

**First Minister: Nicola Sturgeon**  
**Edinburgh, 23 November 2015**

Scotland hosted the first ever World Forum on Natural Capital two years ago, and we are delighted to be hosting the second one.

I congratulate the Scottish Wildlife Trust on organising this event. I also want to thank the associate partners – the United Nations Environment Programme; the International Union for Conservation of Nature; the World Business Council for Sustainable Development; the Natural Capital Coalition; and The Wildlife Trusts.

The Scottish Government is pleased to be one of the three Principal Sponsors for the event, and I am delighted that Visit Scotland, Scottish Natural Heritage and the Scottish Environment Protection Agency are also involved as sponsors.

And finally, I want to welcome all of you to Edinburgh and to Scotland. I hope you have a fantastic and very productive time while you are here.

I understand that there are around 500 people here, from more than 40 countries – it demonstrates the sheer scale of international interest in this subject.

I am aware that there are a range of views about the valuation of natural capital and the involvement of business - having an opportunity to consider and debate such issues is hugely important. It's one reason why this forum is so valuable.

It's not surprising that there is such growing interest in the concept of natural capital. This year – perhaps even more than any other - exemplifies why it is of such profound importance.

Over the summer, Scotland became one of the first countries to pledge to implement the Sustainable Development Goals. As you will know, the Goals set out a plan of action for people and for the planet. They start from the premise that eradicating poverty in all its forms, including extreme poverty, is an indispensable requirement for sustainable development.

Protecting the resources we all depend on is a crucial part of that. That's why many of the sustainable development goals that have been agreed are directly relevant to natural capital.

In addition, of course, in less than two weeks' time, world leaders will travel to Paris for global talks on climate change and reducing greenhouse gas emissions. Protecting ecosystems and enhancing our natural capital will have to be an important element in those discussions.

And so the basic concept behind natural capital – the idea that economic growth cannot be sustained if it comes at a continuing and unsustainable cost to our natural resources – is one which is more urgent and more important than ever before.

In Scotland we are determined to play a leading role in developing the thinking about the concept and its application.

Our Biodiversity Strategy – the 2020 Challenge for Scotland's Biodiversity– has a chapter on natural capital. It recognises that Scotland's rich and diverse natural environment is a national asset which contributes hugely to our economy and to our wider sense of wellbeing.

In 2011 we became the first country in the world to establish a natural capital asset index. It demonstrates the extent to which Scotland's natural capital declined between 1950 and 2000 –

although it also provides evidence that it has stabilised since then. That's partly as a result of cleaner rivers and lochs, and cleaner coastlines.

Studies suggest that the elements of Scotland's natural capital that can be given a monetary value are worth more than £20 billion each year to our economy. It directly supports more than 60,000 jobs. It's also indirectly responsible for many more - our tourism sector, for example, which employs 200,000 people, benefits hugely from our scenery, habitats and wildlife.

Now obviously, not all benefits of natural capital can be quantified. You can't place a value on the feeling of wellbeing you get from a beautiful landscape.

But it's important for us to recognise that damaging our environment has a cost. We're more likely to abuse nature, if we think it is free; and to treat it with care, if we appreciate its value.

That's why we have recognised that natural capital has a role to play in our policy-making.

When we published our revised economic strategy in March, it stated explicitly that "protecting and enhancing our stock of natural capital... is fundamental to a healthy and resilient economy."

You can see some of the implications of that in the draft Land Use Strategy which we published for consultation on Friday. It makes clear our determination to protect ecosystems and enhance our natural capital.

An obvious example here in Scotland is our peatland. It's not land which has obvious financial value, by many conventional accounting measures.

But Scotland's peatland stores over 1,500 million tonnes of carbon – that's far more than is held in all of the trees and vegetation across the whole of the UK. It's a good example of the fact that loss of ecosystems is a major contributor to climate change, just as climate change in turn is a threat to ecosystems.

For Scotland, losing just 1% of our peatland would release the same amount of carbon as an entire year of human activity. So instead of reducing our peatland, we're restoring it. Last year we restored just over 20 square miles. We spent approximately £5m on doing so.

That spending would make no sense if you used conventional accounting methods. But if you focus on climate change, and use natural capital as a guide, it's one of the best investments we can make as a society.

Another example is forestry. Trees also help to absorb carbon dioxide and store it as carbon. In recent years, Scotland has been responsible for almost three quarters of the UK's new tree planting.

We have planted approximately 16 million trees every year. We are committed to increase planting rates even further so that we plant 100,000 hectares of trees in the decade to 2022. That would be equivalent to 200 million new trees – just under 40 for every person living in Scotland.

Alongside the environmental importance of protecting and enhancing our natural capital, we also believe it will help to create a fairer society.

There's an obvious issue of fairness between generations – we should not reduce natural capital for our own temporary benefit, at the expense of future generations.

But there's also an issue of fairness within each generation. Preserving natural capital often involves enhancing common assets – our environment, woodlands, natural resources – which everybody benefits from.

It's maybe worth looking at something like the Central Scotland Green Network. It aims to transform central Scotland over the next three decades – that's an area of 3 ½ million people. In fact, it's the largest greenspace project in Europe. It's one of 14 national developments listed in our latest National Planning Framework – it's ranked alongside projects such as national broadband infrastructure.

Its projects range from transforming derelict land at Irvine Bay on our west coast, to improving the Castlemilk Woodlands in Glasgow, to establishing a community orchard in Kirkcaldy in Fife.

The Central Scotland Green Network brings major environmental benefits - that in itself makes it worthwhile. But it will also help us to tackle inequality. The network prioritises action in disadvantaged areas. Its projects provide employment, training and volunteering opportunities.

The network also helps to promote walking and cycling. The John Muir Way - a cross-Scotland walking route named in honour of the great environmentalist - runs through the area. In fact, it passes within half a mile of this conference centre. It links Muir's birthplace in Dunbar on the east coast with Helensburgh in the west coast.

We know from Forestry Commission research that people are much more likely to exercise if they live in areas with lots of greenery. We also know that Scotland is scarred by serious health inequalities.

So the green network can make a contribution - alongside many other steps - to reducing those. Green spaces enhance our natural capital, improve the wellbeing of our communities, and play a part in reducing health inequalities.

So the Scottish government recognises that natural capital contributes to a fairer society, a more sustainable economy, and a healthier environment. What we're now looking to do is to make further progress.

Two years ago, at the first World Forum, the Scottish Forum on Natural Capital was established. The Scottish government is a member.

The Forum has already done a lot to raise the profile of natural capital by bringing together public sector bodies, landowners, non-governmental organisations and businesses. The presence of the private sector is an important element - the forum, like this conference, helps to spread best practice about how companies can take account of natural capital.

We're also working to encourage an awareness of natural capital among young people. We're encouraging ideas for our junior climate challenge fund – where young people can lead local projects to tackle climate change.

Scottish Natural Heritage has joined forces with Young Scot, our national youth information and citizenship charity, to establish a youth panel on biodiversity.

And the 2050 Climate Group in Scotland, which is Scotland's youth climate group, recently launched a Young Leaders Development Programme. The programme ensures that future

public, private and third sector leaders are already thinking about the challenges of natural capital, the circular economy and climate change.

The young leader's development programme is a world first – it's another mark of our determination to ensure that Scotland continues to be at the forefront of progress towards a truly sustainable model of economic growth.

I mentioned earlier that the John Muir Way passes close to this conference centre. It is named after the Scottish environmentalist who is known as the father of America's national parks movement. Also within a mile of here is the grave of Adam Smith, who practically invented the modern study of economics.

What we need to do now, more than ever, is to combine the preoccupations of those two great Scots. It seems fitting for Scotland to play a leading role in doing that. We intend to ensure that our approach to economic development, takes account of the custodianship of our natural resources.

The Scottish Government is determined, first and foremost, to lead by example - by measuring and enhancing our own natural capital. We know that by doing so, we will benefit the ecosystems and people of our own country; and we'll also do our bit to help the environment and wellbeing of the wider world.

And as we do that, we will continue to work in partnership with others. We will share our own experiences, and learn from our allies and friends in Scotland, and around the world.

This conference is a hugely important way of doing that. That's why it's a pleasure to welcome all of you to Scotland; I wish you the very best for the rest of the forum.

Source: [The Scottish Government](#)