

# **PROJECT: Helping Scotland to Flourish Sustainably**

## **ORGANISATION: Scottish Environment LINK**

### **END OF YEAR REPORT**

#### **REPORTING PERIOD: 1<sup>st</sup> January 2015 – 31<sup>st</sup> December 2015**

The second year of the project has built on the groundwork of year 1. There has been less emphasis on producing internal papers and more outward engagement with two workshops, an updated briefing on the National Performance Framework, media and social media activity and continuation of building on and developing new alliances.

Please note that, due to some restructuring of LINK taskforces, the LINK Economics Taskforce is now referred to as the LINK Economics Group.

## **1. Summary of main areas of work and activities**

### **1.1 National Performance Framework**

#### **Briefing to National Performance Framework Roundtable**

An updated briefing on a proposed structure to and content of a revised National Performance Framework was written by the Project Officer and published in February 2015. This was sent to the Government-led Roundtable and civil servants who welcomed it. It has provided a useful reference in subsequent discussions with SG. It is published on the LINK website at <http://www.scotlink.org/workareas/economics-forum/> at the bottom of the page under 'briefings'.

#### **On-going input to the revision of the NPF**

The timetable for revision to the NPF has been revised. We now expect the Roundtable to reconvene in February 2016 and for a revised set of indicators to be published before the Scottish elections. However, further revisions are expected to other components of the NPF later in 2016, based on the outcomes of the Fairer Scotland conversations, an ongoing consultation based on websites and meetings led by the Social Justice department. LINK is submitting an input to the SG Fairer Scotland conversation making clear linkages to the environmental agenda. This is published on the LINK website at <http://www.scotlink.org/wp/files/documents/LINK-Fairer-Scotland-Response-21-Jan-2016.pdf>

The Project Officer has attended two Scottish Government (SG) workshops (March and Dec) on environmental indicators, provided written input to SG Performance Unit and had a separate meeting with them. We continue to have dialogue with allies, particularly SNH, NEF, SEPA and Oxfam about the development of indicators, and have achieved a good degree of consensus. The

Project Officer has provided input to the development of the revised Natural Capital Asset Index (NCAI), potentially a new environmental indicator. She has also spent time reviewing how the NPF is used by Committees in budget scrutiny, with a view to increasing the awareness of the use of this tool in future.

In parallel to this the Project Officer has been working to raise general awareness about the limitations of GDP and the importance of other indicators through press releases and social media.

## **1.2 Circular Economy**

The Scottish Government's interest in the circular economy is seen by LINK as a key opportunity to promote an economic system which is more sustainable and has the potential to lead to real environmental enhancement. LINK commissioned a consultant to carry out a SWOT analysis of the circular economy amongst LINK members to ascertain their views of its strengths and weaknesses and how it relates to their concerns. This formed the basis of our consultation response to the SG consultation 'Making Things Last: consultation on creating a more circular economy', available at <http://www.scotlink.org/workareas/economics-forum/> at the bottom of the page under consultations. The final report of the SWOT analysis, *The Circular Economy: Implications for the environmental movement* is currently being edited and will be published early in 2016 on the LINK website.

This work has involved constructive working relationships with the Scottish Government (Zero Waste team) and Zero Waste Scotland.

LINK has had preliminary discussions with SCDI (Scottish Council for Development and Industry) about the circular economy at LINK Congress and a further meeting is to be held. The Project Officer has also had a preliminary meeting with RSA Scotland (The Royal Society for the encouragement of Arts, Manufacture and Commerce) with whom there is potential for fruitful collaboration. Our next steps with regard to the circular economy will be in part informed by the Government's forthcoming strategy paper.

## **1.3 Tools for transition and finance**

The LINK manifesto, shared with political parties ahead of the 2016 Scottish Elections, has six main asks, one of which challenges parties to commit to an investment programme in the infrastructure which is needed to ensure that emissions targets are met and to build an economy which is environmentally sustainable and socially just. LINK is creating opportunities to promote this policy ask with political parties, in the media and with individual politicians. It will also seek commitments from the incoming Parliamentarians after the Scottish elections in May 2016.

The LINK Economics Group held a symposium in December, organised by the Project Officer: *'Tools for transition: filling the investment gap'* (Dec, 2015).

This event was for LINK members and others interested in the area. There were 29 participants from a diversity of organisations including SEPA (Scottish Environmental Protection Agency), HIE (Highlands and Islands Enterprise), University of Edinburgh Business School, Positive Money, Common Space, UNISON. The aim of the event was to develop our collective understanding of how the investment gap might be addressed, using a range of different innovative financing models. Comments suggested that this space hadn't been focussed on before – *'hearing from a fresh mix of people; not the usual suspects'* was commented on. In general feedback was very positive and indicated that this was an area which warranted further work. The exact nature of the follow up will be determined at the LINK Economics Group meeting at the end of January. As mentioned above, papers (slides, agenda, notes) are available from the LINK website. Ben Wray from Common Space also wrote up the workshop and it is available at <https://commonspace.scot/articles/3087/investment-talking-not-just-about-what-we-want-but-how-to-pay-for-it>

#### **1.4 Capacity building in LINK: Workshop for LINK members**

The Project Officer organised a workshop, ***'Economics Policy and the Environment: Opportunities for LINK'*** (Feb, 2015) for LINK members. This workshop was mainly for LINK members (32 participants), though included representatives from government and universities, and explored the range of interfaces between economic policy and LINK activities and looked specifically at whether and how the concepts of ecosystem services and natural capital might be useful tools to LINK members. Feedback from the workshop was very positive. For example: *'An interesting and thought provoking day. Very useful policy space for the LINK network to explore these complex, inter-related topics', 'Thanks for organising. Whole day was engrossing.'* The main follow up has been two papers for LINK members: *'Ecosystem services and Natural capital: what they are, applications and concerns'* and *'Biodiversity offsetting: a discussion paper'*, issues on which there are divergent views, and which members flagged up some years ago as being important to discuss. Both are available to LINK members on the LINK website and are sent as separate attachments to this report. Further activities in this area will be discussed at the next Economic Group meeting.

#### **1.5 Papers produced**

The Project Officers wrote a number of papers in 2015, most have been mentioned above:

- *A revised NPF: Ideas for structure and indicators*
- *Ecosystem services and Natural capital: what they are, applications and concerns*
- *LINK response to Making things last: consultation on a more circular economy.*
- Blog on GDP: *Does GDP measure what really matters* (under 'LINK Thinks' and Economics page/press releases)

- *Engaging with established economics* For Scottish Left Review: Growing a Greener Economy <http://www.scottishleftreview.org/wp-content/uploads/2015/09/SLR-89-september-2015.pdf>
- Monthly contributions to LINK Bulletin
- *Biodiversity Offsetting – a discussion paper*

## **1.6 Other LINK Economic Group work**

The Project Officer has also been involved in other strands of on-going work with the Economics Group.

- Analysis for the Economics Group about the new Scottish Government Economic Strategy and discussion.
- Discussion about the new Sustainable Development Goals with the LINK Economics Group and externally.
- A new LINK priority to better incorporate social justice issues into our work and to articulate the social justice aspects of our work in line with SG priorities.

## **1.7 Conferences and meetings – developing contacts/allies and keeping abreast of emerging fields of thought and policy**

In addition to the working relationships mentioned already, the Project Officer has actively sought to make and keep contact with relevant players and attend relevant events. For example:

- Scottish Forum on Natural Capital – share ongoing work and look for synergies/opportunities to collaborate.
- EAWG (Ecosystem Approach Working Group) Indicator workshop.
- ECom (Ecosystem Services Community Scotland) conference and working group.
- Land use Strategy workshop.
- Reinventing our economy group.
- Oxfam/Nidos: Closing the Inequality gap conference.
- Friends Provident Foundation grant holders event.
- World Forum on Natural Capital conference.

Training undertaken:

LINK: Understanding the Media

LINK: Freedom of Information

## **1.8 Project management**

Quarterly Project Development Group meetings are held to review progress and work plan (work plan attached). The project currently has a detailed work plan for the first quarter of 2016. This will be updated for the rest of 2016 after the next PDG meeting (January 27).

## 2. Summary of main outputs

- Revised briefing on NPF published and continued liaison with allies and SG on reform of NPF.
- Awareness raising campaign on Beyond GDP initiated with some success.
- Engaged LINK members in a discussion about the circular economy, responded to the SG circular economy consultation, commissioned a SWOT appraisal and published a report.
- Brought together organisations and individuals with expertise or an interest in how investment in low carbon infrastructure might be financed resulting in mutual learning and significant interest in a future strand of work in this area.
- Building on the papers for LINK members in year 1, two further papers, focusing on significant economic concepts highly relevant to the environmental movement, written and available.
- Two workshops organised and followed through.
- Built on existing relationships and developed new contacts to further project aims.
- Project Officer attended selected relevant events.

## 3. Progress towards project outcomes

These target outcomes are for the full time period of the project. Progress towards them in year 2 as noted below.

***i) An improved NPF, which will be used more effectively as a tool for long-term decision making about resource expenditure – along SD lines***

The Community Empowerment (Scotland) Act 2015 was passed which puts the NPF on to a statutory footing. This Act also requires a review of the NPF outcomes at least every 5 years. Work to improve the NPF is on-going. Our Feb 2015 Briefing was well received and we anticipate that the NPF will be improved along SD lines. As well as a better balanced indicator set, revisions aim to make the NPF aligned with the Sustainable Development Goals and for it to better relate to individual policy areas in the Scottish Government. It is anticipated that real progress towards this outcome will be made in the third year of this project, with the delayed timetable for publishing a revised framework as noted above.

***ii) Improved engagement with business interests and the professions to make common cause about SD and long-term resilience. Business, for example, need confidence to invest in sustainable development 'goods' and to divest from unsustainable practice.***

There has been some progress towards this outcome with significant work carried out in 2015 building the foundations for engagement with business. Our work on the circular economy and on different types finance will enable us to engage with business groups and professions in year 3 of the project. Initial conversations with Scottish Council for Development and Industry have been

positive and we plan to develop contacts in the finance sector. We are continuing to engage in the Scottish Forum on Natural Capital which has very good links with business.

***iii) Progress against the NPF targets and indicators, as measured through 'Scotland Performs', will be interrogated regularly by Parliament and the media to assess progress against SD objectives.***

There has been some progress in this area through our media releases coinciding with Scotland's GDP updates. Our aim is to highlight the limitations of GDP and the existence of other indicators. We are using social media too, to raise awareness of specific NPF indicators and progress against these. Overall, it would be fair to say that awareness of the NPF and its indicators is still relatively low among MSPs and journalists. In its current form, committees find the NPF difficult to use in scrutiny as the relationship between the NPF outcomes, SG policy areas and SG budget is not well aligned. This is recognised by decision-makers, and should be made easier when the NPF is revised. We will be briefing incoming MSPs after the Scottish elections in May.

***iv) Over time, social and environmental datasets as well as GDP will be a matter of public interest and scrutiny.***

This is a long term aim. The awareness raising strand of work, both through the media and our members, will contribute towards increased interest in different metrics. Our press work in July resulted in two articles mentioning the limitations of GDP, but media interest in this topic is not high. The Project Officer is liaising with a prominent journalist and also plans joint media work with Oxfam.

***v) LINK members will be able to make stronger SD/economics/resilience arguments across a range of audiences they engage with, including their own members.***

Members of the LINK Economics Group are increasingly aware of a range of economic (and social) issues relevant to their work and of the connections between them. Other LINK members are also becoming increasingly literate in this area, specifically through the workshops, papers and discussions enabled by this important project. This is helping members to think about the socio-economic aspects of their areas of work and to identify in their advocacy the socio-economic benefits associated with the quality of the environment. Members are increasingly able to relate economic concepts and tools to their own work. A workshop for LINK members on using socio-economic valuations had to be postponed and is to be held on 10<sup>th</sup> Feb. This event will have a marine focus, relevant to the development of marine planning in Scotland, but the intention is to have a second similar workshop using land based case studies later in the year.

## **4. Unexpected outcomes**

There are not many organisations working in this field in Scotland. The fact that LINK is taking a lead here has enhanced our reputation with other sectors.

## **5. Media interest**

As mentioned, we had limited media interest in our releases on Beyond GDP. We will be thinking about ways to enhance this in year 3 of the project. Press releases are available at <http://www.scotlink.org/workareas/economics-forum/> at the bottom of the page under press releases.

## **6. Lessons**

We were aware at the start that the societal changes needed are profound. Building capacity within the environment sector and working with others with shared agendas means progress will be steady, if sometimes slow, and built on solid foundations.

## **7. Financial report.**

Submitted separately