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Welsh Government Consultation Document

Consultation to inform the development of the Natural Resources Policy

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Mae'r ddogfen yma hefyd ar gael yn Gymraeg. This document is also available in Welsh.

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- Overview Under the Environment (Wales) Act 2016, Welsh Ministers are required to publish a statutory Natural Resources Policy. The Natural Resources Policy will form a key part of the delivery of the sustainable management of natural resources by setting out what Welsh Ministers consider to be the key risks, priorities and opportunities for the sustainable management of natural resources in Wales, including what should be done in relation to biodiversity and climate change; and Welsh Ministers' policies for contributing to the sustainable management of natural resources. In keeping with the ways of working in the Wellbeing of Future Generations Act and the principles set out in the Environment Act, an engagement approach will be taken to the consultation. Written feedback on the priority themes and key objectives within them outlined in this document would be welcome as part of this consultation exercise. In particular, taking into account the legal framework and its requirements as outlined in this document, it would be helpful to receive contributions on:
 - the key steps that need to be taken in order to deliver on the priority themes and address the key challenges; and,
 - the barriers that need to be addressed.

How toPlease complete and return questionnaire at the end of therespondconsultation document.

Further information	Large print, Braille and alternative language versions of this document are available on request.
and related documents	·

Natural Resources Policy Statement http://gov.wales/docs/desh/publications/150914-naturalresources-policy-statement-en.pdf

The State of Natural Resources Report (SoNaRR) 2016 http://www.naturalresources.wales/sonarr?lang=en

The Environment Act

http://gov.wales/topics/environmentcountryside/consmanagem ent/natural-resources-management/environment-act/?lang=en **Contact** Name: Natural Resources Policy Branch

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Data How the views and information you give us will be used **protection**

Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about. It may also be seen by other Welsh Government staff to help them plan future consultations.

The Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response. This helps to show that the consultation was carried out properly. If you do not want your name or address published, please tell us this in writing when you send your response. We will then blank them out.

Names or addresses we blank out might still get published later, though we do not think this would happen very often. The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 allow the public to ask to see information held by many public bodies, including the Welsh Government. This includes information which has not been published. However, the law also allows us to withhold information in some circumstances. If anyone asks to see information we have withheld, we will have to decide whether to release it or not. If someone has asked for their name and address not to be published, that is an important fact we would take into account. However, there might sometimes be important reasons why we would have to reveal someone's name and address, even though they have asked for them not to be published. We would get in touch with the person and ask their views before we finally decided to reveal the information.

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Ministerial Foreword



This consultation to inform the development of the Natural Resources Policy marks the next significant step forward in implementing our ground breaking Environment (Wales) Act. Building on the opportunities and challenges identified in the 'State of Natural Resources Report' recently published by Natural Resources Wales, the Natural Resource Policy's focus is the sustainable management of Wales' natural resources, which is in turn fundamental to the achievement of the goals within the Well-being of Future Generations Act.

In developing Wales' first Natural Resource Policy, within the

context of the profound implications of the UK's withdrawal from the European Union in this area, my aim is to ensure that this consultation is a key part of our engagement on shaping the way forward for Wales. Given our current legislation and funding is steeped in the EU's operating framework the need is clear. There are also clear opportunities to take forward the consensus that has already emerged from the workshops and roundtables on the UK's exit from the EU. In particular, by maximising our competitiveness on the basis of Wales' reputation for high quality produce underpinned by high environmental, human and animal health standards, there is a clear opportunity to support the profitability and resilience of our key sectors. Looking forward, the Environment Act and the Well-being of Future Generations Act put in place a strong foundation on which to build, as both Acts enshrine in legislation the commitment to key international obligations that will not change as a result of the UK's exit from the European Union and are already acknowledged internationally as exemplars. Within this context, the Natural Resources Policy will play a key role in ensuring that Wales can benefit from the significant opportunities that the better management of our natural resources can provide in parallel with addressing the clear challenges we face.

The better management and use of our wealth of natural resources together with the more efficient use of those resources in circulation is a key component of our circular economy approach and our commitment as a Government to green growth. It also has a key role to play in improving our resilience and health as a nation. The evidence in relation to the challenges our natural resources face is also clear and underline that a step change is needed in order to address the unsustainable trends within the State of Natural Resources Report. By working together to do so it will not only improve the quality of our air and water; improve our resilience to climate change; protect our soils; enhance our biosecurity; and, improve our biodiversity, but also play a key role in supporting the achievement of our objectives as Government in 'Taking Wales Forward' to deliver a Wales that is prosperous and secure, healthy and active, ambitious and learning, united and connected.

I look forward to working with you through the consultation, to build on the momentum already generated in Wales by our ground breaking legislation and develop joint solutions to drive forward innovative action in shaping the Natural Resource Policy to deliver for our environment, our social, our cultural and our economic well-being.

Lesley Griffiths AM Cabinet Secretary for Environment and Rural Affairs

1. Natural resources and well-being

Wales' natural resources and ecosystems underpin all aspects of our well-being including our prosperity, health and culture. We depend on high quality natural resources to provide our food, clean water and air. We also depend on them for raw materials, water and energy sources for our key industries: forestry, electricity generation, manufacturing, fisheries and agriculture. Used wisely, they provide an abundance of opportunities to further support our prosperity, improve our physical and mental health, develop recreation, outdoor activity and tourism and take action to address challenges and improve our resilience to climate change and reduce the risk of shocks and hazards such as flooding. Over recent years there have been some improvements in the condition of our natural resources, for example in the quality of our water, but there are still many challenges to address, including:

- pollution levels in our air
- ensuring a continuous supply of clean water
- our biosecurity (plant, animal health and invasive non-native species)
- the quality and productive capacity of our soils
- biodiversity, which underpins the structure and functioning of our ecosystems
- the resilience of our ecosystems and the benefits they provide, including their considerable role in protecting us against hazards such as flooding, and mitigating and adapting to climate change
- urban noise which contributes to the environmental burden of ill-health.

A national evidence base for Wales

Natural Resources Wales' 'State of Natural Resources Report' (<u>www.naturalresources.wales/sonarr</u>) provides a national evidence base for Wales on how we are managing our natural resources and ecosystems and highlights the significant contribution that our natural resources make for our well-being.

What the Natural Resources Wales' 'State of Natural Resources Report' says:

How our natural resources currently support our key sectors

Wales' coastal and marine environment contributed £6.8 billion to the economy of Wales, supporting more than 92,000 jobs.

The Gross Value Added (GVA) for Welsh agriculture as a whole is £385 million. This underpins the £6.1 billion annual turnover and £1.55 billion GVA attributed to the on-farm production and food manufacturing sector.

The forestry sector in Wales in 2015 had an annual GVA of £499 million. In 2013 it was estimated that the forestry sector in Wales employed between 8,500 and 11,300 people.

Welsh freshwater and marine fisheries make a significant contribution to the economy. Total landings by UK vessels into Wales were estimated at £2.8 million of fish and £12 million shellfish in 2014.

The low carbon economy is outperforming the economy as a whole. Between 2010 and 2013, GVA for the sector grew at a compound annual rate of 8.7%. Over the same period

the whole economy grew by 3.4% a year, based on Office for National Statistics data for GVA.

The value of wildlife and outdoor activity tourism to Wales is estimated to be in the region of £6.2 billion with an estimated 206,000 jobs across Wales.

Key challenges

It is unlikely that ecosystems across Wales have sufficient resilience and this will impact on their capacity to provide services and benefits into the future.

An estimated 3,400 litres of water per person per day is used to produce the food and goods our society uses. Population forecasts for Wales mean that household demand for water could increase by 3%, an additional 12 million litres per day by 2025.

The soils of best quality and most productive agricultural land are a scarce and finite resource, accounting for less than 7% of the land area in Wales. Dependent on the way soil is managed, there are some high risk areas, and some long-term localised issues such as soil erosion.

90% of semi-natural nitrogen sensitive Welsh habitats are subject to nitrogen deposition in excess of critical load limits which impacts on the health and resilience of ecosystems and biodiversity.

The condition of SAC and SPA species features on sites in Wales, as reported in 2013, remains mostly unfavourable, with the exception of birds and mammals. Between 2002 and 2008 fewer than half of the species on the interim Section 7¹ list were considered to be stable or increasing.

Climate change will exacerbate these risks for the sustainable management of natural resources – projections indicate

- its effect on biodiversity is likely to be significant,
- a potential increase in plant and animal pests and diseases and invasive species,
- an increased risk of drought and heat events are set to reduce the availability of water in summer putting pressure on supplies and affecting health,
- more intense rainfall coupled with rising sea levels, resulting in more frequent and severe flooding.

¹ Section 7 of the Environment (Wales) Act: Lists of species and habitats which are of principal importance for the purpose of maintaining and enhancing biodiversity in relation to Wales.

2. The approach – to sustainably manage our natural resources

The Environment (Wales) Act enshrines in law the 'sustainable management of natural resources'. This is about tackling the root causes of unsustainable trends and realising the significant opportunities that our natural resources and ecosystems provide, as outlined in chapter 1 and in the State of Natural Resources Report.

What is the sustainable management of natural resources?

The sustainable management of natural resources (SMNR) is described in detail in Annex 1. It is an approach to ensure that the way our natural resources are used and the impacts upon them do not result in their long term decline. It is about looking at the ways we manage our natural resources in terms of:

- how we use them;
- how we reduce the pressures on our natural systems through actions such as resource efficiency; and
- where we need to take positive actions such as restoring habitats to build resilience into our ecosystems

This is because healthy, resilient ecosystems are more able to respond positively to the demands, such as climate change and other pressures, placed on them so they can continue to deliver the wide range of ecosystem services for our well-being and prosperity now and for the future.

The principles of sustainable management of natural resources are our 'ways of working'.

The role of the Natural Resources Policy

The Natural Resources Policy will form a key part of the delivery of the sustainable management of natural resources by setting out:

- what Welsh Ministers consider to be the key risks, priorities and opportunities for the sustainable management of natural resources in Wales, including what should be done in relation to biodiversity and climate change; and,
- Welsh Ministers' policies for contributing to the sustainable management of natural resources².

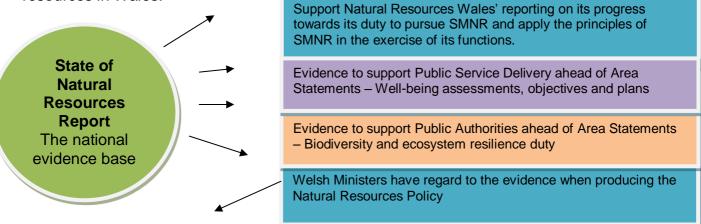
The delivery framework

The Natural Resources Policy is a part of the wider delivery framework for the sustainable management of natural resources.

² As required by Section 9 of the Environment (Wales) Act 2016

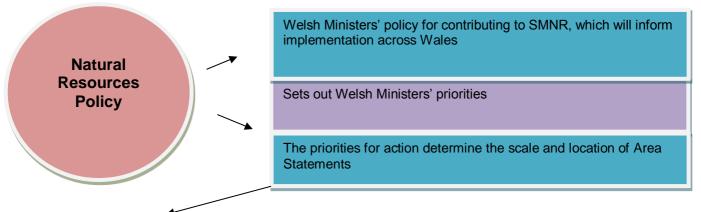
State of Natural Resources Report

Natural Resources Wales reports on the status of Wales' natural resources and tracks the progress being made towards achieving the sustainable management of natural resources. The first report was published in September 2016 and a new report will be produced every 5 years to set out the current best knowledge on the sustainable management of natural resources in Wales.



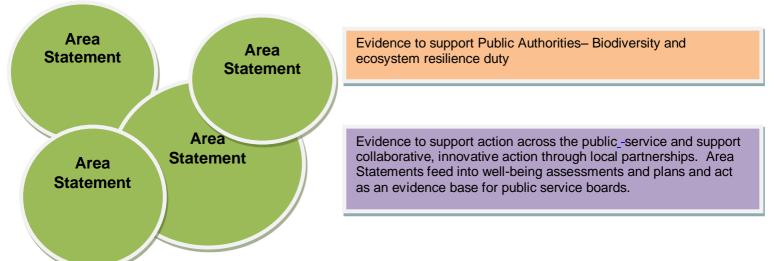
National Natural Resources Policy

This will set out the Welsh Ministers' policies and priorities for contributing towards the sustainable management of natural resources and in doing so will support the delivery of the well-being goals under the Well-being of Future Generations Act. The first statutory policy will be published in March 2017.



Area Statements

Produced by Natural Resources Wales, area statements produced between 2017 and 2019 provide an evidence base for the sustainable management of natural resources, at the appropriate scale for action to take forward the Welsh Ministers' priorities in the Natural Resources Policy. Local priorities for the sustainable management of natural resources will also be identified as area statements are developed to inform local wellbeing plans. All of Wales will be covered by one or more area statements.



The Interface with the Well-being of Future Generations Act and the Planning (Wales) Act

The Environment (Wales) Act received Royal Assent in March 2016, having been developed following consultations in 2010 (*A Living Wales*), 2012 (Green Paper) and the Environment Bill White Paper (*Towards the Sustainable Management of Wales' Natural Resources*) in 2014. Developed in parallel with the Well-being of Future Generations Act, it complements and links with that Act; the sustainable management of natural resources being a fundamental part of sustainable development. The Act's provisions are also closely linked to the Planning (Wales) Act as illustrated in the following diagram.

Well-being of Future Generations Act

Places seven well-being goals into law, and requiring public bodies to apply the sustainable development principle in five key ways.

Environment (Wales) Act

Puts in place a modern statutory process to plan and manage our natural resources in a joined and sustainable way

Planning (Wales) Act

Improves the existing Planning process to ensure the right development is located in the right place

3. Developing the Natural Resources Policy

The statutory Natural Resources Policy, when it is published in March 2017, will set out the Welsh Ministers' policies for contributing towards the sustainable management of natural resources together with the risks, opportunities and priorities for action. To inform the development of the policy the Welsh Government is committed to working with stakeholders and embracing the principles of the sustainable management of natural resources in Annex 1 and the Ways of Working in the Wellbeing of Future Generations Act.

This document provides a basis for that engagement by setting out key Natural Resources Policy outcomes and objectives for the sustainable management of natural resources.

This builds on the previous interim Natural Resources Policy Statement, published in 2015, which provided an initial outline of the Natural Resources Policy challenges, namely:

- Safeguarding and increasing carbon stores
- Maintaining our productive capacity
- Reducing the risk of flooding
- Improving health and equity through access to good quality green and blue spaces
- Improving the quality and maintaining the availability of water
- Improving the quality and connectivity of our habitats
- Retaining the distinctiveness of our places and historic landscapes.

Drawing on the previous Statement and aligned to the commitments set out in the programme for Government, '*Taking Wales Forward*', three priority themes have been identified for the Natural Resources Policy to realise the significant opportunities and address the challenges faced. These are:

- Accelerating green growth by increasing resource efficiency, renewable energy and supporting innovation.
- Delivering nature-based solutions to improve resilience and the benefits derived from natural resources.
- Improving community and individual well being by taking a place and landscape based approach

Together, these priority themes support the delivery of Welsh Government's objectives and identify the key areas where Wales' natural resources can continue to support Wales' prosperity and realise the significant opportunities they provide to deliver a secure, healthy and active, ambitious, learning, united and connected nation. They draw on the evidence and key trends in the 'State of Natural Resources Report' and early stakeholder feedback on the opportunities and risks following the Referendum on exiting the European Union.

These themes will inform the priorities for action, including for Area Statements as they are developed, complementing the wider action as outlined in the delivery framework for sustainable management of natural resources in chapter 2 above. They will also inform implementation of the sustainable management of natural resources across Welsh Government.

The Biodiversity and Resilience of Ecosystems Duty

The Environment (Wales) Act also introduced an enhanced Biodiversity and Resilience of Ecosystems Duty that applies to public authorities who exercise functions in relation to Wales. The duty places biodiversity as a "natural and integral part of policy and decision making" within public authorities in Wales. A new reporting duty enables public authorities to report on actions taken to improve biodiversity and to promote the resilience of ecosystems and also actions that have been taken to incorporate biodiversity measures into other areas of policy, through central strategies or initiatives. The Nature Recovery Plan for Wales sets out the ambition to reverse the decline of biodiversity in Wales by embedding biodiversity in decision making at all levels, safeguarding species and habitats of principal importance, increasing the resilience of our natural environment by restoring degraded habitats, and tackling key pressures on species and habitats. The natural resources policy can therefore provide a strong pro-active platform which supports action on biodiversity across the public sector. Embedding action into Area Statements and Well-being Plans and taking it forward through local partnerships will therefore help public authorities to deliver the objectives of both the Nature Recovery Plan and address their Biodiversity and Resilience of Ecosystems Duty.

The Natural Resources Policy Priority Themes

Accelerating green growth by increasing resource efficiency, renewable energy and supporting innovation

In Wales, green growth is a means of fostering economic growth and development which is socially equitable and ensures the sustainable use of the wealth of natural resources so that they can continue to benefit and sustain us into the future. Wales' natural resources are therefore a central part of the Welsh Government's aims to stimulate investment and innovation, support sustained growth and give rise to new economic opportunities.

Moving towards a more resource efficient economy has a crucial role to play in green growth. Wales' economy consumes large quantities of natural resources including water, electricity (from renewable and fossil fuels), minerals (including metals and aggregates), timber and food. Actions to move towards a more circular economy in Wales, where raw materials are kept in productive use for as long as possible, are already reducing the demand for virgin materials. This could significantly reduce the impact on our natural resources whilst providing opportunities for jobs and sustainable economic growth and helping to address risks to long-term supply chain security.

Wales' natural resources are central to the Welsh Government's commitment to support the development of more renewable energy projects, including community based energy schemes. Renewable energy, such as wind, hydro, solar power and biomass, has contributed to growth in the sector in the last 10 years and offers significant potential for further growth both on land and at sea. Measures to support energy efficiency have a key role to play in reducing energy poverty in Wales.

Significant opportunities also exist to build on Wales' reputation for high quality food and other goods and services that are produced from Wales' natural resources. Given the uncertainty around future markets that has arisen from the result of the EU referendum, the opportunities to develop high value markets for new and innovative products and services based around the sustainable management of natural resources are a key way in which value can be added across supply chains for the benefit of Wales' economy.

Delivering nature-based solutions to improve resilience and the benefits derived from natural resources

Nature-based solutions are interventions which use nature and the natural functions of ecosystems to tackle some of our key challenges in a cost effective, efficient way. Internationally, there is growing recognition that nature-based solutions can form part of viable, cost effective and efficient solutions to challenges such as climate change, flood risk management and water pollution as well as support in tackling some of our key public health issues such as diabetes, obesity, air and noise pollution. Such solutions bring nature and natural features and processes into cities, landscapes and seascapes, through locally adapted, resource efficient and systemic interventions. There are many established approaches to nature-based solutions and lessons can be learnt from international programmes such as the Horizon 2020, the EU LIFE Programme, the EU Framework Programme for Research and Innovation³ and work undertaken by the International Union for Conservation of Nature (IUCN) as well as from the innovative projects that have been undertaken in Wales.

Nature-based solutions include:

- Increased green infrastructure in and around urban areas, (including urban trees, sustainable drainage and green architecture);
- Coastal zone management and managed realignment;
- Water treatment systems, for example swales and reed beds;
- Better soil management for carbon storage, water quality and continued productivity, for example peat land management, using streamside corridors and strategic hedge planting on farms;
- Community based allotments;
- Natural flood management; and,
- Carbon sequestration.

For example, green infrastructure, such as green corridors, roofs, walls and open spaces. provide regulating services including mitigating flood risk, providing habitat for pollinators and preventing extremes of temperature in urban areas. They can provide a focus for community action and volunteering, help increase social capital, improve community cohesion and reduce antisocial behaviour. For example, Wales has a wealth of historic parks and gardens which form an important part of the historic and cultural fabric of the country. The historic character of many of these parks contributes to local distinctiveness and sense of place and they can provide areas for outdoor recreation and play, contribute to both physical and mental health and make places more desirable to live, work and visit. As the quality of the local environment is a key determinant of long term health outcomes, the use of green infrastructure can also support improvements in health outcomes by contributing to priority action on improving air quality. Responsible access and use of green and blue space, including parks, woodlands, our coasts and seas further contributes towards making Wales a healthier and more active country. As well as the contribution to health impacts from external factors like air quality, the use of green and blue space can help to tackle many of the key health issues faced by Wales which are associated with lifestyle choices and are in many ways considered 'preventable'. These include many of the chronic conditions caused by insufficient physical activity such as cardiovascular disease and type 2 diabetes. Increasing physical activity to the level recommended by the Chief

³ <u>https://ec.europa.eu/programmes/horizon2020/en</u>

Medical Officer and the World Health Organisation is one of the key priorities in Wales and outdoor recreation provides a significant contribution to achieving this target.

Nature-based solutions are also a key part of the action needed to progress towards the legal requirement to reduce greenhouse emissions in Wales by at least 80% by 2050.

As founding signatories to the international Nature Based Climate Action Memorandum of Understanding, the Welsh Government has committed to:

- promote investments in enhancing ecosystem resilience as part of the response to the need for mitigation and adaptation;
- look to natural or "green" infrastructure solutions to reduce climate risk and provide wider ecosystem services whilst safeguarding biological diversity and ecosystem health;
- the use of tools and assessments that promote the understanding of the wider value of biodiversity and healthy ecosystems in addressing climate change and providing wider multiple benefits;
- the development of tools to measure the benefits of integrated approaches to climate change (including ecosystem services, safeguarding biological diversity, carbon sequestration, and wider co-benefits that support increased resilience);
- the need for enhanced technical and scientific cooperation and measurement in relation to implementation; and,
- foster closer links between ecosystem management, climate-change adaptation and sustainable development.

Improving community and individual well being by taking a place and landscape based approach

Nature-based solutions are about using nature to form part of viable, cost effective and efficient solutions; place and landscape based approaches are about connecting up and collaborating on those solutions. Using the principles of sustainable management of natural resources, it is about working at the scale needed to manage our priorities for action and in doing so increase the resilience of ecosystems and the multiple benefits they provide.

Taking such action can:

- be rural or urban:
- act alongside or as part of existing activities such as farming, forestry and urban development:
- join up the network of protected areas or connect areas within designated landscapes

There is already a range of best practice in Wales to draw upon, particularly from the Sustainable Management Scheme, Rural Community Development Fund and elements of Glastir. These approaches provide an opportunity to support sustainable rural communities, for example visitor and resident spending on recreational activities is important to local communities and to the wider economy of Wales and there is a clear link between Wales' natural resources and Wales' reputation as a high quality international tourist destination. The historic environment also draws many visitors into Wales and many of Wales' most beautiful landscapes are also rich in the remains of previous human activity. High quality natural resources also play a key role in supporting key sectors, such as in the case of water, farming, fisheries, energy, recreation and tourism and can drive further opportunities for local businesses in areas like carbon through payments for ecosystem services (PES).

Natural Resources Wales 'State of Natural Resources Report' identifies significant opportunities for landscape scale approaches to:

- Increase woodland cover and more existing woodlands brought into appropriate management to deliver multiple benefits
- Work within whole catchments to manage nutrients, and maintain, enhance and restore floodplains and hydrological systems
- Better manage the uplands to deliver multiple benefits
- Integrate the management of marine ecosystems through a plan-led system that facilitates better understanding of the benefits of marine natural resources and optimises their use.

The priority themes for action in the Natural Resources Policy and the principles of sustainable management of natural resources will inform Natural Resources Wales' development of area statements.

The origins to working at a landscape scale stretch back many years and include the findings of the 2011 nature conservation focused 'Lawton Review' of wildlife sites, which outlined the need to 'embrace a new, restorative approach which rebuilds nature and creates a more resilient natural environment for the benefit of wildlife and ourselves'. It advocated 'bigger, better and more joined up' ecological networks and responsible, landscape wide action, balanced with better biosecurity. Improving the condition of priority areas while expanding and making connections between them, to improve the resilience of ecosystems and help develop protected sites as the cores of large-scale functional networks rather than being 'islands' within the landscape. This is true also for wider ecosystem functioning and ecosystem service provisioning, which must exist across entire landscapes. As opportunities for spatially targeted actions to build healthy resilient ecosystems that deliver key ecosystem services are identified, there will almost certainly be a strong correlation with priority habitats and species. As such, the landscape scale approach can also help identify gaps and prioritise areas where habitat creation or restoration for biodiversity and multiple ecosystem service benefits can most effectively be delivered alongside wider social and economic activity. Equally where habitat or species actions are planned by others, the landscape scale approach will help to ensure that the action is effective and sustainable as an ecosystem based intervention, as well as helping to build a stronger case for need and funding. There are opportunities to create new networks and corridors of joined-up green spaces (for example, by the effective management by local authorities of road verges to encourage pollinators), which will help species move to new areas. This is especially important in the face of climate change and thereby helping our wildlife become more resilient. Good public path networks could also increase the range available to pollinators and help to reduce pollution by increasing active travel.

Next steps

In keeping with the ways of working in the Well-being of Future Generations Act and the principles set out in the Environment Act, an engagement approach will be taken to the consultation. By working together to develop Wales' first Natural Resource Policy, it will also help to form the basis upon which it will need to be delivered if the significant opportunities are to be realised and the challenges successfully addressed. Within the context of the profound implications of the UK's withdrawal from the European Union in this area, this is even more important so that this consultation forms a key part of the engagement being undertaken to shape the way forward for Wales.

The Roundtable convened by the Cabinet Secretary for Environment and Rural Affairs, will therefore be central to this engagement which will inform the development of the first statutory policy. Building on the earlier Roundtable meetings and wider stakeholder workshop events held over the course of the summer, the next meetings will be a key platform for engagement on the policy. This will be further supported by workshops on the consultation itself and the more detailed sectoral engagement being undertaken in relation to the UK's exit from the European Union. In this way, the work will be taken forward to inform the steps that need to be taken in order to deliver on the priority themes and address the key challenges outlined in this document over the course of the consultation.

More traditional written feedback on the priority themes and key objectives within them outlined in this document would also be welcome as part of this consultation exercise. In particular, taking into account the legal framework and its requirements as outlined in this document, it would be helpful to receive contributions on:

- the key steps that need to be taken in order to deliver on the priority themes and address the key challenges; and,
- the barriers that need to be addressed.

Annex 1: Sustainable management of natural resources

What is the sustainable management of natural resources?

The sustainable management of natural resources is a new approach which ensures that the way in which the use of and the impacts on our natural resources do not result in their long term decline. It is about looking at the ways we *manage* our natural resources

- how we use them
- how we reduce the pressures on our natural systems through actions such as resource efficiency, and
- positive actions too, such as restoring habitats

to *build resilience* into our ecosystems. This is because healthy, resilient ecosystems are more able to address pressures and demands – such as climate change – on them so they can continue to deliver the wide range of ecosystem services for our well-being and prosperity now and for the future. Our approach is about being proactive and putting in place actions to build resilience, rather than manage our ecosystems and natural resources to 'environmental limits' because of the many uncertainties with these.

Our aim is to sustainably manage our natural resources in a way and at a rate that meets the needs of the present generation without compromising the needs of future generations and which contribute to the seven well-being goals in the Well-being of Future Generations (Wales) Act 2015.

How do we measure ecosystem resilience?

We need to look at the attributes of resilience

- **Diversity** generally speaking, more diverse ecosystems are more resilient to external influences and their impacts. This includes biological, geological and physical diversity
- Connectivity within and between ecosystems
- Scale and Extent the bigger the ecosystem extends, without fragmentation, the more resilient it is likely to be
- **Condition** the underpinning supporting services of ecosystems need to be in a healthy condition to function effectively, to deliver a range of important ecosystem services.
- Adaptability as an outcome of the above, the overall adaptability of ecosystems invites specific consideration of the adaptive cycles which many ecosystems undergo, understanding that ecosystems are not static and will change over time.

Bringing in the benefits

Ecosystems provide a wide range of services, which in turn create benefits that link natural resources with people's well-being. They are

- **Supporting systems and services:** necessary for the production of all other ecosystem services, such as soil formation, nutrients cycling and primary production
- Provisioning services: such as crops, fish, timber and genetic material
- **Regulating services:** such as water purification, biological control mechanisms, carbon sequestration, pollination of commercially valuable crops
- **Cultural services:** providing a source of aesthetic, spiritual, religious, recreational or scientific enrichment.

By looking at ecosystem resilience and benefits together, we link to a wider set of beneficiaries, potential partners and funders who will understand the importance of our natural resources and their sustainable management.

How will we do this?

The Environment (Wales) Act puts in place principles of sustainable management of natural resources. These are our ways of working. In producing and implementing Natural Resources Policy we will apply the principles. They are

- **Being Adaptable** we need to plan, monitor, review and change our work as we gain a better understanding through our improved evidence and experiences.
- **Applying Scale** decisions and actions will need to taken at the right level, be it national, regional or local. We will all need to work together to identify the most appropriate scale for delivering the environmental and wider, cultural, social and economic priorities and opportunities that our evidence highlights.
- Working together everyone has a stake in our natural resources and to ensure that these resources are sustainably managed everybody has a role to play, through engaging in projects, providing evidence, or cooperating and collaborating at the local, regional and national level.
- Engaging with the public ensure that everyone has an opportunity to have their say on how our natural resources should be managed at all stages of decision-making.
- Using Evidence a wider and improved evidence base is needed in order to increase our understanding of our natural resources, how they function and of the benefits that they provide. Improved evidence will help us all to better understand the steps that we can take to manage our natural resources more sustainably. A full range of evidence will be needed, not only environmental, but also, cultural, social and economic evidence will be needed from experts, stakeholders and local communities.
- Understanding all of the benefits we receive from our natural resources we all need to increase our understanding of the value of our natural resources and the ways in which they support each other so that we and future generations can continue to have economic, social, cultural and environmental benefits whilst reducing the impact we have on the environment around us.
- **Considering the Long term** the impacts of our decisions and actions need to be considered not only for their effect in the short term but also over the long-term.
- Being preventative to take steps to prevent significant damage of our ecosystems.
- Increasing Resilience to be able to deal with increased demands and pressures our ecosystems need to be healthy. This includes ensuring that our decisions consider the resilience of our ecosystems and their ability to provide their benefits in the long term. This will also help to ensure they are capable of adapting to the impacts they face from climate change and future demands.

How do we know when we are achieving sustainable management of natural resources?

For the sustainable management of our natural resources to be realised, we need to ensure that

- Natural resources are not continuously declining and are not being used faster than they can be replenished;
- The health and resilience of our ecosystems is not being compromised;
- The benefits from ecosystems services are being optimised;
- The contribution to well-being of ecosystem service provision continues to meet our basic needs, and is not declining

Natural Resources Wales' 'State of Natural Resources Report' provides the national evidence base to describe whether we achieving this.

Annex 2 - Key Challenges

The following key challenges are taken from the Natural Resources Policy Statement, which was published in 2015. Further information can be found at http://gov.wales/docs/desh/publications/150914-natural-resources-policy-statement-en.pdf.

Safeguarding and increasing our carbon stores

A loss of carbon storage in soils, especially in our peat rich uplands, and in biomass, particularly where woodland is permanently removed is potentially diminishing our ability to regulate our climate.

Maintaining our productive capacity

Loss of soils and reducing soil quality, threats to pollinators and our plant health and from invasive non-native species risk the productive capacity of our land for food, timber and fibre, including our energy.

Reducing the risk of flooding

Increased soil sealing and compaction from farming practices and urban development resulting in loss of water storage capacity and more surface water run-off. The loss of natural coastal flood defences is a key challenge.

Improving health and equity

Noise, poor air quality and flytipping are impacting on our health. Lack of access to good quality green or blue spaces reduces individual well-being and can affect mental health. These impacts are disproportionately experienced in poorer urban areas.

Improving the quality and maintaining the availability of water

In Wales, there is a high dependency on our rivers for our water supply. Diffuse and point source pollution from a range of sources including some land management practices, sewerage discharges, abandoned mines and misconnected sewers is affecting our water quality.

Improving the quality and connectivity of our habitats

Changing land management practices, urbanisation, pollution and invasive non-native species have led to habitat loss and fragmentation, which, coupled with acidification and eutrophication have changes the quality and quantity of wildlife they can support.

Retaining the distinctiveness of our places and historic landscapes

Wales is renowned for its attractive and historic landscapes was impacted by developments relating to energy, transport and tourism through forest design.

Consultation Response Form

> Your name: Organisation (if applicable): email / telephone number: Your address:

Question: Written feedback on the priority themes and key objectives within them outlined in this document would be welcome as part of this consultation exercise. In particular, taking into account the legal framework and its requirements as outlined in this document, it would be helpful to receive contributions on:

- the key steps that need to be taken in order to deliver on the priority themes and address the key challenges; and,
- the barriers that need to be addressed.

If you have any related issues which we have not specifically addressed, please use this space to report them:

Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:

