

**First Minister: Nicola Sturgeon**  
**Edinburgh, 27 November 2017**

Thank you, Jonny (Hughes, Chief Executive of the Scottish Wildlife Trust), and thanks to all of you for attending.

Scotland hosted the first two World Forums on Natural Capital in 2013 and 2015, and we are delighted to be hosting this third one.

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

This is actually the third big environmental event I've had the privilege of speaking at in the last fortnight.

Two weeks ago I addressed the United Nations Climate Change Conference in Bonn, and last week I welcomed delegates to Edinburgh for Scotland's first ever Arctic Circle Forum, which had a strong environmental focus.

At both of those events, I've stressed – as you might expect – Scotland's continued commitment to tackling climate change and protecting our environment.

And I've also highlighted our deep desire to collaborate with partners around the world as we do that.

After all, the environment, is, by definition, an international issue. It therefore requires international agreement and co-operation. And we will make better progress if governments, individuals and organisations from around the world share their expertise and experience.

So I am absolutely delighted that the 700 or so delegates here today come from approximately 60 countries around the world. That demonstrates the sheer scale of international interest in this subject. I want to extend to all of you, the warmest possible welcome to Scotland.

You are visiting a country which earlier this year was voted by Rough Guide readers as the most beautiful in the world - ahead of Canada, New Zealand, Italy and South Africa.

That accolade is something which we are very proud of – however it also demonstrates something extremely important, and something extremely relevant at this forum.

Scotland's natural environment is, first and foremost, important because of its intrinsic value. Biodiversity and beauty are precious in and of themselves. You cannot put a price on the sense of joy, happiness and wellbeing that people get from nature.

However acknowledging all of that doesn't take away from the fact that our natural environment is also of great economic significance. It is believed to account directly for more than 60,000 jobs here in Scotland. It is also vital to our tourist industry, which employs more than 200,000 people across the country. And it is essential to Scotland's food and drink sector, which is currently enjoying enormous success.

I'm well aware that some people still have concerns and scepticism about the very concept of natural capital. However the Scottish Government's view and approach is very clear. We believe that we're more likely to abuse nature, if we think it is free, and to treat it with care if we have an understanding of its value.

The Scottish Government in recent years has tried to lead by example on environmental issues and the issue of natural capital.

We were one of the first countries in the world to sign up to the UN's Sustainable Development Goals.

We have set – and are well on course to meet – some of the most ambitious targets in the world for reducing greenhouse gas emissions, playing our full part in meeting the aspirations of the Paris agreement.

I have also made it clear in the last couple of weeks that we are committed to an early decision on when Scotland will aim to achieve net zero emissions.

Two months ago we published our Programme for Government. Friends of the Earth welcomed it as the most environmentally friendly set of proposals published in the 18 year history of the Scottish parliament. We also received praise from the United Nations Environment Programme.

We set out proposals – among other things – to double our investment in promoting cycling and walking; to establish clean emission zones in our cities; to further promote renewable energy generation; and to remove the need for new petrol or diesel cars by 2032 – eight years ahead of the target set in the rest of the UK.

We see the move to a low carbon economy, first and foremost, as an overwhelming moral imperative – especially, perhaps for a developed economy like Scotland's.

But we also see it as a massive opportunity. It's an opportunity, by reducing pollution, to improve the health and wellbeing of people across our country, and make our contribution to improving the health, wellbeing and security of people across the world. The low carbon transition is also, of course, a major economic opportunity.

I want Scotland to be at the forefront of economic and technological change – to be a country which develops, designs and produces the technologies of the future, rather than simply consuming them.

We have opportunities to do that in many low-carbon technologies – for example we are internationally recognised for our capabilities in renewable energy, smart grids and battery storage.

One interesting example – which is directly relevant to natural capital - is the progress we are making towards a more circular economy; one where materials are used and reused in a way that retains their value for as long as possible. In fact, earlier this year, Scotland's efforts in this area were recognised at the World Economic Forum's Circulars Awards.

In the manufacturing sector, there are big opportunities in repairing and remanufacturing items. That's why we have established a Scottish Institute for Remanufacture.

And if you look at the bioeconomy, it has been estimated that in some key parts of our food and drink industry, a more circular approach could save businesses up to half a billion pounds a year.

Some Scottish companies are already doing amazing work – for example by taking the residues from whisky production to create biofuels, or using coffee grounds in the production of cosmetics.

It's a further example of how the need to reduce waste is creating exciting new business models. And it helps to highlight the benefits of making a rapid and just transition to a cleaner, more sustainable economy. We can enable our communities to prosper, while also allowing our environment to flourish.

The Scottish government sees the concept of natural capital as an important tool for making better decisions as we look towards that better world.

That's why natural capital is embedded in our performance framework, and also in our national economic strategy.

And it's why in 2013 we established the Scottish Forum on Natural Capital. That forum brings together the public, private and third sectors, and it aims to ensure that natural capital isn't simply recognised as a valuable principle; but also that it works to influence practical decision making as well – turning the rhetoric into reality.

One example of that relates to the Natural Capital Coalition, and the protocol it has developed - which helps managers to identify both the impact of their businesses on natural capital, and also the extent to which their businesses depend on natural capital.

The Scottish Forum is currently exploring how that protocol is being used in practice by land-based businesses. It's working on that project with Crown Estates and representatives of major landowners in Scotland.

The trial is still in its early stages. But it is potentially hugely significant. If we can encourage more businesses and landowners to use the protocol, the importance of our natural heritage will be reflected a bit more accurately in our day to day decision making. That will be good for the environment, and it will also be good for businesses.

In 2013, Scotland also became the first country in the world to establish a natural capital asset index.

You can see some of the implications of having to calculate natural capital when you look at our treatment of peatlands, for example. Peatland doesn't have much obvious financial value, by many conventional accounting measures.

But Scotland's peatland stores over 1,500 million tonnes of carbon. That's equivalent to 140 years' worth of Scotland's total annual greenhouse gas emissions. Peatland also enhances biodiversity and improves water quality.

And of course peat is central to one of Scotland's best-known products. Our multi-billion pound Scotch whisky industry would be very different without peat. If any of you have any doubts on that score, you might want to try a malt later on this evening.

So for all of these reasons, instead of reducing our peatland, we're restoring it.

We're taking other very significant measures to enhance our natural capital. For example we're creating new woodlands. In fact, in recent years, Scotland has been responsible for almost three quarters of the UK's new tree planting. These trees help to store carbon dioxide, they can help to alleviate flood risks, and they improve biodiversity and enhance our landscapes.

These investments might not be obvious priorities at a time when public finances are tight. But when we consider the contribution they make to Scotland's natural capital, their value becomes much clearer.

You can apply a similar logic to our marine environment. Our marine protected areas alone are thought to store the equivalent of four years' worth of our annual carbon emissions.

So looking after them is a necessity. That's why we have committed to a new research programme to understand better the role of our oceans in storing carbon.

In addition, there has been growing concern in recent weeks about marine litter. It's been prompted by some of the extraordinary footage that's been shown on the "Blue Planet".

But of course, as all of you will be aware, the harms caused by ocean litter have been evident for several years now. It is a worldwide issue which also has very specific local impacts. Here in Scotland, some places such as Arrochar, on Loch Long on the West coast of Scotland, have had to endure very serious litter sinks.

That's why two years ago, our national marine plan addressed this issue. It required developers, and other people who use our seas, to take steps - where possible - to reduce marine litter.

We have also promised to legislate, along with the rest of the UK, to ban the manufacture and sale of cosmetics and personal care products containing micro beads.

In addition, the underlying principles of a more circular economy are directly relevant to marine litter. After all, a circular economy is partly about a change of culture - we need to move away from assuming that we throw things away after just one use.

In our latest programme for government, we promised to explore a levy on single use items such as disposable cups. We're also introducing a deposit return scheme for drinks containers such as glass and plastic bottles. These steps won't just benefit our towns and countryside, they will also benefit our seas - after all, 4/5 of marine litter originates on land.

Finally, since litter in our seas is a global problem, we recognise that it requires global action. That's why Scotland is hosting an international conference on marine litter in 2019. We want to share ideas and expertise with partners across the world. We believe that by doing so, we will improve our own efforts here in Scotland, and also play a part in tackling a growing problem around the world.

Which, in conclusion, brings me back to the central purpose of this conference. In Scotland, we believe we are making progress in creating a better environment and a better society.

But we recognise there is much, much more to do and we know we have a huge amount that we can learn from the experiences and insights of partners from around the world.

So my hope is that over the next two days we can continue to make vital progress towards learning how we can measure and enhance our natural capital.

By doing that, we will bring benefits to the people of all of the countries we represent. And we will give ourselves a better chance of making better decisions, for a better world for future generations.