

3/03/2025

The Welsh Government would like to thank the members of the Climate Change, Environment and Infrastructure Committee and all those who provided evidence for their interest in this critical area. The Welsh Government remains steadfast in its commitment to addressing the nature emergency, acknowledging the necessity to enhance both the scale and pace of delivery to halt and reverse the loss of nature. The report's acknowledgment that tackling nature loss requires collective action across Wales, not solely from the Government, is also welcomed.

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1. Introduction

With one in six species at risk of extinction in Wales, restoring and strengthening our connection to nature has never been more crucial. Our Programme for Government commits us to embedding our response to the nature and climate emergency in everything we do. Restoring nature means revitalising the places we live and enjoy, creating green jobs, supporting local and rural economies, and underpinning sectors like food production and tourism. In this Senedd term alone, the Welsh Government has invested over £150m to restore nature and improve access to it on people's doorsteps. These efforts not only enhance our resilience to climate change but also ensure a thriving natural environment for future generations.

The Welsh Government has created more than 4,000 green spaces, 790 community food growing sites, 670 community orchards, and 80 therapeutic sensory gardens through the Local Places for Nature initiative. More than £54m has been invested in the Nature Networks Programme to improve protected sites and connect people to nature. The National Forest has expanded to include more than 100 sites, creating a network of well-managed woodlands across Wales. The Woodland Investment Grant and the Coetiroedd Bach schemes have awarded over £8m to 56 projects, improving woodlands in various regions.

Natural Resources Wales (NRW) has received an additional £40m to improve water quality and restore rivers. The Habitat Wales Scheme has supported farmers in maintaining and enhancing habitats on their land, with £16m allocated in 2024. The National Peatland Action Programme has restored over 3,000 rugby pitches worth of peat, safeguarding 1.6m tonnes of carbon and reducing carbon emissions. The National Seagrass Action Plan aims to recover 266 hectares of seagrass by 2030. Wales is also leading the way in tackling marine litter by introducing a recycling scheme for fishing gear, collecting 12 tonnes of gear and reducing plastic pollution in our seas.

These comprehensive efforts demonstrate our commitment to restoring nature and ensuring a sustainable future for Wales.

2. The Recommendations

2.1 Recommendation 1.

The Committee recommends: The Welsh Government should use the environmental principles, governance, and biodiversity targets Bill to amend section 3 of the Environment (Wales) Act 2016 to ensure the Sustainable Management of Natural Resources objective includes an explicit reference to biodiversity restoration.

Response: Reject

The intended effect of the sustainable management of natural resources objective is to support the management of natural resources so as to maintain and enhance the capacity of ecosystems to maintain their own supporting systems, whilst being able to continue to deliver social, environmental and economic benefits not only in the short-term but for the long-term. The objective is to ensure that in managing natural resources the long-term resilience of ecosystems and the benefits they provide are fully considered which will support biodiversity restoration.

Maintaining and enhancing the diversity of biological organisms is a key component of the sustainable management of natural resources. Both the Sustainable Management of Natural Resources (SMNR) goals and the Section 6 Environment (Wales) Act 2016 duty aim to maintain and enhance biodiversity and promote ecosystem resilience. They provide a unified framework for sustainable environmental management.

The Section 6 duty means that biodiversity considerations should be integrated into broader policy areas, aligning with the SMNR's holistic approach to managing natural resources. The Welsh Government do not consider an explicit reference to biodiversity restoration is required in section 3 of the Environment (Wales) Act 2016.

Financial Implications: None.

2.2 Recommendation 2.

The Committee recommends: The Welsh Government should use the forthcoming Bill on environmental principles, governance, and biodiversity targets to amend section 9(6) of the Environment (Wales) Act 2016 to require the Welsh Ministers to review the Natural Resources Policy no later than 12 months after each general election.

Response: Reject

Under section 9(6) of the Environment (Wales) Act 2016 the Welsh Ministers must review the Natural Resources Policy (NRP) after each Senedd general election, or at any other time, the Welsh Ministers may at any time revise the NRP and must publish the NRP as revised.

The Welsh Government considers a 12-month period insufficient for the review. It is essential to account for changes following a Senedd election, including a new

Programme for Government, the latest Future Trends Report, and the latest State of Natural Resources Report for Wales, among other factors.

Financial Implications: None.

2.3 Recommendation 3.

The Committee recommends: The Welsh Government should:

• explain the reason for the delay in completing the review of the Natural Resources Policy (NRP);

• commit to completing a review of the NRP within six months of the publication of the Committee's report; and

• ensure the NRP is capable of driving action for nature across the whole of government, with integrated policies that align with the Global Biodiversity Framework 2030 targets and wider goals.

Response: Accept

The Welsh Government, following the 2021 Senedd general election, decided to postpone the review of the Natural Resources Policy (NRP). This decision was made to allow the Welsh Government to focus on delivering Programme for Government commitments including four Senedd Bills / Acts and a range of actions which would lead to positive impact on natural resources.

The current NRP is undergoing review, with the process expected to be completed by summer 2025.

The NRP adopts a comprehensive government-wide approach to sustainably managing our natural resources. By aligning integrated policies with the Global Biodiversity Framework 2030 targets, as well as broader environmental objectives and legal requirements, we aim to maximise the delivery of diverse and far-reaching outcomes.

Financial Implications: The review of the NRP will primarily incur costs related to staff time, evidence gathering, engagement, and communications. These costs will be drawn from allocated programme budgets.

2.4 Recommendation 4

The Committee recommends: The Welsh Government working in conjunction with Natural Resources Wales should review the effectiveness of implementation of Area Statements. The review should consider:

• whether and how Area Statements are being used to facilitate delivery of the Natural Resources Policy, and

• seek to identify any potential barriers to effective implementation and how these can be addressed. The Welsh Government should share its findings with the Committee within six months of the publication of this report.

Response: Accept

The Welsh Government will work with Natural Resources Wales (NRW) to review the effectiveness of Area Statements, taking into account the Committee's recommendations. While this review cannot be completed within the current Senedd term, we will provide further details on the progress of this work within the next six months.

Financial Implications: Any additional costs will be drawn from allocated programme budgets.

2.5 Recommendation 5.

The Committee recommends: The Welsh Government should publish the findings of the OB3 Research's evaluation of the implementation of the section 6 duty and explain what action it has taken in response to those findings.

Response: Accept

The Welsh Government will publish the findings of OB3 Research's evaluation of the implementation of the section 6 duty, alongside an outline of our response to their recommendations.

Financial Implications: None

2.6 Recommendation 6.

The Committee recommends: The Welsh Government should:

• update the section 6 duty guidance for public authorities to ensure it adequately reflects the step change required to meet global and domestic biodiversity commitments, and

• set out an expectation for public authorities to review their biodiversity action plans in light of the updated guidance.

Response: Accept

The Welsh Government will review and update the Section 6 guidance to align with the proposed Environment (Governance, Principles and Biodiversity Targets) (Wales) Bill. In addition to incorporating guidance for targets, which will be set in secondary legislation after the Bill becomes law (subject to the will of the Senedd), other aspects of the guidance will be reviewed and updated, as necessary.

The revised guidance will include a statement advising public authorities to consider revised guidance when reviewing their biodiversity action plans.

Financial Implications: None

2.7 Recommendation 7.

The Committee recommends: The Welsh Government should use the Environmental Principles, Governance, and Biodiversity targets Bill to amend section 6 of the Environment (Wales) Act 2016 to strengthen oversight and accountability arrangements.

Response: Reject

The Environment (Governance, Principles and Biodiversity Targets) (Wales) Bill will establish a governance body to oversee the effectiveness and compliance of environmental law (which will include section 6 of the Environment (Wales) Act 2016) in relation to Wales.

Financial Implications: The Regulatory Impact Assessment (RIA) for the Bill will scope out the costs associated with establishing the new environmental governance body for Wales.

2.8 Recommendation 8.

The Committee recommends: The Welsh Government should:

• explain the reason for the delay in publishing a revised Nature Recovery Action Plan (NRAP);

• commit to publishing a revised NRAP within six months of the publication of the Committee's report; and

• ensure the revised NRAP is clear, ambitious, detailed and aligns with the Global Biodiversity Framework 2030 targets and wider goals.

Response: Agree in Principle

Given the tight legislative timescale for bringing forward the Environment (Governance, Principles and Biodiversity Targets) (Wales) Bill and its associated elements, officials' time has been prioritised to meet this critical deadline.

Despite resource and capacity constraints, the Welsh Government has continued to collaborate across the UK to develop the UK National Biodiversity Strategy which was published on the 26 February 2025. <u>National Biodiversity Strategy and Action Plan</u> <u>United Kingdom Biodiversity</u>. This strategy reflects the consensus among the four UK countries that achieving full implementation of the Global Biodiversity Framework (GBF) requires both individual and collective efforts. It outlines 23 ambitious UK targets that align with the 23 GBF targets.

The Welsh Government will outline the necessary actions in Wales to achieve the goals of the Global Biodiversity Framework through a revised Nature Recovery Action Plan (NRAP). Emphasising the importance of a collaborative approach, we will engage with stakeholders to determine the best delivery methods. Our goal is to launch the plan at the Wales Biodiversity Conference in October 2025, where the theme will be "Taking Collective Action for Nature".

Financial Implications: Any financial resources required for this work will be accommodated within allocated budgets.

2.9 Recommendation 9.

The Committee recommends: The Welsh Government's revised NRAP should be costed to support strategic public investment in nature, enhance transparency and support scrutiny. If the Welsh Government is unwilling to do this, it should at the very least ensure the revised NRAP includes costed strategic short-term actions.

Response: Agree in principle

The Welsh Government recognises the budgetary constraints and the need to prioritise actions within the revised Nature Recovery Action Plan (NRAP) to achieve the best outcomes for nature. Where appropriate, actions will be costed and reviewed as part of the implementation process.

Financial Implications: None.

2.10 Recommendation 10.

The Committee recommends: The Welsh Government should commit to including a 'headline target' in the forthcoming Bill, aligned with the Global Biodiversity Framework commitment to halt and reverse the loss of nature by 2030 and achieve recovery by 2050.

Response: Reject

The Welsh Government has considered a wide range of advice on a headline target and has concluded that it would not be appropriate to include one. Any targets introduced in legislation will need to meet the SMART criteria (Specific, Measurable, Achievable, Realistic, Timebound). Some respondents to the White Paper consultation raised concerns that the proposed headline target would be unenforceable and unachievable. Additionally, there are issues such as the ability to measure progress against the headline target, definitions, and potential duplication with existing legislation and milestones for example the Well-being of Future Generations Act National Milestone 44.

Instead, our approach will focus on setting SMART targets in subordinate legislation, each with a specific achievement date, to ensure the ambition is appropriate for each target area. This method aims to drive urgent action to address the nature crisis effectively.

Financial Implications: None

2.11 Recommendation 11.

The Committee recommends: The Welsh Government should provide details of the work it has undertaken since March 2023 to "scope appropriate targets". This should include details of any expert advice sought and any stakeholder engagement.

Response: Accept

In June 2023 the legislative statement contained a commitment to introduce statutory biodiversity targets.

A White Paper consultation followed inviting views on the proposals for developing targets. The White Paper's biodiversity target proposals received support, focusing on species, habitat, and ecosystem health. There was also a call for targets to address the pressures and drivers of biodiversity loss.

Recognising the interconnected nature of the 23 Global Biodiversity Framework (GBF) targets, officials have undertaken extensive stakeholder engagement through a series of workshops to look at prioritising the most important, viable, and measurable ones for Wales, given the available timeframe and resources.

A Biodiversity Target Advisory Panel has been established to enhance transparency and rigour in creating statutory biodiversity targets in Wales. Stakeholder engagement is a key focus, with the Panel comprising experts from various disciplines, including water, economy, education, and social research, as well as terrestrial, freshwater, and marine biodiversity. This diverse membership ensures comprehensive input and collaboration in developing effective biodiversity targets.

We are building the evidence base for biodiversity target development by reviewing processes in England and Scotland and how temperate countries' targets align with the Global Biodiversity Framework (GBF). This includes examining decision-making processes, challenges, and plans for countries without national targets.

Current efforts focus on the national evidence base for shortlisted target areas, collaborating with Defra and the Joint Nature Conservation Committee (JNCC) for species abundance targets, and using Natural Resources Wales' (NRW) DECCA (Diversity, Extent, Condition, Connectivity and other Aspects of ecosystem resilience) which sets the framework to assess ecosystem resilience.

Developing indicators for biodiversity targets is crucial. Policy officials are collaborating with the JNCC and NRW to identify suitable indicators, aiming to use existing datasets and monitoring programs efficiently. A commissioned programme with JNCC, includes four work packages: identifying current indicators, consolidating UK frameworks, identifying gaps, and creating an indicator development plan. Once priority targets and evidence gathering are complete, scenario models will be developed to determine the appropriate level of ambition.

Financial Implications: Any additional costs will be drawn from allocated programme budgets.

2.12 Recommendation 12.

The Committee recommends: The Welsh Government should explain why it will have taken 6 years to develop targets in Wales and whether that is acceptable, given that addressing biodiversity loss is a priority of the Welsh Government.

Response: Accept in principle

From the start of this Senedd, the Welsh Government, working with a range of stakeholders, has undertaken extensive preparatory work to support not just target development but the practical steps needed to restore nature. Through the Biodiversity Deep Dive and other expert groups, we have developed an understanding the scale of the challenge, assess what was achievable within available evidence, identifying gaps for example in relation to monitoring, modelling, indicators.

The Kunming-Montral Global Biodiversity framework was agreed in December 2022 during the 15 meetings of the Conference of Parties (COP 15) to the Convention on Biological Diversity.

Following that international agreement being reached, detailed work is underway to assess which targets were needed to address biodiversity loss in Wales. The Welsh Government committed to introducing statutory targets in the legislative statement in June 2023. A dedicated team has been put in place to develop the legal framework to deliver targets.

Alongside the target development process, we have continued delivering action on the ground to restore nature, through the Nature Networks Programme, National Peatlands Action Programme, Local Places for Nature and Natur am Byth.

Financial Implications: Any additional costs will be drawn from allocated programme budgets.

2.13 Recommendation 13.

The Committee recommends: In light of the significant delay to the development of targets and given that this is a priority of the Welsh Government, the Welsh Government should undertake an urgent review of the resources allocated to departments dealing with this policy area with a view to satisfying itself that these are sufficient. It should report back to the Committee on the findings of the review within 3 months of the publication of this report.

Reject

Staffing is a matter for the Permanent Secretary, Dr Andrew Goodall, working within the budget allocated by Ministers and in line with their priorities.

Financial Implications: None

2.14 Recommendation 14.

The Committee recommends: The Welsh Government should:

• immediately begin a programme of stakeholder engagement with a view to determining which biodiversity targets should be prioritised for development,

Response: Accept

The Welsh Government initiated a prioritisation exercise in the autumn, involving extensive stakeholder engagement with over 70 organisations. These included academics, Natural Resources Wales, environmental NGOs, public authorities, the Future Generations Commissioner, and stakeholders in forestry, land management and agricultural representatives.

Additional information

The following table details the sessions undertaken.

Group	Date
Emerging Threats to Freshwater Expert	5 November 2024
Group	
Pollinators Taskforce	19 November 2024
Section 6 Biodiversity Working Group	21 November 2024
Local Nature Partnerships Cymru	4 December 2024
Marine Biodiversity Expert Group	13 January and 24 January 2025
Forestry Stakeholders	15 January 2025
Natural Resources Wales	23 January 2025
Future Generations Commissioner	3 February 2025
Land Management and Agriculture Stakeholders	6 February 2025

 make provision in the Bill for these 'priority targets' to be set in regulations no later than 12 months following the Act's Royal Assent, and

Response: Reject

The Welsh Government is considering the timeframe in which targets can be set. Target development involves several key steps, including policy development, indicator development, scenario modelling, stakeholder engagement, subordinate legislation

development, consultation, and procedural steps in the Senedd. Officials have already begun working on the policy development needed in advance of target development, alongside the development of the primary legislation. However, it is important to note that target development will take at least a year, followed by additional time for the legislative timeline. The timeline also needs to consider the Senedd elections in May 2026.

• make provision in the Bill for the remaining suite of targets to be set in regulations no later than 3 years following the Act's Royal Assent.

Response: Reject

The Welsh Government will not be setting all 23 Global Biodiversity Framework (GBF) targets in Regulations. This has not been proposed for several reasons, including devolved competence, the appropriateness of some targets for Wales, and existing legislation. For example, target 15 (Businesses Assess, Disclose and Reduce Biodiversity-Related Risks and Negative Impacts), target 22 (Ensure Participation in Decision-Making and Access to Justice and Information Related to Biodiversity for all). Target 17(Strengthen Biosafety and Distribute the Benefits of Biotechnology) and 23 (Ensure Gender Equality and a Gender-Responsive Approach for Biodiversity Action) will be reported on a UK level.

Further targets may be set under the framework; however, three years is not enough time for an effective evaluation to understand whether the first tranche of targets has been effective. We would not want to set more targets before conducting such an evaluation.

Financial Implications: Any additional costs will be drawn from allocated programme budgets.

2.15 Recommendation 15.

The Committee recommends: The Welsh Government should publish the criteria it will use to determine whether an area counts towards the 30 by 30 target. This should make clear that protected sites should be monitored to identify baselines and assess progress, have a management plan in place, and should be in favourable or recovering condition to count towards the target.

Response: Accept

The Welsh Government is in the process of finalising the inclusion criteria for areas that will contribute to the 30 by 30 target, as outlined in the Global Biodiversity Framework Target 3. We will collaborate with key stakeholders to agree on these criteria before their publication in the spring.

Financial Implications: None.

2.16 Recommendation 16.

The Committee recommends: The Welsh Government should deliver on its promise to produce an action plan setting out the actions needed to meet the 30 by 30 target. The action plan should: • incorporate recommendations arising from the Biodiversity Deep Dive and its associated expert working groups, setting out who is responsible for delivering each action, with expected timescales for delivery, and • include key milestones towards meeting the target.

Response: Accept

We will collaborate with the Biodiversity Deep Dive Core Group and other key stakeholders to identify priority actions for the next 12 months, Together, we will redesign our National Biodiversity Strategy and Action Plan assigning responsibilities, setting timescales and outlining key milestones to track progress and will incorporate recommendations from the Deep Dive and associated expert working groups.

Financial Implications: Any additional costs will be drawn from allocated programme budgets.

2.17 Recommendation 17.

The Committee recommends: The Welsh Government should engage a wide range of stakeholders in the production of the 30 by 30 action plan to help foster the 'Team Wales' approach needed to meet the target and deliver on wider global and domestic biodiversity commitments.

Response: Accept

The Welsh Government recognises that addressing the nature crisis requires a comprehensive response from both the government and society as a whole.

We will continue to engage with a diverse array of stakeholders to agree on the actions needed to support the delivery of the 30 by 30 target. We acknowledge the need for collective action to achieve this target with the necessary pace and impact.

The Core Group, consisting of experts from various sectors who provide essential advice and guidance on the 30 by 30 target. We will review the membership and remit of the expert group as needed to include individuals with the knowledge, skills, and practical expertise necessary for delivering on-the-ground actions.

Through engagement with Wales Environment Link (WEL) and key stakeholders such as RSPB Cymru, Wildlife Trusts Wales, and the Nature Friendly Farming Network, we will continue to request essential evidence and briefings to support the implementation of the 30 by 30 target.

Regarding marine resilience and conservation, we will continue to work closely with CaSP Cymru (Wales Coasts and Seas Partnership).

The Welsh Government will further engage with stakeholders at the Wales Biodiversity Partnership Conference in October 2025 as we explore how to 'Take Collective Action for Nature.

Financial Implications: Any financial resources required for this work will be accommodated within allocated budgets.

2.18 Recommendation 18.

The Committee recommends: The Welsh Government should commit to providing the Senedd with regular updates on progress towards the delivery of the 30 by 30 action plan and the 30 by 30 target.

Response: Accept

The Welsh Government will continue to regularly update the Senedd on the progress towards the 30 by 30 target, alongside broader actions and initiatives to address the nature emergency.

Financial Implications: None.

2.19 Recommendation 19.

The Committee recommends: The Welsh Government should set out the next steps that are being taken in relation to the consultation process and designation of Marine Conservation Zones (MCZs). This should include a timeline for the appointment of a contractor, details of how soon after the appointment of a contractor the consultation will take place, and details about the next steps in the process for designation.

Response: Accept

A contractor was successfully appointed in January 2025 to undertake the Regulatory Impact Assessment (RIA). The contract is scheduled to complete in summer 2025.

Following this, the Welsh Government will need to consider the findings alongside the detailed conservation advice provided by the Statutory Nature Conservation Bodies before proceeding to launch a consultation. We will need to carry out the analysis required to ensure the most appropriate proposals are put forward. Subject to agreement by a new Government we hope to consult early in the next Senedd term. a consultation will not occur until after the Senedd elections.

Financial Implications: The costs to undertake the Regulatory Impact Assessment are factored into allocated budgets.

2.20 Recommendation 20.

The Committee recommends: The Welsh Government should ensure MCZs, and Marine Protected Areas (MPAs) are supported by robust management frameworks, addressing pressures such as fishing activities, offshore developments, and other human impacts.

Response: Agree in principle

The Welsh Marine Protected Area (MPA) network is supported by the MPA Management Framework which governs the MPA Management Grant Scheme. Since 2020, over £500k of grants have been awarded to projects aimed at improving understanding and addressing pressures. A review of this framework will be undertaken in 2025 to ensure it remains fit for purpose.

The Welsh Government has been conducting assessments of various fishing gear types on marine benthic habitats through the Assessing Welsh Fishing Activities (AWFA) programme to better understand potential impacts on our MPA network. This work is entering its final year, and the Welsh Government is already utilizing the assessments to support the development of Fisheries Management Plans.

The UK Government is seeking to accelerate the development of offshore wind, including proposed sites in the Welsh offshore area. Offshore consenting remains a function retained by the Secretary of State. The Welsh Government continues to work closely with UK Government to ensure that any strategic compensation measures delivered through the Marine Recovery Fund are suitable for the Welsh marine environment.

Financial Implications: £70,000 to fund the remaining assessments under the AWFA project.

2.21 Recommendation 21.

The Committee recommends: The Welsh Government should commission an evaluation of the sufficiency of the Welsh MPA network for mobile species, including seabirds, and the findings should be reflected in MCZ proposals and marine strategies.

Response: Reject

The proposal to designate additional Marine Conservation Zones (MCZs) in Wales is driven by the shortfalls in marine benthic features identified in JNCC's 2016 <u>report</u>. The Welsh Government is committed to delivering this element first to ensure Wales can achieve a well-connected and ecologically coherent network of Marine Protected Areas (MPAs).

An evaluation of the broader MPA network in Wales will be considered for mobile species after the completion of this initial stage. This evaluation will not be included in the current plans for consulting on proposed MCZs.

However, the forthcoming Welsh Seabird Conservation Strategy and UK Cetacean Conservation Strategy could incorporate specific actions identified through a future evaluation of the network.

Financial Implications: None.

2.22 Recommendation 22.

The Committee recommends: The Welsh Government should endorse and publish the National Seagrass Action Plan (NSAP) and provide resources to progress its implementation, in line with the Programme for Government commitments.

Response: Accept

The Welsh Government has awarded an additional £100,000 of funding to support the development of Seagrass Network Cymru's (SNC) National Seagrass Action Plan (NSAP). This funding will aid in halting seagrass loss and support the recovery of 266 hectares of seagrass by 2030, in line with our 30 by 30 conservation targets.

The funding will enable further development of the governance structure of the National Seagrass Action Plan facilitating the attraction of long term, sustainable funding from a range of sources, including private investment.

The plan is an exemplifies how Welsh Government funding fosters collaboration by uniting key stakeholders across Wales. Its community focused approach will serve as a blueprint for national implementation, promoting skills development and sustainable green jobs across Wales now and into the future.

The Welsh Government will maintain its engagement with Seagrass Network Cymru (SNC) to support the ongoing development of the Action Plan.

Financial Implications: £100,000 has been designated to support the development of Seagrass Network Cymru's (SNC) National Seagrass Action Plan in 2024-25 and 2025-26.

2.23 Recommendation 23.

The Committee recommends: The Welsh Government should provide an update on progress towards meeting the Programme for Government commitment to establish a targeted scheme to support restoration of saltmarsh habitats along Wales' coastline.

Response: Accept

The Welsh Government's Nature Networks Programmes and Marine Protected Areas Grant Scheme fund a range of projects to improve the condition of marine habitats including saltmarsh habitats.

We have awarded nearly £852K of funding to saltmarsh restoration projects through the Nature Networks Programme with NRW overseeing projects at Rhymney Wharf. This scheme uses drones to monitor the structural integrity of the polders and their effectiveness in stabilising and enhancing the saltmarsh and mudflat at the site.

The Welsh Government are actively engaging with delivery partners to further support saltmarsh restoration projects and address priority evidence needs in Wales.

Financial Implications: None.

2.24 Recommendation 24.

The Committee recommends: The Welsh Government should develop and publish a comprehensive nature finance strategy.

Response: Accept

Following the consultation on Sustainable Investment Principles which was open from September – December 2024, the Welsh Government will, following analysis of the responses, collaborate to develop a nature finance strategy. Initially, the Welsh Government plans to conduct a series of pilot projects leveraging private investment to refine its approach.

Financial Implications: Any financial resources required for this work will be accommodated within allocated budgets.

2.25 Recommendation 25.

The Committee recommends: The Welsh Government should assess and set out the scale of investment needed for nature recovery in Wales, incorporating findings from reports such as WEL's "Pathways to 2030".

Response: Agree in principle

The Welsh Government is developing a new approach to sustainable finance for nature's recovery. This approach is intended to increase and diversify the funding available so that we can effectively tackle the nature emergency and the pressures that drive biodiversity loss – including climate change, pollution, and unsustainable management of natural resources.

Increasing the scale and pace of action to tackle biodiversity loss will require both increasing and diversifying the funding available. This will include funding from the private sector, community-led initiatives and philanthropic giving.

We will shortly publish the summary of responses to the consultation on sustainable investment principles. We will also set out the next steps for addressing the scale of investment needed which will include pilot projects and the development of a nature finance strategy, which will include assessing the scale of investment needed for nature recovery in Wales.

Financial Implications: $\pounds100,000$ has been allocated to scope out this work, pending the final budget settlement.

2.26 Recommendation 26.

The Committee recommends: The Welsh Government should ensure the 2025 reviews of the Nature Networks Fund and Local Places for Nature Fund address barriers to effectiveness, focusing on measurable biodiversity gains.

Response: Accept

The Welsh Government is committed in 2025 to reviewing the Nature Networks Fund, as part of the evaluation of the Nature Networks Programme (NNP) and concluding the evaluation of the Local Places for Nature Programme (LPfN). These reviews will specifically assess how the schemes, which promote community engagement, have addressed socio-economic barriers and provide insights to identify any remaining challenges in achieving effective biodiversity outcomes.

In parallel, a biodiversity impact assessment is being commissioned to provide evidence of the quantifiable biodiversity impact of the LPfN programme to date. It will also set a benchmark and provide technical guidance for the next phase of the programme.

Financial Implications: Any additional costs will be drawn from allocated programme budgets.

2.27 Recommendation 27.

The Committee recommends: The Welsh Government should confirm its plans for the Nature Networks funding programme after it ends in 2025. If the programme is not going to continue, or if the budget allocation is to be reduced, the Cabinet Secretary should provide an analysis of the implications of such decisions.

Response: Accept

The Welsh Government has committed to running an additional round of the Nature Networks funding in 2025-2026, extending the programme by a further year. This builds on our commitment to improve the condition and connectivity of our protected sites and make them more resilient to climate change.

Financial Implications: Any additional costs will be drawn from allocated programme budgets.

2.28 Recommendation 28.

The Committee recommends: The Welsh Government should ensure the Sustainable Farming Scheme includes clear metrics and a monitoring framework to track progress towards biodiversity recovery targets.

Response: Accept

The Welsh Government is committed to monitoring and evaluating the Sustainable Farming Scheme (SFS) with regular progress reports to ensure compliance with the Agriculture (Wales) Act 2023.

Financial Implications: Any additional costs will be drawn from allocated programme budgets.

2.29 Recommendation 29.

The Committee recommends: The Welsh Government should provide an update on the progress in delivering its commitment, included in the NRAP, to "explore mechanisms to enable private funds to be used to supplement public funds through the Sustainable Farming Scheme".

Response: Accept

The Welsh Government recognises the need for additional guidance on integrating private investment, nature markets, and natural capital projects with the Sustainable Farming Scheme (SFS). This will be explored through the development of the Scheme's collaborative and optional layers, as well as pilot projects leveraging private investment.

Financial Implications: None.

2.30 Recommendation 30.

The Committee recommends: The Cabinet Secretary should enhance crossdepartmental collaboration to integrate nature recovery into broader policy areas, to ensure a whole-government response to the nature emergency.

Response: Accept

Section 6 of the Environment (Wales) Act 2016 requires Welsh Ministers to maintain and enhance biodiversity in the exercise of their functions and in so doing promote the resilience of ecosystems. The Cabinet Secretary works closely with Cabinet colleagues to ensure that broader policy areas across Welsh Government are integrating nature recovery into their actions. By investing in green infrastructure we are creating a greener public transport system, establishing a National Forest, and revitalising landscapes and outdoor recreation areas. By developing green spaces in urban areas, we are not only enriching biodiversity but also providing recreational areas that enhance community well-being.

Additionally, the Welsh Government is funding initiatives to halt species decline and habitat degradation while delivering a more integrated and sustainable transport network. This includes encouraging the growth of wildflowers and changing mowing practices to benefit pollinators.

In our recently published <u>Climate Adaptation Strategy for Wales 2024</u>, we detail current and future actions to build resilience to climate change across government and various sectors, including nature recovery, agriculture, transport, and health.

Financial Implications:. Any additional costs will be drawn from allocated programme budgets.