

- helped develop Scotland's aquaculture industry to become the third largest producer of farmed Atlantic salmon in the world; and
- underpinned sustainable economic growth in rural and coastal communities by supporting direct and indirect jobs, for example in construction, and developing and sustaining new and existing markets.


We have continued to improve the efficiency and effectiveness of our risk based fisheries enforcement, which in turn is maintaining a culture of compliance across the industry and encouraging more sustainable fisheries. This has been achieved through the use of innovative practices such as the introduction of a ground breaking pilot in 2010 to tackle the hugely challenging problem of discards in the white fish fleet, resulting in the level of discards in the Scottish whitefish fleet falling by over a third since 2009. Since the Marine Stewardship Council (MSC) certification of North Sea haddock, the proportion of Scottish fisheries certified or under full assessment for MSC certification now exceeds 50 per cent by value, with Scotland now having five per cent of the global total of certified fisheries.

Scottish aquaculture has continued to thrive with figures to be published later this year expected to show a further increase in farmed Atlantic salmon production over the £400 million that the sector was worth in 2009. Meanwhile, mussel production increased by 50 per cent in volume and 56 per cent in value over the last three years and generated £6.7 million for the economy in 2010.

Scottish Natural Heritage (SNH) has made substantial efficiency savings and has completed a restructuring to reduce management costs. It has continued to provide expert advice to the Scottish Government and local authorities, focused on optimising the socio-economic benefits derived by the Scottish people from sustainable management of the nation's natural heritage.

SNH has contributed to a wide range of government objectives, including supporting tourism and stimulating rural economic development through the delivery of parts of the Scottish Rural Development Programme and by leveraging private and third sector investment in rural Scotland. Improvements have been made to the range of planning guidance available to developers and advice has been provided on habitat management to reduce the impact of extreme climatic events.

Scotland's international reputation continues to be enhanced through SNH activity in the continuing development of EU NATURA and Marine (Scotland) Act 2010 protected site networks; their work on species reintroductions; and their contribution to policy development and research at UK and EU levels.



The Loch Lomond and the Trossachs National Park and the Cairngorms National Park have continued to manage and protect the natural heritage, land and water resources in these special places, provided enhanced visitor experience in two of Scotland's premier sustainable tourism destinations, and contributed to the growth of the rural economy. The Scottish Government's strategic review of National Parks Authorities in 2008-09 recommended closer alignment and harmonisation between the two National Parks and good progress has been made in establishing collaborative working arrangements between the organisations and reducing running costs.

Our National Parks will continue to work collaboratively with communities and public, private and third sector organisations to conserve and enhance the environment, which is central to the aims of the National Parks and is integral to the sustainable development approaches needed to support communities and businesses to protect these special areas for future generations.

Our National Parks are national tourism assets and the sustainable approach to visitor management will continue to be developed to balance the needs of visitors, communities and conservation to deliver high quality destinations. As Scotland's largest designated landscapes, our National Parks will continue to play a role in mitigating and adapting to climate change.

The Scottish Environment Protection Agency (SEPA) took significant steps forward with the programme of organisational change on which it embarked two years ago. Highlights of the year include realising corporate changes and meeting key environmental targets, along with dealing with outside factors such as the severe winter weather and the Icelandic volcanic eruption. SEPA has reduced its staff complement by around 230 posts and through its transformational change programme this allowed SEPA to make almost 23 per cent savings.

At a time of continuing economic challenge and public sector reform, and in the context of the significant savings already achieved, SEPA has been identifying further opportunities to simplify and improve the way Scotland's environment is understood, protected and improved. SEPA's proposals for Better Environmental Regulation were well received by industry sectors and environmental organisations when consulted on last year. SEPA will be more sharply focused on core activities, delivering better, more customer-friendly regulation, and supporting sustainable economic growth (around 10,000 businesses have already benefited from waived or reduced SEPA charges, totalling almost £3 million).

SEPA's *Step Change in Science* programme for transforming its approach to science and strategy has delivered on some major milestones, including the establishment of a risk-based national environmental monitoring programme and the partnership that is developing a new portal for environmental information – 'Scotland's Environment Web'. SEPA has also announced its intention to move to a major new science facility in the central belt, part of its progress towards a two laboratory 'centre of excellence' model and complementing its new laboratory in Aberdeen which was opened in May 2010.

SEPA will continue to work effectively with government, local authorities and other partners to integrate efforts on flood risk management, climate change, land use planning and contributing to the further development of a recovering Scottish economy.

The *Zero Waste Scotland* programme has been set up to take Scotland towards its goal of being a Zero Waste Nation. Successes so far include:

- A total of £7 million has been invested in six anaerobic digestion (AD) and composting facilities through the large scale organics support programme delivered by Zero Waste Scotland. Collectively these projects will provide new annual processing capacity for up to 167,000 tonnes of organic waste, including food waste collected from homes and businesses. Funded projects include the