across government to help achieve the strategy's outcomes, supporting a whole-of-government approach.

We will keep these pathways under review, ensuring that implementation of the Environment Strategy is flexible and dynamic. We will also ensure that the development of pathways is informed by relevant impact assessments, including Strategic Environmental Assessment.

3.2 Further development of the monitoring framework

The initial monitoring framework, published in 2021, identified some areas where further work is needed to identify robust indicators of progress towards outcomes. Work to identify additional indicators is being undertaken in tandem with the development of outcome pathways. The public consultation on the pathways will also seek views on the updated monitoring framework. Once finalised, new indicators will be incorporated in the monitoring framework website.

The monitoring framework will provide a strategic and accessible overview of progress towards the strategy's outcomes, helping to guide improvements in our approach as we strive to deliver our 2045 vision.



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This publication is available at www.gov.scot

Any enquiries regarding this publication should be sent to us at The Scottish Government St Andrew's House Edinburgh EH1 3DG

ISBN: 978-1-80435-175-8 (web only)

Published by The Scottish Government, March 2022

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA PPDAS1027598 (03/22)