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Submitted to Future Grant Support for Forestry
Submitted on 2023-05-12 13:24:48

Ministerial Foreword - Forestry in Scotland is a sector that we can be justly proud of.

1 - Introduction and Rationale for Providing Grant Support for Forestry

1. Do you agree that grant support for forestry should continue to be improved and developed as a discrete scheme within the overall package of land support?

Not Answered

Please explain your answer in the text box.:

2. Are there any changes that would allow for better complementarity between the forestry and agriculture funding options?

Not Answered

Please explain your answer in the text box.:

2 - Forests Delivering for Scotland's Climate Change Plan

3. How can the support package for forestry evolve to help tackle the climate emergency, to achieve net zero, and to ensure that our woodlands and forests are resilient to the future climate?

Please explain your answer in the text box.:

4. Private investment through natural capital and carbon schemes can make a valuable contribution to climate change. Do you agree that the grant support mechanism should have more flexibility to maximise the opportunities to blend private and public finance to support woodland creation,

Yes

Please explain you answer in the text box.:

I. The current FGS grant payments can only be disbursed directly to landowners. Where landowners are working with a project developer to channel investment into woodland creation, it would be more efficient if the landowner has the option to choose to delegate authority to the project developer to receive subsidy payments directly from government.

II. We believe that in general, the current up-front capital grants are crowding out the space for private investment into woodland creation. We suggest that Scottish Forestry align with the work that NatureScot is doing on new financing mechanisms to encourage investment into peatlands; using the same approach across both sectors would be beneficial. Specifically, we recommend that payments for outcomes – such as a Contracts for Difference mechanism, which has been successfully used in the UK renewables sector - would be the best approach. This would allow public subsidies to fit alongside private revenues, and will secure better VFM for the taxpayer while de-risking projects for investors.

5. How could the current funding package be improved to stimulate woodland expansion and better management across a wide range of woodland types, including native and productive woodlands?

Please explain your answer in the text box.:

I. The grants currently require a minimum stem density of 1,600 sph for creating native broadleaved woodland. We believe this is too high and can be off-putting to some land managers. Lower densities of woodland are demonstrated to deliver just as effective carbon sequestration and biodiversity value, and if managed for carbon rather than timber, there is no need to plant at such a high density. This is supported by Woodland Carbon Code modelling that shows that a 1,100 sph woodland compared to a 1,600 sph has a near identical accumulation curve and total value for carbon sequestration over a 40 year project lifetime. However, the more dense woodland has substantially higher associated costs for creation and long term management.

II. Non-native tree species also receive a higher payment rate in existing grants than native broadleaf species, having the effect of making native woodlands less attractive. We believe that the rates should be equalised.

6. Do you agree that it should be a requirement of grant support that woodlands are managed to ensure that they become more resilient to the impacts of climate change and pests and disease?

Not Answered

How can the grant scheme support this?:

3 - Integrating Woodlands on Farms and Crofts

7. Which of the following measures would help reduce the barriers for crofters and farmers wanting to include woodland as part of their farming business? Please select all that apply.

Are there others not listed above?:

8. Establishing small woodlands can have higher costs. What specific mechanisms would better support small scale woodlands and woodland ownership?

Please explain your answer in the text box.:

4 - Forests Delivering for People and Communities

9. How can forestry grants better support an increase in easily accessible, sustainably managed woodlands in urban and peri-urban areas?

Please explain your answer in the text box.:

10. How can grant support for forestry better enable rural communities to realise greater benefits from woodland to support community wealth building?

Please explain your answer in the text box.:

11. How can the forest regulatory and grant processes evolve to provide greater opportunities for communities to be involved in the development of forestry proposals?

Please explain your answer in the text box.:

12. How can the forestry regulatory and grant processes evolve to ensure that there is greater transparency about proposals and the decisions that have been made on them?

Please explain your answer in the text box.:

13. Forestry grants have been used to stimulate rural forestry businesses by providing support with capital costs. Do you agree that this has been an effective measure to stimulate rural business?

Not Answered

a. How could this approach be used to support further forestry businesses?:

b. How could this approach be used to support further skills development?:

14. How could the FGS processes and rules be developed to encourage more companies and organisations to provide training positions within the forestry sector?

Please explain your answer in the text box.:

5 - Forests Delivering for Biodiversity and the Environment

15. The primary purpose of FGS is to encourage forestry expansion and sustainable forest management, of which a key benefit is the realisation of environmental benefits. How can future grant support better help to address biodiversity loss in Scotland including the regeneration and expansion of native woodlands?

Please explain your answer in the text box.:

16. Herbivore browsing and damage can have a significant impact on biodiversity loss and restrict regeneration. How could forestry grant support mechanisms evolve to ensure effective management of deer populations at:

Landscape scale?:

Small scale mixed land use?:

If you wish to make any other relevant comments, please do so in the text box below.

Please add your comments here.:

We believe that there needs to be price transparency in the woodland carbon market. We suggest that Scottish Forestry should collect and publish anonymised sales prices on a regular basis. This would improve market integrity and help to build confidence in the UK carbon market for both sellers and buyers.

About you

What is your name?

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Are you responding as an individual or an organisation?

Organisation

What is your organisation?

Organisation:
Palladium

Scottish Forestry would like your permission to publish your response. Please indicate your publishing preference:

Publish response with name

We may share your response internally with other Scottish Forestry policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Forestry to contact you again in relation to this consultation exercise?

Yes

I confirm that I have read the privacy policy and consent to the data I provide being used as set out in the policy.

I consent