“Natural capital” – Abrdn is shifting its approach while still trying to profit from Far Ralia

Description

Photo used in Scotsman article, credit Abrdn. Visible in the shadow behind the new bothy is the track cut through the peat heading towards the hill behind, Glas Meall Mor, by the previous owners. Note the curved drainage ditches through the bog to the left

Two days ago there was an article in the Scotsman (see here) about the “mass tree planting” at Far Ralia in which Fraser Green, head of Natural Capital Investment at Abrdn, admitted mistakes had been made:

“We have learned a lot and there are things that we have done with Far Ralia that we wouldn’t do again, including basic things around designing woodlands and certain processes.”

That is a very welcome admission. It something that neither the Scottish Government nor Scottish Forestry nor the Cairngorms National Park Authority has ever admitted to about the disastrous native woodland carbon offsetting schemes in the National Park, including Far Ralia, BrewDog’s Lost Forest (see here) and Muckrach (see here).

Unfortunately, Fraser Green did not explain what Abrdn thought those mistakes were. Had he done so, it might have forced the Scottish Government to reform the Forestry Grants Scheme.

Perhaps Abrdn will do so in future? However at present Abrdn is trying to wind up their Property Income Trust and sell Far Ralia for £12m, £4.5m more than what they purchased it for three years ago (see here). It is not in their interests to identify the mistakes which should – if carbon markets were

rational and not about financial speculation – affect the value of the land. Hence why Mr Green was quoted in the Scotsman as saying:

"the rise in value for Far Ralia was due to the first phase of tree planting being finished, which came at a "very hefty capital cost". He said: "That is obviously capital that a buyer doesn't have to spend themselves and if they were acquiring Far Ralia as we did, they would be anticipating to do so".

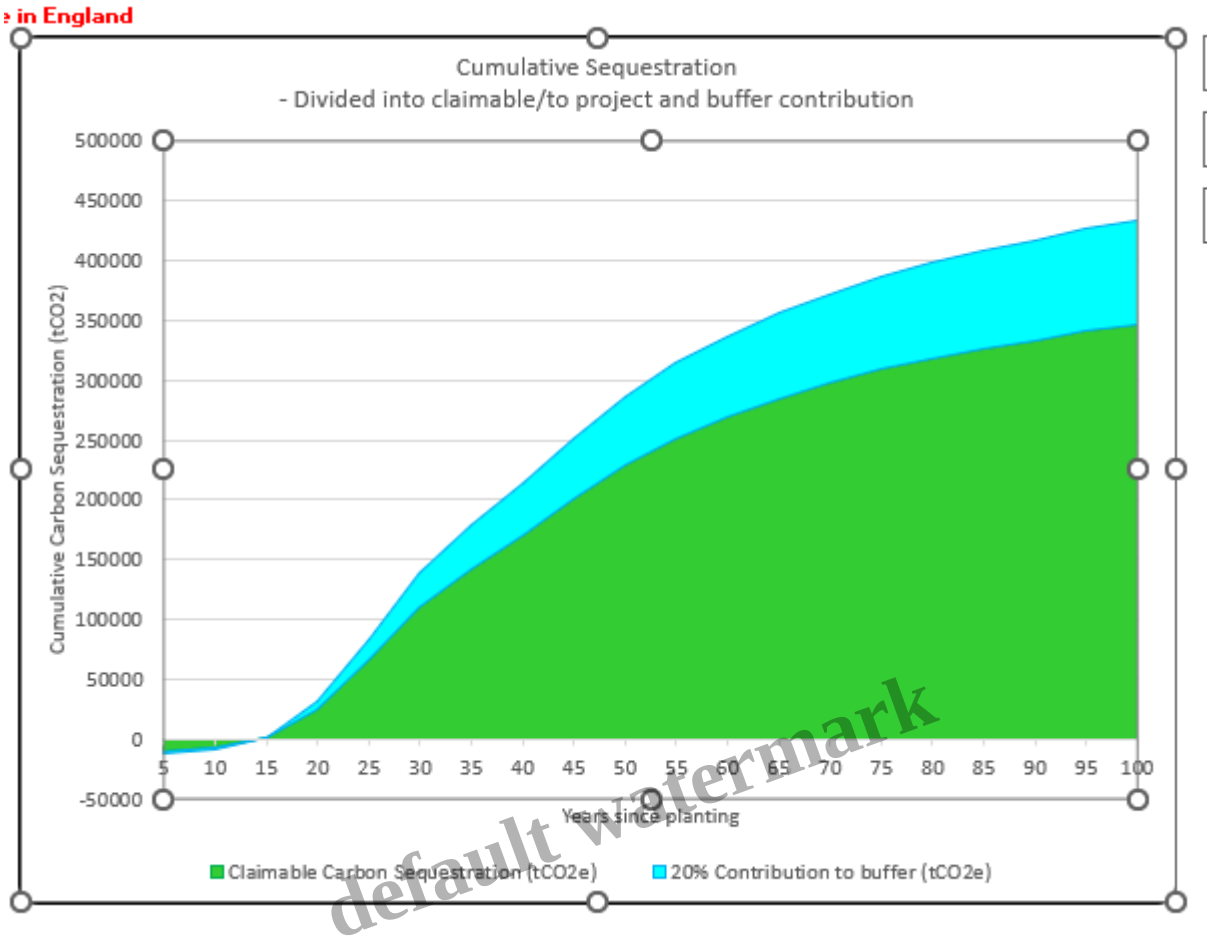
Fraser Green also claimed *"We have put our money where our mouth is"* without saying how much the Abrdn Property Income Trust spent on the estate in the last three years.

One can dispute whether the capital cost was "hefty" – its small beer in city terms – but it is an indisputable fact that the public was originally paying for most of it, £2,559,303.91 to be precise, through the Forestry Grants Scheme (see here) with additional peatland action funds also apparently promised. While Abrdn did initially fund some things which were ineligible for grant support, like the "bothy" in the photo above, this appears to have been relatively little.

As a result of the botched tree planting by Akre (see here), which resulted in trees from the wrong seed zones being planted and the importation of sycame, someone will have had to pay for the remedial works. If Abrdn got their contract right, it should have been Akre trees. However, if they have been forced to put their hands in their pockets, they should not be expecting to recoup that money through the inflated sale price. It was ultimately their mistake and they should pay for it.

As an aside, while the Scotsman article states the remedial works ordered are now complete neither Scottish Forestry nor any prospective buyer will be able to tell whether the sycamore have been removed until the spring when they come into leaf.

Any investment whether by Scottish Forestry or Abrdn, however, needs to be set against the longer-term benefits or in this case the damage that has been caused. The greatest single mistake was planting on peat which, by Abrdn's own calculations, will result in carbon being emitted to the atmosphere for the next 15 years:



At best carbon credits won't be claimable at Far Ralia for 15 years due to the carbon emissions from the planting – that minimum will have gone up due to the replacement planting

That calculation, as I explained (see here), now appears a serious underestimate, with Muckrach calculating net emissions would continue for 25 years and scientific research by Friggens et al (see here) suggesting there might not be any net carbon benefit even after 40 years. The irony here is that while the Scottish Government is spending £250m over 10 years on restoring peatbogs, on the grounds that theyse are one of Scotland's largest source of carbon emissions, it has been destroying peat to plant trees by hinge mounding. If Abrdn were to admit that it would sink much of the speculative woodland carbon code market.

The alleged benefits of tree planting for nature are also far from clear as I have shown in my critique of Abrdn's use of work done by the Natural History Museum for Far Ralia (see here). In this the NHM claimed Biodiversity Intactness at Far Ralia would improve to 94% as a result of the tree planting (apparently in an attempt to curry favour and get money from city interests (see here). That unevidenced research is still being used by Abrdn to try and help justify their asking price of £12m.

Now Ron Summers, former scientist at the RSPB's Abernethy reserve, and Des Thompson, former Principal Adviser on Biodiversity and Science at NatureScot, have raised further questions about the impact that the holes created by hinge mounding in an article in Scottish Birds. They have used Far Ralia as an example of their concerns which are about the chicks of ground nesting birds falling intothe holes :

Plate 252. Ground that has been hinge-mounded and planted with tree seedlings in plastic tubes. Many holes have filled with water because the ground was peaty. Is such a practice a hazard for the chicks of ground-nesting birds? Far Ralia, Newtonmore, Highland, 7 May 2024. © *Ron Summers*

Is hinge-mounding for tree planting a hazard for ground-nesting birds?

In response to the dual effects of the climate emergency (global warming due to excess greenhouse gases such as carbon dioxide in the atmosphere, largely derived from combustion of fossils fuels) and the biodiversity crisis (Scottish Government 2023), the Scottish Government (2024) provides grants through the government agency, Scottish Forestry (2024), to plant native as well as invasive non-native/exotic species (e.g. Sitka Spruce; GB Non-native Species Secretariat 2022). The rationale is that trees sequester carbon dioxide from the air, removing and storing it for varying lengths of time, and so helping prevent it from causing atmospheric warming. Some view woodland as being more biodiverse than open, treeless upland habitats, though evidence for this is equivocal depending on how 'biodiverse' is defined and the type of woodland involved (Royal Society of Edinburgh 2024).

The article fully acknowledges discussions with Fraser Green at Abrdn. Note too the polluting plastic tree tubes. Credit Scottish Birds

Ron and Des are far too good scientists to make assertions which are not backed by evidence and, as their article points out, there is no recent research on this but for most people the risks of chicks falling into holes created by hinge mounding should be obvious. Their article does, however, suggest a precautionary approach and makes the case for screefing and slotting instead of hinge mounding, again using Far Ralia as an example:

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observers walk through such planted areas and the technique is relatively new. Most studies of tree planting consequences for bird populations focus on displacement and forest edge effects (e.g. Wilson *et al*. 2014).

Plate 256. Screefing small plots with a three-bladed hand-held strimmer. Far Ralia, Newtonmore, Highland, 23 October 2023. © *Ron Summers*

Screefing and slotting or notching - a more benign alternative

There is an alternative ground preparation method that is less damaging to the soil and safer for birds and livestock. The vegetation and soil organic matter can be 'screefed' (cut and swept to the side) by a hand-held strimmer with a metal blade, creating a shallow scrape in the soil. Alternatively, a spade or screefing mattock can be used to cut away the vegetation. Then, by using a spade to cut a single gap (slotting) or T-shaped gap (notching) in the scrape, the roots of the seedling are placed into the gap (Plates 256–258) (Forest Research 2024, Trees for Life 2024). The ground around the seedling is then made firm by pressing the ground next to the seedling with the planter's foot. Slotting and notching were the only methods used during the 18th and 19th centuries before the use of motorised vehicles and machines. These also avoid possible soil compaction from the heavy machinery used in mounding, and reduce the carbon footprint of mounding because there is less release of carbon from the soil (Vanguelova 2021). Mounding and screefing take approximately the same time to carry out, resulting in about 1,500 prepared sites per day by an operator.

Unfortunately, whatever you think of tree planting to "restore" nature, screefing and slotting was only used for a very small proportion of the trees at Far Ralia. Had it been used at Far Ralia it might not just have saved a few birds but it would have also reduced carbon emissions considerably. If a powerful company like Abrdn to admit the hinge mounding was a mistake, on both carbon and wildlife grounds, it would be very difficult for Scottish Forestry to continue paying for it.

The one mistake that is admitted to by Abrdn in the Scotsman article is they could have gotconsultation with the local community better: .

“And there is an element of saying ‘we did, or we felt like we did and we are sorry that you don’t feel like you were consulted’. But we feel like we did go through a consultation process.

“There are lessons to be learned there in that community engagement is something that needs to be ongoing and we have tried to do that. Elements have been successful and others less so. We can improve the scale of it and the depth of it next time.”

What they don’t say is whether more extensive community consultation would have changed ANYTHING they did on the ground! I am afraid when it comes to the interests of shareholders v local communities there is no competition!

Meantime the good news is that after their experience at Far Ralia:

“abrdn will now shift its focus to working in conjunction with existing landowners to create natural capital projects rather than buying land”.

That is an important recognition that “natural capital projects” should be about improving how the land is managed, not land speculation. The shame is that Abrdn, driven by APIT’s shareholders, is itself trying to profit from its short ownership of Far Ralia and all the mistakes it has made through chasing Scottish Forestry grant funding. Whether Abrdn staff can find a new way to make carbon (and nature) markets work, while also satisfying their voracious shareholders, remains to be seen but Far Ralia could actually be a good place to start. Why not offer the land to the Cairngorms National Park Authority at a reduced price? They could then either start acting like a National Park and restore all the damage they have allowed to happen or they could start working with Abrdn, with Abrdn bringing the finance, to show how a “natural capital” project could work, including how to involve local communities.

Category

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