



## **Scottish Marine Recovery Fund**

September 2025

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

Scottish Environment LINK is the forum for Scotland's voluntary environment community, with 50 member bodies representing a broad spectrum of environmental interests with the common goal of contributing to a more environmentally sustainable society.

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

LINK works mainly through groups of members working together on topics of mutual interest, exploring the issues and developing advocacy to promote sustainable development, respecting environmental limits. This consultation response was written by LINK's Marine Group.

### **Response**

#### **Applying to the Scottish MRF**

##### **1. Do you agree with our proposal that developers may choose which MRF to apply to in the circumstances outlined?**

No.

LINK members recognise the intention to provide flexibility for developers. However, we do not agree that developers should have full discretion over which MRF to apply to, and we recommend that where impacts occur within Scottish waters, compensation should be delivered through the Scottish MRF. This ensures that ecological coherence can be prioritised, that compensation measures are appropriate to Scottish species and habitats and that benefits are realised in the local marine environment most directly affected. Allowing developed unrestricted choice of MRF could risk a "race to the bottom" with applications directed to whichever MRF is perceived less stringent. This would undermine both environmental protection and public confidence. Failing to deliver compensation at the location of impact risks undermining the principle of no net loss, as it does not adequately address the ecological damage caused. For vulnerable species such as kittiwake, this failure can push the species close to irrecoverable population declines and jeopardises UK conservation objectives under the UK Marine Strategy, particularly the achievement of Good Environmental Status. We recommend exploring a sliding scale or proportional payment model for projects with cross border impacts.

##### **2. Do you agree with the proposal for the way in which the two MRFs will interact to address cross-border impacts?**

No.

Cross-border impacts are inevitable, given the dynamic nature of marine ecosystems. It is essential that clear, robust mechanisms are in place to allocate responsibility between the Scottish and UK MRFs. Compensation measures must be delivered on a like-for-like basis, or as close as possible to the location of impact, taking into account ecological connectivity and coherence. The governance framework must ensure that neither fund is



used as a “dumping ground” for impacts originating elsewhere and that cumulative and/or transboundary pressures on marine biodiversity are properly addressed. The proposal lacks clarity on how cross-border impacts will be proportionately addressed and we recommend that cross-border impacts be addressed through a proportional payment model ensuring fair contributions to both the Scottish and UK MRFs based on the scale and location of environmental harm. Where there is more than one MRF operator responsible for the delivery of a compensation package across borders, it will be vital that both MRF operators work closely to ensure that compensation has the desired result. It should also provide clarity for developers who are already having to negotiate varying legislative differences and must be supported by a clear governance structure for coordination across countries. This would entail long term oversight of impact, the compensation that is applied and the effective monitoring of this and whether adaptive management is required. Any cross-border governance structure must include long-term oversight of impacts, and robust monitoring to assess effectiveness and enable adaptive management where needed.

**3. Do you agree with the proposed approach for making an application to the Scottish MRF and how it will interact with existing offshore wind application and determination processes?**

Don't know.

The Scottish MRF must be tightly embedded within the mitigation hierarchy - avoid, minimise, restore and only then compensate. The MRF must not be used to legitimise preventable damage to the marine environment and must have strong safeguards within the application and determination process. Entry into the fund must only occur after independent verification (by SNCBs) that no further avoidance or mitigation measures are possible on a case-by-case basis. Early application by developers in both marine planning and MRF is critical.

**4. Do you agree that the Scottish MRF should be a voluntary mechanism, including in relation to strategic compensation?**

Don't know.

We support the principle that strategic compensation is the most appropriate approach for delivering ecological benefits at scale, particularly when addressing impacts on mobile species such as seabirds. We recommend that applicants be encouraged to use Marine Recovery Funds (MRFs) as part of strategic compensation, and that such proposals be prioritised over those relying solely on project-level measures in consent applications. A voluntary mechanism introduces uncertainty in the delivery of strategic compensation, which depends on long-term planning, sustained funding, and coordinated implementation.

Incentivising the use of MRFs for strategic compensation will help ensure the consistency and accountability needed to achieve effective environmental outcomes. Failing to do so risks adding further complexity and confusion to an already challenging administrative system.

**Funding and fee structure**

**5. Do you agree with the proposal of an initial payment to secure access to appropriate compensation?**

Yes

**6. Do you support the proposal that the MRF Operator will be responsible for assigning appropriate compensation to projects?**

Yes

**7. Do you agree that the any payments made into the Scottish MRF will be non-refundable?**

Yes



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**8. Do you support a full cost recovery model for the Scottish MRF?**

Yes

**9. If options are available, do you have a preference for whether the total payable to secure compensatory measures should be paid in a single lump sum or through a payment plan?**

Lump sum

Please give reasons for your answer:

We favour a lump sum approach to ensure compensation is secured and deliverable before environmental harm occurs. If a payment plan option is offered, the initial installment should be enough to fully deliver on compensatory measures in advance, with later installments covering the long-term monitoring and management of the measures.

**10. Do you agree with the proposal that a 30% adaptive management charge will be charged to all applicants to the Scottish MRF?**

Don't Know

**11. Do you agree with the proposal that the 30% adaptive management charge will be non-refundable?**

Yes

**12. Do you agree with the proposal that surplus funds may be used for further development of measures?**

Yes

**13. Do you have any other comments on the proposed costs and charges as described above (Questions 5-12)?**

Please add any other comments on the proposed costs and charges:

We agree that an upfront payment helps to secure compensation capacity and prevents speculative applications. This should be set at a level that is meaningful but not prohibitive, ensuring early certainty for developers and ecological planning. The Scottish MRF operator must work closely with SNCBs and relevant local expertise within a robust operating framework/criteria. This will offer a practical way to ensure consistency, transparency, and strategic alignment across projects. However, it will be essential that the criteria and process for assigning measures are clearly defined and publicly available, and that all assigned measures are tracked, evaluated, and adaptively managed over time. Clarity is also needed on who the operator will be, and how they will engage with stakeholders and SNCBs, and their capacity to deliver long-term ecological outcomes. Non-refundable payments provide certainty and prevent delays. An allowance for refunds may risk undermining financial stability and ecological delivery of the MRF and compensation measures. We support a full cost recovery model but it must explicitly include provision for independent monitoring, evaluation and enforcement, as well as any additional capacity for SNCBs (so that capacity is not diverted from other marine priorities). The fund must go beyond just meeting administrative costs - it must deliver long-term positive ecological outcomes.

We support the principle of including adaptive management funding, but a flat 30% figure needs clearer justification. The charge for adaptive management should be evidence-based and derived on the basis of the specific monitoring, research and adaptation of measures required for the compensation project. A one size fits all approach may not suit all projects and may not be appropriate across different types of compensatory measures. A risk based or tiered base may offer greater fairness and ecological relevance. There should be



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effective mechanisms in place to allow stakeholders, SNCBs and conservation bodies to be actively involved in reviewing how adaptive management funds are used and prioritised, to ensure transparency and ecological integrity. The adaptive management charge should be ringfenced for this purpose and subject to independent evaluation and reporting. We support the proposal to reinvest surplus funds to help scale up restoration efforts and enhance the strategic pool of compensatory measures prioritising measures that monitor, protect, restore and recover the marine environment. It must be utilised for nature and not be subject to wider Government reallocation processes. Again, the allocation of these surplus funds should be done transparently and subject to robust criteria. It is important that costs are structured to ensure timely delivery of compensation and to avoid any financial barriers that might deter developer participation. The charges should be such that the fund drives ecological ambition while not discouraging use of the fund. Transparent and regular public reporting on how the funds are used is essential.

### **Interaction between the Scottish MRF and the UK Government MRF**

#### **14. Do you support the establishment of a Scottish MRF that operates separately from a UK Government MRF, providing Scottish offshore wind developers and plan authorities with a mechanism to compensate for adverse effects in Scottish waters?**

Yes.

We support the establishment of a Scottish Marine Recovery Fund (MRF) that operates separately from the UK Government MRF. A Scottish MRF offers the opportunity to deliver strategic compensation tailored to Scotland's unique legal, ecological, and policy context, particularly given the likelihood of most offshore wind development occurring in Scottish waters and the importance of delivering compensation close to the site of impact.

However, while the proposal outlines a collaborative approach between the Scottish and UK Government MRFs and rightly emphasises the importance of delivering strategic environmental benefits and tailoring each MRF to national legal and sectoral contexts, it lacks clarity on how cross-border impacts will be proportionately addressed. We note that dialogue between the UK and devolved governments is ongoing, and we look forward to greater clarity on how intergovernmental working arrangements will operate in practice.

Specifically, we believe that joint governance mechanisms should be established to oversee cross-border compensation decisions and ensure ecological coherence. Both MRFs should be aligned on monitoring standards, adaptive management frameworks, and success criteria to ensure consistency and effectiveness in delivering environmental outcomes across jurisdictions.

#### **15. In addition to how cross border impacts are proposed to be addressed between a Scottish MRF and the UK Government MRF (see question 2), do you have any other views on how both MRFs should interact with one another?**

We would support a formal coordination mechanism between the two MRFs to share data, apply consistent standards and prevent duplication or gaps in delivery. A joint oversight body could be established to review cross-border cases and cumulative effects. Both MRFs should be aligned on monitoring standards, adaptive management frameworks and success criteria, to ensure consistency and effectiveness in delivering environmental outcomes across jurisdictions.

### **Impact Assessments**

#### **16. Do you have any comments on the findings of the partial BRIA?**



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LINK members welcome the inclusion of environmental considerations but a more detailed analysis of the ecological benefits, rather than just business costs, would be helpful.

**17. Do you have any additional information on the potential business or regulatory impacts of a Scottish MRF being established?**

Investment in regulatory capacity is critical to the success of the Scottish MRF, including for statutory bodies to assess applications and oversee delivery.

**18. Do you have any comments on whether the establishment of a Scottish MRF will have any positive or negative impacts on consumers of Scotland?**

If implemented well, the Scottish MRF should have positive impacts on consumers, including increased ecosystem service benefits from more resilient marine ecosystems, greater public confidence in offshore wind for sustainable energy and potential reduction in consenting timelines. Costs of compensation should not be transferred onto consumers - avoidance of harm and compensatory measures to enhance the marine environment is a matter of public interest.

**19. Do you have any comments on whether the establishment of a Scottish MRF will have any positive or negative impacts on island communities, in a way which is different from other communities?**

**General questions**

**20. To what extent do you agree that establishing a Scottish MRF to streamline offshore wind consenting and deliver strategic compensation measures will; help Scotland achieve net zero? be beneficial to the people and environment of Scotland? be beneficial to developers of Scottish offshore wind projects?**

General questions - help Scotland achieve net zero?: Mostly agree

General questions - be beneficial to the people and environment of Scotland?: Mostly agree

General questions - be beneficial to developers of Scottish offshore wind projects?: Mostly agree

**21. If you were/are developing an offshore wind project would the Scottish MRF be an attractive option to address any adverse environmental effects?**

**22. Do you have any other comments on the overall proposal for the Scottish MRF? Please add any comments below:**

If implemented well the Scottish MRF should deliver for both climate and nature priorities, but it must not be used to trade off one against the other. The Scottish MRF must ensure that offshore wind deployment is genuinely sustainable and socially licensed. It is also important to emphasise that in supporting marine nature recovery, natural carbon sinks (blue carbon habitats) will also be strengthened, improving ecological and climate resilience. A well-implemented MRF can provide developers with greater certainty and reduced project delays - but this must be subject to the MRF driving genuine ecological outcomes and not becoming a substitute for mitigation. When development occurs we strongly emphasise that priority must be given to the Mitigation Hierarchy and the compensation is viewed as a last resort, and that where compensation is required, every effort must be made to ensure that adequate funding is secured to match the scale of impact. All compensation measures must be ecologically coherent and robust, with a clear focus on restoring the impacted feature.



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Appropriate safeguards must be in place to ensure the effectiveness of compensation and to prevent any further losses or declines. To summarise LINK's position on the MRF, it must enable compensation measures to be implemented in advance of the environmental damage they are intended to address. Measures must be long-term and resilient, not short-term fixes, and must be implemented with appropriate monitoring, enforcement and adaptive management, and properly resourced. The MRF should complement wider Scottish marine policies, including commitments to enhance MPAs, restore priority habitats such as seagrass, kelp, and native oyster reefs; must complement and not undermine the ecological coherence of the MPA network, and must deliver community benefits from nature recovery. Transparency and accountability must be central, with annual reporting on ecological outcomes and financial flows.

This response was compiled on behalf of LINK Marine Group and is supported by:  
Marine Conservation Society, RSPB Scotland, Scottish Seabird Centre.

**For further information contact:**

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