

Report on the Welsh Government's marine policies

February 2022



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About the Committee

The Committee was established on 23 June 2021. Its remit can be found at:
www.senedd.wales/SeneddClimate

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Chair's foreword

Wales has over 2,000km of coastline and some of it is the envy of the world. The Welsh marine environment is home to some of the most biologically diverse habitats and species in Europe.

The coastline also provides huge marine energy opportunities, with generating capacity significant enough to help Wales reach its decarbonisation targets. There is exciting potential for jobs and economic growth and for our coastal communities to be reinvigorated.

We are expecting a ramping up of marine energy development over the next decade. We welcome this, but we must strike the right balance between conservation and development. We need a holistic system that considers the effect of cumulative development on the marine environment while removing unnecessary barriers to the exploitation of natural resources.

Now is the time to consider whether the plans and strategies the Welsh Government currently has in place will continue to be fit for purpose in light of the expected increase in development. This is a key theme of our report.

A second key theme is the importance of addressing the considerable gaps in the marine evidence base. Marine plans and strategies are only as good as the data that underpins them. The lack of a robust evidence base to underpin development decisions means there are inherent risks in ramping up development. This must be addressed.

The final part of our report covers Blue Carbon and explores recent work in this policy area. The Committee was interested to hear that Wales is at the forefront of developments. Carbon sequestration by habitats such as seagrass could have a significant impact on the Welsh Government's decarbonisation priorities and we think it needs further exploration.

As we set out in our Report on the Committee's priorities for the 6th Senedd term, marine policies will play a central part in our programme of work. I am grateful to all who contributed to this report and look forward to continuing this work throughout the 6th Senedd.



Llyr Gruffydd MS,

Chair, Climate Change, Environment and Infrastructure Committee

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- Recommendation 9.** The Welsh Government should set out how it will deliver on the commitment in the renewable energy deep-dive to identifying priority marine and terrestrial evidence gaps and mechanisms to fill them. This should include information on how such work will be funded.Page 25
- Recommendation 10.** The Welsh Government should set out how developers can make a greater contribution to the evidence base that underpins marine planning. It should set out how it will remove barriers to ensure that data can be shared while respecting commercial confidentiality.Page 25

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1. Introduction

1. This work arose from the Committee's consultation on its priorities for the 6th Senedd, which was undertaken in summer 2021. Several contributors to the consultation raised issues in relation to marine policies and the Committee decide to undertake a "snapshot" inquiry to assess progress in several areas across marine policy.

Contributors to the Committee's work

2. The Committee held an evidence session focused on marine policies on 9 December 2021. Details of the witnesses who participated in the session can be found at the end of this report. The Committee is grateful to those who contributed to its work.

2. Marine planning

Wales National Marine Plan

3. The Wales National Marine Plan (Marine Plan) was adopted in 2019 and sets out the Welsh Government's approach to development in the marine environment. In November 2021, the Welsh Government published its Six Year Report on Progress with Marine Plans in Wales, which covers the period 2015-2021.

4. According to the Report, Welsh Ministers currently do not intend to amend the Marine Plan and any future amendments will be "based upon the findings of monitoring of the Plan's implementation and effectiveness". These findings are due to be published within three years of the Marine Plan's adoption, in November 2022.

5. In a letter to the Committee setting out their priorities, the Minister and Deputy Minister for Climate Change said that "effective marine planning for, and regulation of, new development is crucial to enabling sustainable marine sector growth, particularly for the development of marine energy projects to contribute to net zero".

6. This was echoed by stakeholders in comments about the Marine Plan, with several, including Wales Environment Link (WEL) highlighting that since the Plan's adoption, "ambitions for development (particularly renewables) in Welsh seas have grown significantly." This led several contributors to state that the Marine Plan was not fit for purpose in the context of the anticipated step-change in development. RSPB Cymru highlighted a lack of "a spatial component or development control policies", which meant the plan "does not embed strategic forward planning or seek to proactively address conflict".

7. In an update to the Committee, the Minister said, "Since the WNMP's [Welsh National Marine Plan] publication, officials have worked with stakeholders to progress a spatial approach to the implementation of Plan policy, providing spatial direction and context for development." The Minister also said that she had "recently initiated work to map potential Strategic Resource Areas (SRAs) to identify and apply WNMP safeguarding policy to key areas of resource."

8. The Deputy Minister's deep dive on renewable energy policies said that the Welsh Government "will, with NRW and key stakeholders, identify marine 'strategic resource areas' by 2023 and provide guidance to signpost appropriate and inappropriate areas for development of different renewable energy technologies."

9. Environmental stakeholders called for a cross-sector, statutory spatial plan that addresses the cumulative impacts of marine developments. Clare Trotman said that the Marine Plan should better reflect an “understanding of what the cumulative impacts are of all the things that we want to see in our seas, how we do this best spatially, and what ... can’t and can happen, where is it appropriate to have things and where is it not appropriate”. Emily Williams said that marine spatial planning was essential from a sustainability and conservation perspective but would also “provide certainty to developers”. Although there was recognition that the “Sectoral Locational Guidance” had been introduced by the Welsh Government to support a spatial approach, stakeholders felt this wasn’t sufficient as cumulative impacts are not considered.

10. Jess Hooper and David Jones both said that the marine renewable energy sector would welcome a more spatial approach to marine planning if it would provide a greater degree of certainty. David Jones emphasised that the sector wanted a degree of certainty in terms of policymaking and, in practical terms, fundamentally redrawing the approach might risk causing further, unnecessary delays to development. Jess Hooper emphasised the importance of ensuring that “it’s the decade for delivery and bringing in a new plan or policy to support that is going to take a little bit of time.”

11. According to Emily Williams, the Welsh Government’s review of the Marine Plan, due in November 2022, will provide an opportunity to address issues in relation to marine planning. She suggested that an independent review should take place in advance to inform the Welsh Government’s considerations.

Responsibilities beyond 12 nautical miles

12. The Welsh Government has responsibility for nature conservation throughout the Welsh zone i.e. out to 200 nautical miles or the median line. However, several outputs required by the Environment (Wales) Act 2016, such as the State of Natural Resources report and the Marine Area Statement, apply only to inshore waters i.e. out to 12 nautical miles. Emily Williams said it was important, given the interest in developing “renewables in particular in the offshore area” that these outputs should cover the entire Welsh zone.

13. NRW said it had “worked with Welsh Government to make sure that the sustainable management of natural resources (SMNR) principles and purpose are embedded in the Marine Plan, and that policy framework is what sets the framework for all decisions throughout the Welsh zone in terms of all developments.” NRW was confident that “the requirements of SMNR can be met through all those different frameworks, and are being met.” It concluded that “we haven’t seen anything that would give us cause for concern in NRW that that sort of wider,

sustainable management view is not being taking forward in the offshore area as well as in the inshore area.”

14. NRW clarified that “there are some things that we do beyond 12 nautical miles, for example marine licensing. Beyond 12 nautical miles, there is the Joint Nature Conservation Committee—JNCC—who are the equivalent statutory nature conservation body to NRW in the offshore area.”

15. The recommendations of the Deputy Minister’s deep dive on renewable energy included a commitment to:

“streamline the process for developing the Celtic Sea renewable energy projects including delegating offshore advisory powers from the Joint Nature Conservation Committee (JNCC) to NRW.”

16. Environmental stakeholders emphasised that staffing capacity in the Welsh Government and NRW should be a cause for concern, as “the level of marine renewables we’re being asked to look at is such an unprecedented level”

17. Some stakeholders believed that the lack of resources in NRW was a significant issue. Although the focus was often on NRW’s capacity to fulfil its regulatory functions, the lack of resources was seriously affecting its ability to fulfil its advisory responsibilities.

18. NRW confirmed it would require additional staffing resources if a decision was taken to extend its responsibilities to cover 200 nautical miles.

Engagement with stakeholders and the public

19. The Committee was told that there are several different stakeholder groups across marine policy areas, and some are more active than others. Environmental stakeholders agreed that the marine planning stakeholder reference group had engaged well. Emily Williams said that the quality of stakeholder engagement varies across the different forums and suggested that “task-focused stakeholder forums” worked more effectively and could sit underneath the more strategic forums.

20. There was an acceptance that it is often difficult to engage the public in strategic planning matters and marine policy is no different. Environmental stakeholders said they were already involved in public engagement but there was also a role for the Welsh Government. Clare Trotman said the Welsh Government had organised several regional drop-in sessions ahead of the publication of the Marine Plan and this was a good model to continue on an ongoing basis to raise awareness with the public.

Our view

A ramping up of marine energy development is expected over the next few years. We welcome this, particularly as such developments will be a significant contributor to achieving net-zero.

However, we believe it is important to ensure that we strike the right balance between conservation and development. We need a holistic system that considers the effect of cumulative development on the marine environment while removing unnecessary barriers to the exploitation of natural resources.

To be clear, we are not suggesting a return to the drawing board. No contributor to the Committee's work has called for this and there was a recognition that progress needs to be made. But now is the time to consider whether the plans and strategies the Welsh Government currently has in place will continue to be fit for purpose in the light of the expected increase in development.

The Wales National Marine Plan is due to be reviewed by the Welsh Government before the end of 2022. Stakeholders made a persuasive argument that the Welsh Government should commission an initial external review of the Plan, to inform its consideration. We agree that this would be a constructive approach.

Environmental stakeholders criticised strongly several aspects of the Wales National Marine Plan, particularly the lack of a spatial approach. However, we note the comments from the Welsh Government about the adoption of a more spatial approach, including Strategic Resource Areas. These, and other related matters, should be considered as part of the initial external review.

We believe there should be a strong emphasis on stakeholder engagement to inform the Welsh Government's review of its Marine Plan.

Recommendation 1. The Welsh Government should commission an external analysis of the Wales National Marine Plan to inform its own review later in 2022.

Recommendation 2. The Welsh Government should ensure that stakeholder engagement is a central part of its review of the Wales National Marine Plan.

3. Marine Renewable Energy

21. Increasing renewable energy generation is more important than ever if Wales is to meet its target of net-zero by 2050. The Welsh Government's Marine Energy Plan was published in 2016 and says that "Wales is well positioned to play a global leading role in marine energy with 1,200km of coastline, up to 6GW of generating capacity potential for wave and tidal stream."

22. The Welsh Government has committed to supporting innovation in new renewable energy technology. In a letter to the Committee, the Minister and Deputy Minister said that, since 2019, "Work has been underway to stimulate renewable tidal power generation in the seas around Wales and help support other forms of marine energy generation."

23. In December 2021, the Welsh Government's deep-dive on barriers to renewable energy development reported. It made several recommendations in relation to marine renewable energy.

Wind power

24. Offshore wind is an established and proven renewable energy technology. There are three operational offshore wind farms off the North Wales coast. The largest, Gwynt y Môr, is a 576MW offshore bottom-fixed wind farm covering approximately 79km². It can produce enough clean energy to power 400,000 households, equivalent to cutting 1.7 million tonnes of CO₂ emissions a year.

25. Focus has recently turned to floating offshore wind technologies, which use the platform technology used in the oil and gas industry. This means wind turbines can be situated further from the coast, with less visual impact.

26. The Crown Estate awards the rights to use the seabed through a leasing process. Stakeholders highlighted the need for "adequate seabed leases [to be made] available" from the Crown Estate in Welsh waters. At present, the Crown Estate provides a leasing mechanism for 100MW which Blue Gem Wind has used for its first site, Wales's first-ever floating wind demonstration project, Erebus. The Crown Estate has published plans for floating wind leasing in the Celtic Sea, with an ambition to unlock up to 4GW of clean energy capacity and provide clean power for almost four million homes.

27. David Jones explained that "The success of projects in the Celtic Sea is based upon a stepping-stone approach, whereby projects and the associated supply-chain are able to gradually scale-up, starting at ~100MW, moving to ~300MW, before taking on full-scale

commercial projects." Once this 'early commercial' leasing framework is complete, "a floating wind commercial scale leasing process should be progressed as soon as possible otherwise Wales will be disadvantaged vis a vis with Scotland who already have a commercial scale leasing round for floating wind and 2 floating wind projects fully commissioned."

The Crown Estate and Wales

28. On 17 January 2022, Crown Estate Scotland announced the outcome of its application process for "ScotWind Leasing", which was the first Scottish offshore wind leasing round since the management of offshore wind rights were devolved to Scotland. 17 projects had been selected as a result of the application process and had been offered option agreements, which reserve the rights to specific areas of seabed. The successful applicants will pay just under £700m in option fees, which Crown Estate Scotland said would be "passed to the Scottish Government for public spending".

29. The devolution of the responsibilities of the Crown Estate to the Welsh Government has been the subject of much discussion recently. The Co-operation Agreement between the Welsh Government and Plaid Cymru says that:

"We support the devolution of further powers and the accompanying resources that Wales needs to respond most effectively to reaching net zero, specifically the management of the Crown Estate and its assets in Wales."

30. The Deputy Minister's deep dive on renewable energy policies said that:

"While we pursue the devolution of the Crown Estate we will streamline the process for developing the Celtic Sea renewable energy projects including delegating offshore advisory powers from the Joint Nature Conservation Committee (JNCC) to NRW."

31. David Jones said the "market is ready to invest" in floating wind technologies and he would like the Crown Estate to "go faster" to enable this to happen at a greater scale in Welsh waters. In reference to the devolved arrangements in Scotland, David Jones said there was a perception in the sector that Crown Estate Scotland is "probably closer to Government and respond more to Government ambition than perhaps the Crown Estate England and Wales, who are very clear on the fact that they're an independent organisation." He said that he believed there could be benefits to Wales from the devolution of the Crown Estate but expressed caution that he would not want this to "slow anything down".

32. Jess Hooper said "we are at a point where I think we could be about to see the Crown Estate do things slightly differently, so I've experienced working the previous rounds, which have

been quite slow and quite onerous. We are seeing now mention of enabling actions coming through." She added that "the Crown Estate's enabling actions, should they be done right—and we have yet to see what they're going to look like, so there's a bit of a caveat there—they could facilitate that scale and pace that the developers so desperately need, want and are ready to see and deploy alongside."

Tidal energy

33. Tidal energy currently takes two forms:

- Tidal stream technologies harness the kinetic energy of currents to power turbines; and
- Tidal range technologies harness the potential energy created by a high tidal range, the difference between low and high tides (the 'head' of water).

34. Tidal range projects generally involve the construction of large-scale lagoons or barrages that retain and then release the incoming tide. Marine Energy Wales has estimated there is 6GW of tidal range resource in Wales.

35. Jess Hooper said that there had been a lack of policy support for tidal range developments from the UK Government. She said that the large scale of some projects meant that they did not fall within the competence of the Welsh Government, such as the North Wales tidal lagoon project. She explained that "BEIS has previously indicated some interest but want well-developed and cost-effective plans to be submitted. But without policy support as a backdrop, it's impossible to get the funding to put together such a proposal."

The Tidal Lagoon Challenge

36. The recently published **Net Zero Wales Plan** contains a commitment that the Welsh Government will, by 2024:

"Develop a Tidal Lagoon Challenge, providing robust evidence on the viability of the technology and the potential for supporting a project in Welsh waters that can demonstrate environmental sustainability in line with WNMP (Wales National Marine Plan) objectives and policies."

37. Jess Hooper said that the tidal lagoon challenge had closed and that the sector was waiting for feedback from the Welsh Government. She understood there had been more than 20 submissions and added that "as a sector, we're not actually aware of how that is progressing."

We are aware that it has been taken to the Minister, but that there are further discussions and outcomes that are required—I believe, potentially, linked to the Welsh Government budget”.

Ports

38. Jess Hooper said that ports would be a key area for infrastructure investment to ensure that the supply chain is in place. The Deputy Minister's deep dive on renewable energy stated that the Welsh Government:

“will work with the UK Government to bring new investment to ports in Wales. We will work with ports in Wales to identify opportunities for specialisation and collaboration, and to make Welsh ports investment ready. We call on The Crown Estate and UK Government to maximise the value of supply chain and infrastructure development opportunities in Wales from their leasing rounds.”

Skills

39. In its written submission, Marine Energy Wales said that the sector currently employed “256 direct FTEs (with further indirect supply chain multipliers increasing this number)” and that “Floating offshore wind alone is expected to generate 3000 jobs by 2030 if the early mover opportunity is seized”. David Jones said that because of the predicted need for jobs in the sector - 70,000 by 2026 to deliver the current programme - his company had engaged with local schools and further education, focusing on STEM and skills development. According to the Deputy Minister's deep dive on renewable energy, the Welsh Government will “develop a net-zero skills action plan by spring 2022”.

Our view

We welcome the efforts of the Welsh Government to remove barriers to the development of the marine renewable energy sector in Wales. We will keep under review the progress of the implementation of the recommendations of the Deputy Minister's deep dive.

The Welsh Government's Marine Energy Plan was published in 2016. Contributors to our work called for a “route map” to set out the Welsh Government's intentions over the short and longer term. We believe there is merit in revisiting and updating the Marine Energy Plan and would be grateful for clarification from the Minister about her intentions in this regard.

We note that the Co-operation Agreement between the Welsh Government and Plaid Cymru supports the devolution of the management of the Crown Estate and its assets in Wales. We

believe that income derived from Welsh marine assets should be returned to Wales, so it can be spent on public policies that support the citizens of Wales and policies that help Wales achieve its net-zero targets. This is the situation in Scotland, and we see no good reason why similar arrangements cannot apply to Wales.

We agree with the comments we heard about the importance of ports in having a key role in the sector as it grows in Wales. We would like further information on how the Welsh Government will progress the commitment in the deep dive recommendations to “work with ports in Wales to identify opportunities for specialisation and collaboration, and to make Welsh ports investment ready.”

We note the comments from the sector about the projected number of jobs that can be generated by the sector over the next decade. The Welsh Government should do all it can to ensure that local communities are in the best position to take these opportunities. We are pleased that the Welsh Government will be developing a net-zero skills action plan this year.

Minority view

During the Committee's discussion on its Report, Janet Finch Saunders, expressed opposition to recommendation 4.

Recommendation 3. The Welsh Government should report back to the Committee in 6-months on the progress of implementing the recommendations in the renewable energy deep dive.

Recommendation 4. The Welsh Government should set out its plans, including timescales, for the devolution of the management of the Crown Estate and its assets in Wales.

Recommendation 5. The Welsh Government should update the Marine Energy Plan to reflect its ambitions and intentions in this policy area.

Recommendation 6. The Welsh Government should provide an update to the Committee on the tidal lagoon challenge.

4. Consenting and licensing

40. Natural Resources Wales (NRW) supports the sustainable development of the marine renewable energy sector through its regulatory and advisory functions. It delivers **marine licensing** on behalf of Welsh Ministers for **licensable activities** throughout the **Welsh Zone**. The **Welsh Government** is the enforcement authority for Welsh marine licensing.

41. Between June 2020 and November 2021, NRW issued 12 marine licences: "5 licences relate to construction, alteration or improvement works associated with the renewable energy sector and 7 licences were issued in respect of project site survey work."

42. The **Marine and Coastal Access Act 2009** established the legal process for marine licence applications. The regulatory process is also governed by several **key pieces of environmental legislation**. The **consent process, and the consenting authority**, for marine renewable energy projects in Welsh waters will differ according to both the scale of the project and the legislation that applies.

43. As set out in Chapter 1, NRW is the statutory consultee for advice on development consents and marine licences in Welsh waters within 12 nautical miles (nm). However, the Joint Nature Conservation Committee (JNCC) is responsible for the Welsh offshore marine area beyond 12nm.

Offshore Renewable Energy Programme (OREP)

44. The Deputy Minister's deep dive recommended a review of resource needs and options for consenting and advisory processes to keep pace with the growth in renewables, including an urgent review of resource needs and options for NRW's Offshore Renewable Energy Programme.

45. In 2019, NRW developed the Offshore Renewable Energy Programme (OREP), in response to the growth in the offshore renewable energy sector. According to NRW, the OREP aims to reduce environmental and consenting risks, by building capacity and expertise to deliver:

- Improved case management and pre-application advice;
- Development of key positions and guidance;
- Additional dedicated staff resource focused solely on marine renewable energy - developing and maintaining continuity of the necessary expertise;

- Critical evidence to reduce consenting uncertainties and address the perceived conflict between the twin climate and biodiversity emergencies; and
- Increased external engagement with key stakeholders.

46. Through OREP, NRW is currently advising on 15 major projects, developing key guidance, and engaging with strategic initiatives such as the Crown Estate's Offshore Wind Evidence & Change Programme, the Welsh Government's Marine Energy Programme and Tidal Lagoon Challenge.

47. NRW highlighted that OREP is temporarily self-funded until March 2022, but NRW's advisory and regulatory role "will continue to increase significantly... with the prospect of new fixed and floating offshore wind and the Tidal Lagoon Challenge". NRW stated that "ongoing and increased investment" is needed to meet this demand and "improve the marine environmental evidence base to help reduce environmental risk".

48. Both Jess Hooper and David Jones suggested that a lack of resources in NRW meant that progress was slower than it might otherwise be. David Jones expressed concern that experienced and knowledgeable staff supporting the OREP might be lost because funding for the posts was time-limited. This would be a "real loss" at a crucial time when "we probably expect more consent applications than ever."

Adaptive management

49. Among the "key position guidance and statements" arising from the OREP is NRW's "adaptive management position statement". This describes an approach for ongoing monitoring of the environmental effect of the technologies that are being used. NRW explained that "small-scale devices can be put in the water in order to monitor what the effect will be on various different environmental receptors." Developers are required to monitor the effects and report back to NRW, which allows it to "assess the continued effect to allow either changes in the mitigation required...or, if the effect remains small, then the developer is allowed to scale up the development."

50. Jess Hooper described the adaptive management approach as being "steeped in complications and potential delays." She said that the approach still meant uncertainty for investors, which would act as a barrier.

51. Environmental stakeholders expressed some reservations about the approach, saying that although it served a purpose for assessing the impact of novel technologies, it should not

become relied on as the main aspect of the monitoring and investigation approach. Claire Stephenson said she believed that:

"We're always going to need that adaptive management plan for novel technologies, because until they're in the water, we've only got academic responses as to what the actual impacts are. We need test centres. I'm not disputing that. I just think using that for multiple locations for multiple different technologies is a recipe for creating mass in-combination and cumulative effects."

52. Jess Hooper referred positively to the Scottish "deploy-and-monitor" approach which had meant that developers had "been able to get kit in the water faster, monitor how that kit is affecting, or not, as the case may be, the local environment and inform future decision making for, for example, phased deployment of the project". This approach had meant that projects could be scaled-up incrementally, based on evidence. She emphasised that "the key was enabling that first device to be deployed and not putting really onerous requirements on the advance of making that decision to let it go." She also referred to "post-monitoring requirements", which she believed were significant and were potentially creating barriers.

Streamlining the consenting process in Wales

53. The Deputy Minister's deep dive on renewable energy policy recommended an "end-to-end review of the marine licensing, consenting and supporting advisory processes to remove barriers, drawing on the work of existing groups." The Welsh Government will report on this matter in summer 2022.

54. Jess Hooper said that the consenting process in Wales is so time-consuming and, in some cases, onerous, that there is a perception amongst developers that Wales is "not open for business". David Jones emphasised the need for sufficient capacity within NRW to consider and process consent applications, as "turning that consent around in 12 months" is critical, "Because what that enables us then to do is apply for a CFD [contract for difference] in 2023, which then enables us to build the project by 2026, and if we miss that 2023 CFD target, then we have to wait another two years for the 2025 CFD, and it delays the programme for years."

55. According to David Jones, there was a perception that NRW is risk-averse. The technologies under consideration are often new and innovative and the precautionary approach applied by NRW could create barriers. He suggested that experience elsewhere of developments, such as in other parts of the UK or Europe, could be used by NRW where evidence did not currently exist. Jess Hooper said she believed "NRW have more of a problems-based and precautionary culture." She appreciated that NRW faced challenges, but "places like

Scotland have had the same legislation and have enabled these projects to go forward for more than 10 years." She said that, while there had been 15-20 deployments in Scotland, there had only been two in Wales.

56. In its written submission to the Committee, NRW said:

"There is often a perception that marine licensing applications for developments in areas of policy priority ought to be able to be "fast-tracked". However, NRW must equally robustly assess all applications by following the statutory decision-making process and supporting assessment and advisory process which together provide important environmental, human health and safety, procedural and legal safeguards."

57. NRW explained that the speed of determination "is mainly dependant on the quality of the information provided by the developer" and suggested that increased engagement in pre-application advice and engagement with other stakeholders "will support the submission of robust licence applications and help decrease the determination timescale of an application."

58. NRW told the Committee that it was looking at how it can adapt processing "in order to make that as easy as possible for developers, so it's not complicated, and also to ensure that we have the shortest timeline that we can whilst ensuring that there is a relevant level of environmental scrutiny".

Our view

It is evident from our discussions with contributors that there are fundamental concerns about the consenting process and whether it is fit for purpose to respond to the Welsh Government's ambitions for marine renewable energy. It is appropriate that these issues were addressed in the Deputy Minister's deep dive.

We welcome the commitment arising from the deep dive for an end-to-end review of the consenting process. There was recognition from both NRW and the sector that the process could be streamlined. We would be grateful for an explanation of how the Welsh Government will ensure that the review is open and transparent and will involve stakeholders. We would welcome an update from the Deputy Minister after the Welsh Government has reported in the summer

We also welcome and endorse the commitment arising from the deep dive for a review of resource needs and options for consenting and advisory processes to keep pace with the growth in renewables. In particular, we are pleased that the resources for the OREP programme

will form part of this review. We would be grateful for an update from the Deputy Minister after the Welsh Government has reported in the spring.

We note the Welsh Government's commitments in relation to the delegation of offshore advisory powers from the JNCC to NRW. The Welsh Government must ensure that NRW receives appropriate resource to deal with these responsibilities.

Recommendation 7. The Welsh Government should set out how its end-to-end review of the consenting process will be open and transparent and how stakeholders will be provided with an opportunity to contribute.

Recommendation 8. The Welsh Government should provide further information, including a timeline, for delegating offshore advisory powers from the Joint Nature Conservation Committee (JNCC) to NRW. The Welsh Government must ensure that NRW is adequately resourced to deliver these additional responsibilities.

5. Evidence gathering and data gaps

- 59.** The State of Natural Resources Report (SoNaRR 2020) assessment of the Welsh inshore marine area found that “there are various evidence gaps across social, economic (including development) and environmental uses of the marine environment that restrict our ability to ensure sustainable management of marine natural resources”.
- 60.** In September 2019, the Welsh Government published the Welsh Marine Evidence Strategy in partnership with NRW. NRW produces its own Marine and Coastal Evidence Programme, which includes an annual list of priorities for evidence gathering. A regular cycle of monitoring is delivered through its Marine Monitoring Programme.
- 61.** As stated in the previous Chapter, the Deputy Minister’s deep dive on renewable energy, published in December 2021, recommended a review of consenting and supporting evidence and advice.
- 62.** The collection of marine data is complex and needs to take place over many years. This work is made difficult by the absence of a multi-year funding programme. NRW said that “funding available for marine monitoring falls well short of what is required”.
- 63.** NRW acknowledged that “It’s fundamentally important that we understand the state of our marine environment in order to enable us to make the right decisions.” NRW cautioned that developers were often relying on baseline data that NRW or other bodies had collected, but which “is now very old, and that’s the best available evidence.”
- 64.** Environmental stakeholders recognised that there are significant evidence gaps. To fill them “in a traditional manner through the way we do it terrestrially would take time that we don’t have”. Clare Trotman referred to the Wales marine evidence report, which she suggested would be a “good starting point for how we try to fill some of these evidence gaps”.
- 65.** NRW has been working with the JNCC and other UK nature conservation bodies to consider options for funding a wider programme and it told the Committee: “the favoured option—and we worked with the Welsh Government as well and they supported us on this—...was for around five times more than we currently have.” This would result in an eight-fold expansion of the monitoring programme. Discussions were now being held with the Welsh Government about how the bid would be taken forward.
- 66.** NRW highlighted the need to better understand the longer-term “interactions of these different kinds of renewable energy devices with different habitats and species, and especially
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mobile species." NRW suggested that there are "good opportunities to work across the UK", for example with the Crown Estate on evidence collection programmes. However, there is also a need to better understand the "unique environment in Wales."

Data sharing by developers

67. Emily Williams said that "developers collect a huge amount of marine data when they are developing projects. A lot of that is often cited as being 'commercially sensitive'." She suggested that the Welsh Government should investigate how it can encourage developers to share more of the data it collects so that it can be used in marine planning. Claire Stephenson said more data could be brought into the public domain via "a development plan process", by asking developers "to give their evidence and to give their reasoning behind it and releasing that for scrutiny." This might be an appropriate interim measure as longer-term solutions are explored.

68. Emily Williams suggested that evidence needs to be collected across sectors. For example, the fisheries sector could contribute to the evidence base through the use of vessel monitoring systems.

69. In response to a question about the potential of collaboration in collecting evidence and data, David Jones explained the significant costs in relation to data collection. For the Erebus project, which would cover approximately 0.02% of Welsh marine planning waters, "by the time we come to submit our EIA, we'll have spent about £5 million."

70. It was suggested that there might be a role for the Welsh Government in trying to encourage the sharing of non-confidential information. Jess Hooper said:

"There's obviously going to be some sensitivity around the data that sits within each individual company as well, so there's definitely a role to be taken to pull all of that together, but it has to be a real, strategic leadership role, and not something that I think we can champion—. We can champion it as a sector, but we can't take that leadership."

71. Jess Hooper said there was good work being progressed through "the science and evidence advisory group", which was working "through Welsh Government with the ORJIP programme, the offshore renewable joint industry partnership, and that is looking at the data that is available and trying to pinpoint how that data can be best utilised, and where those gaps are."

Our view

Marine plans, strategies and spatial planning are only as good as the data that underpins them. Stakeholders were clear that there are considerable gaps in the evidence base. As we said in our Report on the Welsh Government's draft budget 2022-23, the lack of a robust evidence base to underpin development decisions means there are inherent risks in ramping up development.

We were pleased that the Welsh Government has recognised that the evidence base is a problem. The Deputy Minister's deep dive committed to identifying priority marine and terrestrial evidence gaps and mechanisms to fill them. We will be interested to monitor the progress of this work. In particular, we believe it is important that the Welsh Government sets out how it will be funded.

We recognise the need to maintain commercial confidentiality, but we believe it is vital to explore the greater role that developers can take in contributing to the evidence base.

Recommendation 9. The Welsh Government should set out how it will deliver on the commitment in the renewable energy deep-dive to identifying priority marine and terrestrial evidence gaps and mechanisms to fill them. This should include information on how such work will be funded.

Recommendation 10. The Welsh Government should set out how developers can make a greater contribution to the evidence base that underpins marine planning. It should set out how it will remove barriers to ensure that data can be shared while respecting commercial confidentiality.

Recommendation 11. The Welsh Government should provide an update on the Welsh Marine Evidence Strategy 2019-22, including any assessment that has been undertaken of its effectiveness, and whether the Strategy will be reviewed or amended in the light of the commitment in the renewable energy deep-dive.

6. Marine Protected Areas

72. Marine Protected Areas (MPAs) are protected nature conservation sites in the marine environment. They are geographically defined and recognised formally through legal or other effective means, like voluntary approaches. MPAs may be designated for a variety of reasons, including marine conservation and fisheries management.

73. There are a total of 139 MPAs in Wales covering 69% of the Welsh inshore waters (the mean high water mark to 12 nautical mile territorial seas limit) and 50% of all Welsh waters. All Welsh MPAs are multi-use sites. However, some activities may be managed or restricted to reduce the likelihood of an adverse impact on the wildlife and habitats for which the site has been designated.

Turning the tide?

74. In August 2017, the Fifth Senedd's Climate Change Environment and Rural Affairs Committee published Turning the tide? Report of the inquiry into the Welsh Government's approach to Marine Protected Area management. The report was followed up in June 2019.

75. The Minister provided an update on progress against the Committee's recommendations to inform the Committee's consideration of this policy area. Stakeholders said that several of the Committee's recommendations "remain unaddressed", including those regarding the identification and designation of Marine Conservation Zones (MCZs).

Assessing the condition of MPAs

76. In 2018, NRW produced indicative feature condition assessments for features in Wales' European Marine Sites (EMS). These assessments considered the conservation status of the features (species and habitats) and found 45% of all designated features are in favourable condition, whilst 45% are in unfavourable condition.

77. NRW said that, since the indicative assessments, NRW had used European Maritime and Fisheries Funding to develop a project with the aim of designing "a more sustainable process for carrying out cyclical site condition assessments" in future. NRW had also identified "indicators that we think are best used to indicate the condition of those features, and where, ideally, we would have the evidence available." NRW were now using the indicators internally in pilot condition assessments. Once NRW is satisfied that the process is robust, it will seek resources to undertake "a full revision and to do a full set of site condition assessments for all our features and all of our sites using this new process". This information would inform revisions to NRW

"conservation advice packages for our SACs and SPAs to update the conservation objectives, to be clearer about whether we need to maintain condition or restore condition et cetera, and provide more detailed, prescriptive conservation advice."

78. In response to a question, NRW confirmed it was "looking to the new funding programme that Welsh Government's developing with NRW to look at the condition of all protected sites across land and sea—the nature networks programme." NRW confirmed that without additional resources, the condition assessments would take much longer to complete.

Assessing Welsh Fishing Activities

79. In her update to the Committee on the implementation of the Turning the Tide recommendations, the Minister said that:

"Welsh Government continue to work with NRW to progress the Assessing Welsh Fishing Activities project. In 2016, 516 assessments of gear-feature interactions were prioritised for delivery. Of these, 70 have been received from NRW with a further 39 medium priority bottom towed gear assessments due for delivery in March 2022."

80. The Minister went on to say that "The Assessing Welsh Fishing Activities project remains a priority and I will launch a public consultation once all towed gear assessments are completed and proposals for management measures are finalised".

81. In a letter to the Environment, Trade and Rural Affairs Committee, the Minister for Rural Affairs and North Wales, and Trefnydd said she is "expecting the 'medium priority' towed gear assessments at the end of this financial year". She explained that after the completion of the assessments, the Welsh Government would develop and consult "on any proposals needed to address both the 'high' and 'medium' priority assessments."

82. An October 2020 report in the Guardian said that 97% of UK offshore MPAs were subject to bottom-trawling in 2019. This analysis was undertaken by environmental NGO Oceana, using data from vessel tracking platform Global Fishing Watch. Further analysis by Oceana of the 2020 data found the same number of UK MPAs were being trawled, and that the number of hours spent fishing with bottom-towed gear had increased by 10% from 2019.

83. In reference to the Oceana analysis, NRW suggested it was unclear how much of the increase had happened in Welsh waters. NRW said that "those headline statistics don't really apply to our understanding of what's happening in Wales. We're also aware, just in terms of anecdotal understanding, that, in terms of bottom-towed gears, there is not a lot of that in the

Welsh fleet." However, NRW accepted "That's not to say that it might not happen in terms of fleet that comes in from elsewhere."

84. NRW explained that the Welsh Government's proposed inshore vessel monitoring system would help to provide a better understanding of "what gears are being used where." NRW said that information was needed "before we can arrive at clear conclusions as to what is actually happening in Welsh waters." NRW went on to explain that this was "probably a question to pursue also with Government as to how precautionary or otherwise they wish to be with the fishery management measures".

85. On 8 October 2021, the Committee received a letter from the Chair of the Petitions Committee in relation to a petition it had considered entitled "Sea bottom trawling is killing our marine wildlife ... Stop bulldozing our seas!".

Highly protected marine areas

86. Clare Trotman said that other parts of the UK were starting to consider highly protected marine areas. She had been disappointed that the Minister had not responded positively to the predecessor committee's recommendations on this issue. She acknowledged that an earlier Welsh Government consultation in 2012 had failed and said, "I think there has been a lot of learning there, in terms of how we engage with stakeholders and how we bring coastal communities on that journey to actually reaching a point of people being comfortable with additional protection and understanding why that needs to happen."

87. Sue Burton pointed out that the "2012 Welsh Government consultation on highly protected MCZs was woefully inadequate". She said that "it's a real shame if the discussion on HPMCZs is completely cut short because of that process. There is certainly room still, and arguments out there, for the benefits of highly protected MCZs." She added that "it is possible to have zonation of current MPAs, so that we can have very small areas and very targeted areas that are no-take for specific activities, maybe, and that really does come into play as part of the whole network of MPAs."

88. Dr Richard Unsworth echoed these comments, saying that the 2012 consultation had been too "inward-looking". He said "It didn't look at the experience of successful marine parks and marine protected areas anywhere else around the world. There are failing marine parks in many parts of the world, but there are successful marine parks in many parts of the world that have multizonation in them, and lots of different rules. They are set up on an iterative basis: 'Let's create something, and let's revisit it and work with it to improve it.'" He added "We don't need to reinvent the wheel. We can use existing ideas and concepts and expertise in developing

those marine conservation zones so that they are not just helpful for biodiversity, but they are helpful for local people.”

Our view

In its “Turning the tide?” report, our predecessor Committee called on the Welsh Government to bring forward a strategy for MPAs. We heard no evidence to suggest that circumstances had improved since the publication of that report. We heard from several stakeholders that they continue to be disappointed by the Welsh Government’s inaction in this area. We believe that the new Senedd term, with a new Minister responsible for marine policies, provides an ideal opportunity to revisit this recommendation. We would be grateful if the Minister would set out her position on this matter.

As we said in our Report on the Welsh Government’s draft budget 2022-23, we are disappointed by the ongoing lack of progress in the designation of MPAs and MCZs and we would be grateful for an explanation from the Minister of the reasons for this.

There has been ongoing concern about the indicative site condition assessments undertaken by NRW and the quality of the data arising from that work. We were pleased to hear that NRW is developing a more robust process for site condition assessments. We note the comments from NRW that funding is required to roll out the approach. We would welcome further clarification of the amount of funding that is required for this work to proceed and whether that funding has been committed.

We were disappointed by the lack of clarity around the prevalence of bottom-trawling and dredging in Welsh waters. Although we note that work has been undertaken on the impact of trawling on MPAs, we are keen to understand the nature and purpose of the public consultation on towed fishing gear.

Recommendation 12. The Welsh Government should bring forward a strategy for Marine Protected Areas. It should focus on the need to take both local and network-scale approaches and to deliver the conservation objectives of individual MPAs, where applicable.

Recommendation 13. The Welsh Government should explain the lack of progress on the designation of MPAs and MCZs and set out a timetable for designation.

Recommendation 14. The Welsh Government should set out how the new approach NRW has developed for site condition assessments will be funded.

Recommendation 15. The Welsh Government should set out the latest discussions it has held about the implementation of risk-based marine monitoring programmes across the MPA network, as set out in the MPA 2020-21 Action Plan.

Recommendation 16. The Welsh Government should set out its latest plans for the designation of highly protected marine areas.

Recommendation 17. The Welsh Government should set out the purpose and timeline for the public consultation on dredging and bottom trawling in Welsh MPAs.

7. Blue carbon

89. 'Blue carbon' refers to the carbon sequestered by vegetated coastal and marine ecosystems, in particular seagrass, saltmarsh, mangrove and seaweed habitats. The vegetation in blue carbon habitats removes carbon dioxide (CO₂) from the atmosphere and surrounding seawater (during photosynthesis), then stores carbon within plants and underlying sediments. Welsh seas contain seagrass, saltmarsh, and seaweed blue carbon habitats, encompassing more than 99km² of the Welsh MPA network.

90. A July 2020 report Estimating the Carbon Sink Potential of the Welsh Marine Environment, prepared on behalf of NRW, found: "... a lot of carbon is already stored away in Welsh marine sediments, at least 113 Million tonnes (Mt) in the top 10 cm. This represents almost 170% of the carbon held in Welsh forests."

91. Both WEL and MCS highlight the carbon-storing capabilities of the ocean as 'critical' in meeting the target of becoming net-zero by 2050 and recommended that a National Blue Carbon Recovery Plan, "designed to maintain and enhance our invaluable marine blue carbon habitats", should be prepared in Wales.

92. In an update to the Committee, the Minister said:

"My officials are working closely with NRW, the other administrations and the scientific community to understand the issues and opportunities better, and we will work together with the intention to establish a UK Blue Carbon Evidence Partnership early next year, to address those questions...Discussions have begun around the potential to form a working group to progress this evidence plan."

93. In response to a recent petition, the Minister stated that "MPAs cannot currently be designated for a resource such as carbon potential". The Welsh Government's Programme for Government commits to "establish a targeted scheme to support restoration of seagrass and saltmarsh habitats".

Project Seagrass

94. Up to 92% of the UK's seagrass has disappeared in the last century. The decline has been caused by pollution, coastal development and damage from boat propellers and chain moorings. Project Seagrass, a collaboration between Sky Ocean Rescue, WWF and Swansea University is undertaking the UK's biggest seagrass restoration project. It aims to restore

20,000m² of seagrass, by planting over 750,000 seeds in Dale Bay in Pembrokeshire. Project Seagrass is now exploring potential seagrass restoration sites around the Llŷn Peninsula.

95. In response to a question about the potential for windfarm sites to be used for habitat restoration, Dr Richard Unsworth said he believed there is “a case for aligning different sorts of activities, including seaweed aquaculture and seaweed cultivation for edible reasons but also for other extracted compounds and carbon reasons.”

96. Dr Richard Unsworth said the project in Dale was a pilot that had been created “to inspire further activity in other areas”. He said the pilot had led to involvement in other projects, such as a project led by the National Oceanography Centre in Southampton. He said that Project Seagrass had also been “fortunate to link up with NRW and bring in some fantastic capital expenditure into our project”.

97. Dr Unsworth confirmed that “We’re part of a consortium led by WWF that are pushing a Heritage Lottery funded project in the Llŷn peninsula and Anglesey. We’re basically at a stage where we’re investigating biologically where that seagrass restoration could happen in order to then learn the lessons from Dale to work with communities to work out where actually that seagrass would be most suitable to be restored—where we can plant it without creating some reaction from coastal communities and that people can take it as a beneficial project for all. So, that’s an early-stage project, but we hope to expand that over the coming years. We’ve done a lot of initial modelling that’s showing where the environment is at least initially suitable for seagrasses; we’re then doing experiments and investigations in those sites to determine the specifics.”

98. Clare Trotman told the Committee she believed that “marine protected areas have a significant role to play in supporting recovery and management of blue carbon”. She said she hoped that new marine conservation zones would be identified and designated shortly.

99. Dr Richard Unsworth said:

“the reality is that we have levels of protection around our coast that are not policed and not regulated, have limited funding to them, and have virtually no management plans existing for them. We need to protect things properly. There’s no point in creating marine parks that are just what we refer to as ‘paper parks’—they exist on nothing but on paper. There are plenty of examples of them around the UK.”

Blue carbon recovery plan

100. Clare Trotman explained that the proposal for a blue carbon recovery plan was built on work already undertaken by NRW and academics to “audit blue carbon in Wales”. Its purpose would be “to look at ways that, recognising the significance of blue carbon, we can embed practical activities into existing Welsh policy, so not reinventing the wheel here, because there are already a lot of hooks, but trying to find ways that we can maybe move the conversation along a little bit with existing policy.” For example, the plan could “look at mapping blue carbon stores in Wales, and then having a look at how that can be interpreted into appropriate development or non-appropriate development.”

101. Clare Trotman said she had been pleased that the Minister had said she was considering “establishing a blue carbon evidence plan and a possible working group in Wales to look at blue carbon”. She added that “my only recommendation there, really, would be to make that group as productive as possible, with co-management and following those sort of well-being ways of working in terms of inclusion and getting the right stakeholders around the table.” Clare Trotman added that she welcomed the working group proposal, but still felt that there was merit in exploring “whether or not there could be or is a role for a blue carbon forum. And I would absolutely expect there to be a wide range of stakeholders on that group, from academics through to statutory nature conservation bodies, Government, and wider stakeholders that have a hand in wanting to support blue carbon.”

102. Dr Richard Unsworth said that blue carbon could be an opportunity to attract finance to projects that would have wider, conservation and restoration aims. This was also acknowledged by Sue Burton and Sean Clement. However, Sue Burton cautioned that being able to attract much-needed finance should not lead to a less robust consenting process.

103. In reference to the Crown Estate, Dr Richard Unsworth said that “they, as a very significant player, need to step up to the mark in terms of blue carbon, in terms of marine conservation, in terms of their actual remit to improve the value of their estate, and the value of that is developed by the biodiversity and the habitat that sit on it, and I think they need to take that role seriously, be part of that discussion and play a key role.”

Feedback on recent stakeholder engagement

104. Contributors welcomed the Minister’s announcement about the possibility of a blue carbon advisory group. However, Clare Trotman said that many of the concerns about the plethora of groups and the variance in engagement still existed. Sue Burton said that “the problem with quite a lot of these groups is that they are so strategic that those people who feel

that their interest or their relevance is possibly more regional feel that they can't input". She said there were examples of regional groups where engagement had worked well. She added that stakeholders found it difficult to commit the time or resources to attend the many groups that exist.

Our view

Carbon sequestration by habitats such as seagrass could have a significant impact on the Welsh Government's decarbonisation priorities. We believe that this policy area has a lot of potential and should be explored further. We are pleased that pilot projects have taken place in Welsh waters and that more are planned off the Llŷn peninsula and Anglesey.

We note the Minister's comments about the need to understand the issues and opportunities around blue carbon and welcome the collaborative approach the UK administrations are taking through the establishment of the UK Blue Carbon Evidence Partnership. We also welcome the Minister's suggestion that she is considering the establishment of a working group in Wales to look at blue carbon. However, we would emphasise to the Minister the importance of setting a clear purpose for the group and getting the membership right.

We think there is merit in exploring further the suggestion put forward by stakeholders for a National Blue Carbon Recovery Plan, which would set out how blue carbon habitats in Wales can be maintained and enhanced. We would be grateful to hear the Minister's views on this matter.

Recommendation 18. The Welsh Government should set out how it can support further blue carbon sequestration projects in Welsh waters.

Recommendation 19. The Welsh Government should provide an update on the progress of the UK Blue Carbon Evidence Partnership. It should also provide further information on plans for a working group in relation to blue carbon in Wales.

Recommendation 20. The Welsh Government should set out its position on the development of a National Blue Carbon Recovery Plan for Wales. If it believes that progress in this policy area can be achieved in a better way, it should set out what that is.

Annex A: List of oral evidence sessions.

Date	Name and Organisation
09 December 2021	<p>Rhian Jardine, Head of Development Planning & Marine Services Natural Resources Wales</p>
	<p>Mary Lewis, Sustainable Places Land & Sea Manager, Natural Resources Wales</p>
	<p>Dr Jasmine Sharp, Lead Specialist Advisor, Marine regulation, Natural Resources Wales</p>
	<p>Jess Hooper, Programme Manager, Marine Energy Wales</p> <p>David Jones, Stakeholder Engagement Manager, Blue Gem Wind</p>
	<p>Claire Stephenson, Senior Conservation Planner, RSPB Cymru</p>
	<p>Clare Trotman, Head of Conservation Wales (Acting), Marine Conservation Society</p>
	<p>Emily Williams, Co-Chair, Marine Working Group, Wales Environment Link</p>
	<p>Sue Burton, Pembrokeshire Marine Special Area of Conservation (SAC Officer)</p>
	<p>Sean Clement, Oceans Restoration Specialist, WWF Cymru</p>
	<p>Clare Trotman, Head of Conservation Wales (Acting), Marine Conservation Society</p>
	<p>Dr Richard Unsworth, Director of Project Seagrass and Associate Professor in Marine Biology, Swansea University</p>

Annex B: List of written evidence.

Reference	Organisation
ME01	<u>Natural Resources Wales</u>
ME02	<u>Pembrokeshire Marine Special Area of Conservation</u>
ME03	<u>Dr Richard Unsworth, Associate Professor of Marine Biology, Swansea University and Director - Project Seagrass</u>
PR82	<u>Marine Energy Wales</u>
PR19	<u>Blue Gem Wind</u>
PR80	<u>RSPB Cymru</u>
PR81	<u>Marine Conservation Society</u>
PR77	<u>Wales Environment Link</u>
PR48	<u>WWF Cymru</u>