

Creating a Rewilding Nation: sustainable funding for nature

Introduction

The Nature Restoration Fund was launched in July 2021 as a £10 million fund for projects that aimed to restore nature, safeguard wildlife and tackle the causes of biodiversity loss and climate change. Following the Bute House Agreement between the Scottish Government and Scottish Green Party Parliamentary Group, it became a £65 million fund across the 2021 - 26 parliament.

Hundreds of nature restoration projects have received funding from the Nature Restoration fund since 2021, from seagrass planting to montane woodland restoration. Environmental charities, community groups and private landowners have used NRF funds to restore nature at large and small scales. Local authorities and national parks have also benefited from 'Edinburgh process' NRF funds to restore nature, either directly or through distributing funds.

NRF was a unique opportunity to fund nature's recovery across Scotland. As we approach the final year of NRF, how can we ensure that the progress we have made is scaled up - not scaled back?



Beaver created wetland amongst woodland and farmland on Bamff Estate, Scotland
James Shooter / scotlandbigpicture.com



**THE SCOTTISH
REWILDING ALLIANCE**

Nature Restoration Fund and rewilding

Despite international praise for Scotland's rewilding progress, tackling the climate and nature crises means we need to rewild, at scale, at pace. We know that 2.1% of Scotland's land is now rewilding, with more than 150 projects covering at least 160,000 hectares, from community woodlands to landscape-scale partnerships.

The Scottish Rewilding Alliance is urging the Scottish Government to declare Scotland the world's first Rewilding Nation, committing to rewilding 30% of land and sea. Rewilding – large-scale nature restoration – offers hope for tackling the nature and climate emergencies, and delivers a cascade of benefits for people and communities.

This declaration would be a powerful statement of intent – setting Scotland on a path that leads the way on large-scale nature recovery, and towards creating a greener, fairer country we can all be proud of. To make this vision a reality, the government has a crucial role to play by deploying public funding that supports rewilding.

The current funding landscape for rewilding is fragmented and confusing. NRF offered many rewilders an opportunity to fund ecological restoration projects during this parliament. We have identified at least 24 terrestrial projects with rewilding aims who have received competitive funding, as well as a number of others whose aims include ecological restoration.

With limited alternative funding options, NRF has been transformational for some rewilding projects.

A recent written question from Ariane Burgess MSP [1] revealed that:

- Just over £51 Million has been awarded through the Nature Restoration Fund (NRF). This includes just over £32 Million awarded through the NRF competitive strand, just over £1.3 Million through NRF-funded Scottish Marine Environmental Enhancement Fund (SMEEF) projects, and £18 Million provided directly to local authorities and National Parks, via the NRF Edinburgh Process strand, as of the end of the 2023-24 financial year.*
- 220 projects have been offered competitive funding to date. This includes 192 projects through the NRF competitive strand and 28 NRF-funded SMEEF projects. (i) 162 were terrestrial or freshwater projects (ii) 30 were coastal and marine projects (plus the 28 NRF-funded SMEEF projects).*
- Additionally, local authorities and National Parks have supported further projects directly through their allocation from the NRF Edinburgh Process strand.*

However, as a time-limited, competitive fund, NRF presents barriers for rewilders seeking to fund rewilding through it. Rewilding requires long-term thinking and long-term funding. In particular, public grants for rewilding need to have the following attributes.

- Multi-year: rewilding takes time. Multi-year funding allows projects to build capacity, develop strong roots and make better decisions - as opposed to short-term grants that force projects to chase outcomes.
- Unrestricted options: funding that is less strictly tied to specific projects and outcomes builds resilience and allows investment in ongoing projects that are already delivering ecological restoration.
- Flexible: rewilding is a dynamic, unpredictable process that can challenge the monitoring approaches used to track changes at more traditional nature conservation sites. This can be incompatible with the requirements of funds. Although organisations like Rewilding Britain are developing monitoring frameworks [2], nature will always be more unpredictable than many funds allow for. Measuring success on long-term outcomes and allowing for flexibility on specific metrics would better accommodate rewilding approaches.
- Integrated: funding that is well-integrated with existing land management legislation, particularly agricultural subsidies, would remove barriers to landscape-scale transformation. Farmers may be reluctant to draw down on funds like NRF where that results in loss of income compared to other options, including Agri-Environmental Climate Scheme (AECS) or Forestry Grant Scheme (FGS). Currently, land used for NRF-funded interventions, such as creating riparian woodland, must be removed from a farm's area-based Basic Payment Scheme.

[2] <https://www.rewildingbritain.org.uk/why-rewild/benefits-of-rewilding/rewilding-monitoring-framework>

Reallocation of Nature Restoration Fund

On 25th August 2024 it was reported that money set aside for restoring nature will be diverted into funding wage settlements in Scotland's local authorities. The Scottish Rewilding Alliance is calling for this decision to be reversed and funding for nature expanded through using the Scottish Government's new powers.

The Nature Restoration Fund is a fund used for crucial ecological restoration projects. Funding is split between NatureScot, which uses it to directly fund projects restoring nature across Scotland, as well as local authorities and national parks, who use it to deliver local projects and to set up Nature Networks across their local areas.

£17 million has been allocated through the Nature Restoration Fund since 2022 to support nature restoration via local authorities and national parks. Councils have used this funding to support local nature restoration and rewilding projects as well as restore nature directly.

£5m is being redirected to fund the pay offer. The Scottish Government has promised to replace this money in future years.

Future of the Nature Restoration Fund

The Scottish Government is still committed to the total £65m over the lifetime of the Parliament. However, because many of the projects are multi-year, capacity for 2025 is already limited. The December 2024 budget could have further impacts on project development and delivery if cuts or 'reallocations' are announced.

The Programme for Government 2024 promised to deploy nature restoration funding through over 50 projects across Scotland – including work to restore temperate rainforests and to protect seabird colonies on our islands.

Sustainable funding for nature

The Scottish Rewilding Alliance would like to see the Scottish Government giving serious thought as to how to provide long-term, secure funding for rewilding projects across Scotland. Short-term, competitive funds are not well suited to rewilding, which requires long-term vision, long-term engagement and deep connections with the land and sea.

Subsidising nature

A funding model equivalent to agriculture subsidies is one option. A Scottish Green amendment to the Agriculture and Rural Communities Bill (now Act) created the power for the Scottish Government to provide funding to people managing land for nature.

In 2023-4, the total value of agricultural support for farmers, crofters and land managers was £620 million. This includes:

- Basic Payment Scheme, which along with the Greening payments make up over £400 million in support. A third of support goes into Greening payments, which vary by area but can include one or more of the following: protecting permanent grassland designated as environmentally sensitive grassland; farming five per cent of your arable area in a manner that promotes biodiversity – known as an Ecological Focus Area (EFA).
- Scottish Suckler Beef Support Scheme, Scottish Upland Sheep Support Scheme, and the Beef Efficiency Scheme.
- Less Favoured Area Support Scheme, which awards around £65 million to farmers and crofters in less favoured areas.
- The Agri-Environment and Climate Scheme (AECS), which awards £30-40 million annually to land managers who contribute to delivering national and international targets relating to biodiversity, climate change, water quality and flooding. It also supports organic farming, the historic environment and public access.

Some rewilders who combine nature restoration with farming have found themselves able to fund their business model through agricultural subsidies. However, bureaucratic requirements, the active farmer requirement and incompatible requirements all present barriers to rewilders wanting to access these schemes.

The Agriculture and Rural Communities Act is a framework piece of legislation giving wide powers to ministers to develop the details of future farm support. The Agriculture and Rural Communities Act, which was passed by the Scottish Parliament in June 2024, granted the Scottish Government a range of powers to fund the restoration of nature. This included assisting people to set aside land for nature, carry out activities that preserve or protect land or water, and create community benefits like access to nature, clean air and clean water.

Secure funding of nature restoration should be mainstreamed into agricultural support reform.

Public grants

The £65 million Nature Restoration Fund has been a lifeline for many projects, despite its drawbacks. At a minimum, we do not want to see it cut or reallocated for the remainder of this Parliament. We would like to see it expanded so projects can continue to benefit from it. And we would like to see it re-committed to as a top priority after the 2026 elections, by whichever party or parties form the next government.

The Scottish Government has announced an interim evaluation of the Nature Restoration Fund, and work on this commenced in August 2024. We want to see the Scottish Government build long-term confidence and stability through secure public funding and policy that underpins investment in nature and rewilding. Rewilding Britain's recent report on rewilding finance [3] found that rewilders are still primarily dependent on this government funding, which is insufficient and lacks the stability needed to achieve meaningful change.

Private finance

There has been a rapid development of investment funds, frameworks and mechanisms by the UK and devolved governments to help scale up private nature financing. These include the Scottish Government's Interim Principles for Responsible Investment in Natural Capital. New private mechanisms for financing rewilding are also emerging rapidly, including Payments for Ecosystem Services, equity investments, bond financings, direct corporate acquisitions, crowdfunding and other revenue streams such as ecotourism.

Blended finance models that combine public, philanthropic and private funding can help de-risk investments, but must share benefits fairly between public, private and community interests. The Scottish Government has a vital role to play in developing a portfolio of high-quality, large-scale, investable rewilding projects that can build confidence and demonstrate the holistic benefits that a rewilding approach can achieve for people and nature.

What next?

We are being outpaced by the interconnected nature and climate emergencies – and protecting the fragments of nature we have left is not enough. For decades, people have been working hard across Scotland and beyond to save the wildlife and habitats we have left. But this vital work on its own is not enough to stop and reverse declines in biodiversity. So we need to do more – and that ‘more’ is rewilding.

Working hand-in-hand with traditional conservation, rewilding aims to reverse biodiversity losses and allow nature to flourish across much larger, better connected, and much more resilient areas. Less management is needed, making it more affordable and therefore sustainable.

Rewilding is already part of Scotland’s story. Communities, charities, farmers, landowners and others are restoring woodlands, peatlands, wetlands, rivers and seas – and saving wildlife from red squirrels to bumblebees to wildcats. We have the world’s first Rewilding Centre at Dundreggan; trailblazing oyster restoration efforts; stunning recovering landscapes; and rivers returning to their natural floodplains. Thousands of people are already helping build a Rewilding Nation.

It’s important to note that Scotland is starting from a lower baseline than many other countries, with recent decreases in species abundance, and is one of the world’s most nature-depleted countries. Rewilding offers Scotland the chance to turn this around and instead be a world leader in nature recovery.

The Scottish Rewilding Alliance wants to see political parties in Scotland united behind secure, sustainable funding for rewilding.

Sign the Rewilding Nation Charter

We're calling on everyone who shares our hopes and sense of urgency to make their voices heard by signing the Rewilding Nation Charter – urging our political leaders to make this declaration to benefit us all and future generations. The nature and climate crises can feel overwhelming, but we can all make a difference by uniting behind a clear message.

Restore. Revitalise. Rewild.

rewild.scot/charter



Seagrass and crab, Seawilding