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Hamilton	Alistair	SRUC
Shackley	Simon	University of Edinburgh
Hudson	Abigail	Personal
Lin	Yong	University of Edinburgh
Dewi	Maura Sahara	University of Edinburgh
Conneely	David	SRUC
Bell	Julian	Agrecalc
Jaya	Maria	Personal
Sedgwick	Emma	Rural Communications
Daniels-Creasey	Alys	University of Edinburgh
Polley	Katie	University of Edinburgh
Metzger	Marc	University of Edinburgh
Gass	David	Rural Matters
Pritchard	Elaine	Personal
Irwandi	Nurhasanah Dewi	University of Edinburgh
Kelly	Stephen	Personal
Danson	Mike	Heriot Watt
Lacey	Andrew Jonathan	SAC Consulting
McLeman	Mhari	Shetland Amenity
white	sue	Shetland Amenity
Elinchev	Olivia	Personal
Keel	Joanna	Personal
Chu	Abigail	University of Edinburgh
Eory	Vera	SRUC
McKay Fletcher	Daniel	SRUC
Tennant	Rachel	Personal
Buckingham	Sarah	SAC Consulting
Paterson	Morag	Personal
Jenner	Lucy	Savills
Frissell	Beatrix	University of Edinburgh
Nelson	Bryony	SRUC
Vester	Sterre	SAC Consulting
Mathieson	Cameron	Thorntons
Cameron	David	Personal
Mallows	Catriona	Scottish Rural Action

Glendinning	James	Personal
Naab	Francis	SRUC
Henderson-Howat	David	Personal
Barclay	Kate	RewildingBritain
Webb	Stephanie	Royal Society of Edinburgh
Redemann	Gwynneth	Royal Society of Edinburgh
Carter	Stefanie	Centre for Ecology and Hydrology
Brierton	Jackie	Personal
Warnock	Samuel	Personal
Hunter	Janet	Growbiz
Pate	Lorna	SRUC
Jalali	Ayssa	University of Edinburgh
Jones	Dan	Personal
Kumar	Neema	Personal
Eory	Vera	

## Welcome, introduction, and apologies

Emma Harper MSP welcomed everyone to the meeting.

She noted MSPs in attendance and apologies received.

The meeting was handed over to Alexa Green from the Rural Policy Centre (RPC) to facilitate to the renomination of Emma Harper MSP and Edward Mountain MSP as co-conveners of the session. This was seconded by Lucy Rothenberg from the audience.

Emma Harper MSP went through the general housekeeping of the session. RPC was confirmed to remain the Secretariat, seconded by Finlay Carson MSP.

It was noted that all participants had been emailed the agenda and the list of attendees and that received apologies would be listed in the meeting minutes. It was mentioned that speakers' presentations where used would be uploaded to the CPG webpage within the RPC website. It was confirmed that the meeting would be recorded and uploaded to the website where possible. Additionally, the speakers' presentations and notes will be shared along with the minutes.

Group members were encouraged to send the RPC an email if amendments were required in the minutes. The minutes will be formally approved at the next meeting. It was noted that the Secretariat will include any action points, links etc. in the meeting minutes.

## Agenda item 2

### Approval of minutes and recap of action items

Emma Harper MSP motioned to approve minutes of the previous meeting. Minutes were approved by Brady Stevens and seconded by Edward Mountain MSP.

Emma Harper MSP noted that the Secretariat uploaded the recordings of the presentations from the March meeting to the Group's web pages along with the meeting minutes so those are available to access if anyone would like to watch again or to circulate to others who you think would be interested in seeing them.

It was reiterated that the actions from last meeting were that the Secretariat intended to produce a podcast from the audio recorded from the meeting, but a recording of the presentations was produced instead as they felt this contained more useful information and was more concise. It was confirmed that these are available on the CPG website. Post Meeting note: A recording is not available for this session,

## Agenda item 3

### Presentations and discussion

## Introduction by

- Natural capital markets are important to consider in a rural context as Scotland aims to meet emissions reductions targets. As we move to a just transition, monetising nature has great promise and great implications.

- Thriving Natural Capital Centre (SRUC) about the nuances and

complexities of natural capital markets, as well as recent updates

- Two key messages we need to address in carbon markets: (1) greenwashing – companies continue to set avoidable emissions, questioning the integrity of their claims and, (2) addressing issues of market integrity – claims are made that can't be verified, double counting, permanence, negative consequences on non-targeted ecosystem services. There are also risks that monetising carbon comes at the expense of biodiversity, or local communities.
- However, Mark iterated that carbon markets are not all bad, and we can fix what is not working. We need continued public investment levels, alongside tapping into a huge amount of investment potentially available from the private sector.
- Carbon of setting can occur either in the compliance market or voluntary market (VCM). Two of icial VCM in the UK are WCC, with potential for integrating agroforestry and hedgerow carbon, and Peatland Carbon Code (PCC). Other methods of enhancing carbon are soil carbon through regenerative agriculture, blue carbon, and carbon on carbon ' in panies continu pU

produce net benefits for communities. For this, market regulation and intervention are needed.

- senior forestry consultant at SAC Consulting discussing the implications of natural capital markets from a practical perspective with examples from his clients.

- Most clients are asking for an agreed impartial metric for more uniform valuation of natural capital across the UK. There is a desire for an integrated policy

markets to communities or local democracy in terms of communities feeding in to these projects. There needs to be a means of securing these benefits. If projects are viable and generate income, then we need to close the loop back to the community. This means stopping the money from being extracted and making sure Scotland benefits as a whole, not just the investors and landowners.

- We should not equate landowners to the community, especially at large scale reforestation projects. Even if the landowner lives locally, there is no guarantee that the benefits from the project stay locally.
- CLS want to see models developed that keep wealth locally and provide more oversight through greater integrity, tackling greenwashing, and having substantial taxation and regulation. There are models being developed that involve some kind of carbon lease or carbon commons in which credits generated in Scotland would be kept in a central place, whether regional or national, to make sure the credits are not sold or passed on until proven that due diligence has been met. Due diligence would be at the project site to make sure communities are actually benefiting, as well as establishing due diligence on the person who is purchasing the carbon credit to make sure they are only doing so for unavoidable emissions only.
- If carbon markets are an unavoidable reality, we need to think that Scotland has a very finite potential for carbon sequestration. If we sell off all our credits now, we won't be able to bank credits for future use.
- CLS is proposing a model in which community agency and empowerment is actually locked in, to be called a Thriving Community Partnership model: whenever there is a significant land use change, there has to be appropriate, tA dm



advanced market that is out there now – but it isn't the sole reason why we should be restoring salt marshes. We should be keeping all benefits in mind

a huge source of employment in the UK and that we need the sector to grow to meet our own domestic demand more sustainably. There are also more integrated farm forestry schemes popping up through agroforestry, hydrocarbon, hedges improving biodiversity, etc.

- o Ben answered agreeing that in theory, when you sell a carbon credit you are selling of an asset value for your land, which means you are potentially devaluing your land. He raised a practical example of where farmers were looking to enter group farm forestry in the North of Scotland, where they wanted to extend farm shelter belts around a riparian river. Shelter would be used for livestock, arable land against wind, connecting habitats, and improving the value of the land. Grant schemes alone weren't sufficient for the project to succeed as the cost of fencing is high. Thus, the landowner sold some of the collective carbon credits from their scheme. By selling a percentage of the credits, they have released enough equity from the land that they can manage it in a positive way to achieve other objectives but also retaining enough units to offset their own emissions or insert into their supply chain.
- o Mark pointed out that we need to make sure farmers are getting a price for their carbon credits that is sufficiently lucrative.

There are multiple carbon markets as opposed to just one, and they are evolving by the day. Science Based Target Initiative (SBTI) is the changing force behind the driving of set market. Most big corporates are signed up to SBTI, with a focus on emissions reduction. SBTI only allows companies to set an offset target of 10% at most. A lot of carbon investments do not involve land purchase. Carbon should be looked at as a service, not a commodity. You pay for this service on an annual basis. When talking about land use and food security in Scotland, we could also consider why we are using r gr<sup>o</sup> e are simplified