

Agenda – Environment and Sustainability Committee

Meeting Venue:	For further information contact:
Committee Room 3 – Senedd	Alun Davidson
Meeting date: 16 September 2015	Committee Clerk
Meeting time: 09.00	0300 200 6565
	SeneddEnv@Assembly.Wales

1 Introductions, apologies and substitutions

2 Environment (Wales) Bill – Stage 1: Evidence Session 21

(09:00 – 11:00)

(Pages 1 – 52)

Carl Sargeant AM, Minister for Natural Resources, Member in charge

Andy Fraser, Head of Natural Resources Management

Lori Frater, Technical Advisor – Legislative Reform

Nicola Charles, Lawyer

E&S(4)–24–15 Paper 1

3 Papers to note

(Pages 53 – 55)

Environment (Wales) Bill: Wales Environment Link – Additional Information

(Pages 56 – 57)

E&S(4)–24–15 Paper 2

Environment (Wales) Bill: Wales Environment Link – Biodiversity Targets

(Pages 58 – 60)

E&S(4)–24–15 Paper 3

Environment (Wales) Bill: Campaign for the Protection of Rural Wales – Additional Information

(Pages 61 – 64)



E&S(4)-24-15 Paper 4

Environment (Wales) Bill: Marine Conservation Society – Additional Information

(Pages 65 – 68)

E&S(4)-24-15 Paper 5

Environment (Wales) Bill: Letter from the Minister for Natural Resources to Chair of the Finance Committee

(Pages 69 – 77)

E&S(4)-24-15 Paper 6

Environment (Wales) Bill: Wheelabrator Technologies – Additional Information

(Pages 78 – 88)

E&S(4)-24-15 Paper 7

Environment (Wales) Bill: WWF-UK – Additional Information

(Pages 89 – 91)

E&S(4)-24-15 Paper 8

4 Motion under Standing Order 17.42 to resolve to exclude the public from the remainder of the meeting and the meetings on 24 and 30 September

5 Environment (Wales) Bill: Discussion of Key Issues

(Pages 92 – 152)

Agenda Item 2

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Carl Sargeant AC / AM
Y Gweinidog Cyfoeth Naturiol
Minister for Natural Resources



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref LF CS 0726 15

Alun Ffred Jones AM
Chair of the Environment and Sustainability Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

3 September 2015

Dear Alun Ffred

ENVIRONMENT (WALES) BILL

I am writing in response to your letter of 16 July, following your Committee's scrutiny session on the Environment (Wales) Bill on 24 June, at which I gave evidence. I am grateful for this opportunity to provide additional information and clarity to inform the Assembly's scrutiny of the Bill.

Part 1 of the Bill contains provisions on the statutory framework to ensure that Wales' natural resources are managed to help meet our current economic, social, cultural and environmental needs without compromising the ability of future generations to meet their own needs. In order to do this, the Bill introduces several levers: the State of Natural Resources Report, to be produced by NRW, which will assess the state of natural resources through the presentation of up-to-date evidence; the National Natural Resources Policy, to be produced by the Welsh Ministers, which will identify the priorities and opportunities for managing Wales' natural resources; and, finally, area statements, to be produced by NRW, which will implement the national policy at a local level. These are all designed to be mutually supportive and to support delivery of the strategic requirements of the Well-being of Future Generations (Wales) Act 2015.

Annex 1 contains my responses to the questions which were not reached at the Committee session on 24. This annex also provides further detail on the issues on which you requested clarity following the evidence session.

Annex 2 sets out further information on the timings and interaction of products and reports required under the Environment Bill, the Well-being of Future Generations (Wales) Act 2015 and the Planning (Wales) Act 2015.

Annex 3 provides a statement of policy intent with regard to area statements to be produced by NRW.

When I attended the Committee on 24 June, I committed to send to you an Emerging Findings Report prior to Stage 2 in respect of the review of the current carrier bag charging scheme. This is attached at Annex 4. While I anticipate that the full report will be published this autumn, I hope that early sight of the emerging findings is useful.

Finally, within the next few weeks I will be publishing a Natural Resources Policy Statement. This document has been produced as a precursor to the statutory National Natural Resources Policy and outlines our priorities for the sustainable management of natural resources within the Natural Resources portfolio, based on our current evidence. It is my intention that this statement will be used to inform the implementation and piloting of natural resource management by Natural Resources Wales and to set the framework for our current land-based natural resources policies and plans ahead of the statutory National Natural Resources Policy.

I look forward to speaking with you again at the Committee session on 16 September.

Yours sincerely

A handwritten signature in cursive script, reading 'Carl Sargeant'.

Carl Sargeant AC / AM
Y Gweinidog Cyfoeth Naturiol
Minister for Natural Resources

Annex 1: Responses to further questions from Committee

This Annex sets out responses to the questions and clarifications raised in your letter of 16 July 2015.

1. Natural Resources Policy

a. To explain why there are no specific consultation provisions in the Bill in relation to the development of the State of Natural Resources Report, the National Natural Resources Policy and Area Statements.

Engagement and collaboration are fundamental to the new approach provided in this Bill. They are explicitly set out in section 4: the principles of sustainable management of natural resources. These principles are based on the international principles of the “ecosystem approach”. This requires that there is wide engagement with all sectors of society as well as stakeholders, interested parties, and local communities.

The Bill also includes a requirement in relation to the need to gather evidence and all forms of relevant information, including local knowledge as well as scientific knowledge.

As these principles now form part of the new general purpose for Natural Resources Wales (NRW) under section 5, NRW will be required to apply these principles when it is carrying out its functions, including when it is producing the state of natural resources report and area statements. NRW is already engaging with stakeholders and different organisations in the area trials that they are undertaking which are informing NRW’s practical application of the principles in the Bill.

In preparing the National Natural Resources Policy the Welsh Ministers will also be required under section 9(8) to comply with these principles and that means engaging fully with interested parties.

b. To clarify what strategic commitments and policies you are intending to consolidate in the National Natural Resources Policy.

The National Natural Resource Policy is about applying the new approach set out in the Bill to produce a policy that enables the sustainable management of natural resources in Wales. It will set out the general and specific policies, and the key priorities and opportunities for managing our resources sustainably at a national level, informed by the most up to date evidence, for example as provided in the state of natural resources report. Therefore, the provision as drafted provides the necessary flexibility for the National Natural Resource Policy to address the specific priorities and opportunities in response to evidence.

The sustainable management of natural resources addresses how we use our natural resources; how our activities impact on our natural resources and; positive actions where our natural resources can be used for the benefit of society and the economy, as well as for the environment supporting the goals outlined in the Well-being of Future Generations (Wales) Act 2015. It is our intention that the National

Natural Resources Policy will help to promote integrated policy development within the context of development of Welsh Ministers' well-being objectives, required under the Well-being of Future Generations (Wales) Act 2015 and wider obligations, including the National Development Framework as set out in the Planning (Wales) Act 2015.

To demonstrate my thinking, I intend to publish a Natural Resource Policy Statement within the next few weeks. The policy statement will provide an illustration of the potential priorities and opportunities for the sustainable management of natural resources. The publication of the statement will offer an opportunity for wider engagement, which will assist us in the development of the first statutory National Natural Resources Policy in spring 2017, should the Bill become law.

c. To explain why a requirement for Welsh Ministers to take account of a Future Trends report under the Future Generations Act in preparing a National Natural Resources Policy isn't included in the Bill.

The Welsh Ministers must apply the principles provided in section 4 of the Bill in preparing the National Natural Resources Policy. This requires that the Welsh Ministers take into consideration all relevant evidence, which would include the evidence that will be within the Future Trends Report.

The Future Trends Report must include relevant data that the Welsh Ministers think appropriate. This would in practice include information set out in the State of Natural Resources Report, which under the timings of the Bill is published prior to a Future Trends Report.

The timings for publication of both the Future Trends report and the National Natural Resources Policy are complimentary. This enables the Welsh Ministers to draw upon the work being undertaken for the Future Trends report when producing the National Natural Resources Policy. Therefore, I believe that it is not necessary to make any further provision for this in law.

2. Biodiversity Duty

a. To explain what the additional requirement for Welsh Ministers to comply with the Convention on Biological Diversity means in practice.

The Bill requires the Welsh Ministers in complying with the new biodiversity duty to have regard to the Convention on Biological Diversity, rather than to comply with the Convention. This duty to have regard is an existing duty set out in section 40 of the Natural Environment and Rural Communities Act 2006.

The Welsh Ministers have been in compliance with this duty through the development of the ecosystem approach, which was adopted by the United Nations Convention on Biological Diversity (to which the UK is a signatory), as the primary framework for action under the Convention. Welsh Government consultations in 2010 and 2012 on high-level principles and proposals in relation to application of the ecosystem approach in Wales indicated strong support for a fresh approach to planning and managing natural resources. The findings of these earlier consultations and the Environment Bill White Paper consultation, coupled with

Assembly Committee recommendations made through various inquiries, have all informed developed of the detailed provisions set out in the Bill.

In practice, the proposed duty will require Welsh Ministers to have regard to, for example, the objectives of the Convention. This includes the conservation of biological diversity, which could include the provision of biological diversity within national strategies and plans, for example the National Natural Resources Policy. The Convention also seeks the sustainable use of biological resources; this is covered by the definition of sustainable management of natural resources in the Bill, which extends upon the Convention's definition of 'sustainable use' of biological resources. It has a much wider application, to all the natural resources including geological and environmental (air, water and soil).

b. Given that public authorities will be able to report on action they have taken in a variety of different formats, to clarify how the Welsh Government intends to monitor compliance with the duty.

To help provide consistency in reporting, I intend to publish guidance which will outline all of the relevant information that can be included in a report from a public authority on its compliance with the duty at section 6 of the Bill. Public authorities will be able to use this guidance to assist them in the completion of their reports that they currently produce.

Section 6(5) of the Bill specifies that organisations must report on this duty. The first report on compliance with the biodiversity duty would need to be published by the end of the 2019 calendar year. Guidance will be issued well in advance of that date.

This approach is in line with the one I have taken with the Well-being of Future Generations (Wales) Act 2015, which establishes the framework into which the Environment Bill fits.

c. To clarify what the inclusion of the term ecosystem in Section 6(2) means in practice for the interpretation of the duty.

An ecosystem is where biological components co-exist and interact with their non-living environment to create a coherent functioning unit.

Biological diversity is fundamental to ecosystems and therefore by helping to improve or maintain biological diversity – for example, by improving the condition of species or habitats – this will help to improve the resilience of ecosystems. Linking the two will help to increase the awareness of the critical role that biodiversity has in contributing to the health and functionality of ecosystems.

By linking biodiversity to the resilience of ecosystems, it will be assist public authorities to have an increased understanding of the multiple benefits that biodiversity and ecosystems provide, for example, tackling climate change, improving health and well-being and providing opportunities for green growth and therefore how they underpin the delivery of the well-being goals.

d. To explain how this duty and Sections 9 and 10 of this Bill on natural resource management relate to the Nature Recovery Plan.

The Nature Recovery Plan sets out the actions that will be taken to help tackle the loss of biodiversity in Wales and deliver against our 2020 goals, within our overall natural resource management approach. This will help us deliver and report on the detailed actions needed to meet our global and European commitments, to halt the loss of biodiversity.

In undertaking the requirements of the biodiversity duty, public authorities will be guided by the National Natural Resources Policy (section 9) and area statements (section 10) in how they undertake their activities.

The National Natural Resources Policy and area statements will address wider matters than biodiversity. They will consider all of the natural resources as defined in the Bill and in doing so will provide the context within which biodiversity action on natural resource management can be delivered for Wales and in specific areas within Wales.

e. Whether any consideration was given to making the production of a Nature Recovery Plan a statutory requirement through this Bill.

I have considered this and have concluded that making the production of a Nature Recovery Plan a statutory requirement would not be appropriate. The purpose of Part 1 of the Bill is to consider and make provision in relation to all of our natural resources, addressing both the living and non-living components, and to take a joined-up approach to how all of these natural resources are managed.

While I acknowledge the vital importance of biodiversity, we need to consider all of our natural resources to achieve our strategic objective to sustainably manage our resources, not solely the biological. The approach provided in the Bill provides a clear and robust framework to achieve this – the National Natural Resources Policy will identify priorities and opportunities for all of our natural resources.

The Nature Recovery Plan will confirm our detailed policy intentions in relation to those actions needed to address biodiversity issues; the statutory National Natural Resources Policy will identify priorities and opportunities for all our natural resources including the benefits that they provide.

3. Land Management and Experimental Schemes

a. To clarify why a broader power for NRW to enter into land management agreements with landowners is needed.

The intention is to provide NRW with an ability to enter into voluntary land management agreements for achieving a wider set of objectives than under current legislation.

Existing powers are limited in that they are exercisable in relation to land that has been designated for conservation or otherwise for the purpose of conserving natural beauty, amenity and promoting enjoyment by the public. These powers are not wide

enough to enable NRW to further the sustainable management of natural resources in line with the full range of NRW's functions and its new purpose under section 5.

An example would be where NRW entered into a voluntary agreement with a land owner to enable the land to be managed in a way that may contribute to flood alleviation.

b. Given the concerns raised by the Constitution and Legislative Affairs Committee about the NRM 11 power in the Environment Bill White Paper, whether you are content this power is sufficiently limited, specific and allows for enough Assembly oversight.

Section 22 confers a power on Welsh Ministers to make regulations that suspend legislative provisions but only for the purpose of carrying out experimental schemes. Regulations made under section 22 are time limited and may only have effect for three years. There is an option to extend the regulations for a further three years but they may not be extended for any longer.

Regulations may only amend legislation that is a statutory requirement imposed and enforced by NRW.

NRW must apply to the Welsh Ministers to exercise this power. Before exercising the power, the Welsh Ministers must be satisfied that regulations are necessary to enable an experimental scheme that will contribute to the sustainable management of natural resources. In practice this means that NRW must submit details of the experimental scheme and explain why they consider there are legislative barriers that will prevent or limit the effectiveness of the scheme.

The Welsh Ministers must then consider the application and consult with the persons who will be affected by the regulations making the suspension, and also the persons affected by the experimental scheme.

When an experimental scheme comes to an end, the regulations will cease to have effect.

The use of the power would be subject to the approval by the Assembly under the Affirmative procedure.

I consider that this process is appropriate.

c. Given stakeholders' response to the White Paper proposals on General Binding Rules, to explain why the Welsh Government is considering allowing NRW to use this Bill to introduce such schemes.

The Environment Bill White Paper sought initial views on the role of General Binding Rules (GBRs), including existing and new powers to implement GBRs and to seek views on whether to explore this proposal further. Responses to the White Paper recommended an incremental approach to the introduction of GBRs.

The experimental schemes under sections 22 and 23 of the Bill provide the incremental approach which the White Paper responses advocated.

Sections 22 and 23 provide NRW with the ability to undertake experimental schemes, which will allow them to test and trial different approaches that will provide information on the different types of standards and rules that may be developed into GBRs.

The power to conduct experimental schemes therefore will allow an assessment of the potential activities for which a GBR would be a suitable means of regulation in future.

d. Whether any further consultation has been carried out with stakeholders by the Welsh Government or by NRW on the potential use of General Binding Rules.

The Welsh Government has undertaken additional consultation on the general principles for the potential use of GBRs through the Water Strategy for Wales (published for consultation in April 2014) and during the introduction of a new cross-compliance regime for farmers in receipt of the Basic Payment Scheme (published for consultation in May 2014). The findings of these consultations are informing our ongoing analysis on the potential application of GBRs in future to different activities in relation to environmental protection.

e. To explain why the power to extend an experimental scheme by a further three years is necessary.

The purpose of section 22 is to suspend legislation to enable an experimental scheme to be undertaken. In some cases, in order to carry out a proper assessment of the scheme and gather quality data, it may be necessary to extend it beyond three years. Extending the trial beyond the initial three year period may also help to assure the parties involved in the trial that the time and commitment invested in the trial has been worthwhile.

An extension would require further regulations made by the Welsh Ministers and again would be subject to the Affirmative Assembly resolution procedure.

f. To clarify why a super-Affirmative procedure does not apply to regulations made in relation to experimental schemes.

Given the strict limitations and the processes in place for experimental schemes, as I refer to in response to 3.b. above, I believe that the Affirmative procedure is appropriate and therefore, I do not consider a super Affirmative procedure is required.

Under the Affirmative procedure, the Assembly must approve the regulations otherwise they cannot take effect. I consider this level of scrutiny to be proportionate.

g. To clarify whether there will be a requirement for Welsh Ministers to publish any applications or information it receives from NRW for these powers to be used.

Before making regulations to suspend legislation, the Welsh Ministers will be required to consult and information about the experimental scheme will be disclosed as part of the consultation process.

Standing Order 27.1 provides that any draft regulations laid before the Assembly must be accompanied by an Explanatory Memorandum. The Explanatory Memorandum will explain the details of the scheme and the reasons for the regulations.

h. To explain why the Bill does not set out the information NRW would need to provide to Welsh Ministers in an application to use these powers.

I have concluded that this level of prescription on the face of the Bill is not appropriate. Before making regulations under section 22, the Welsh Ministers must be satisfied that regulations are necessary to enable an experimental scheme that will contribute to the sustainable management of natural resources. NRW will therefore be required to present a case that justifies why the power should be exercised to remove the legislative barriers. NRW will need to explain the details of the scheme, its merits and why legislation is an obstacle. If the Welsh Ministers are not satisfied that there is a good case, they will not make regulations.

If necessary the Welsh Ministers could rely on their power in Article 5 of the Natural Resources Body for Wales (Establishment) Order 2012 to issue guidance setting out the information required in an application.

The Explanatory Memorandum (on page 35) and Statement of Policy Intent (on page 4) provide further detail on what information the Welsh Ministers would expect to be included in the application and the process that should be followed. For example, the Explanatory Memorandum states that NRW must submit a detailed application to the Welsh Ministers which would include information identifying the relevant provision, why it was a barrier to using their power to carry out experimental schemes, what and who the scheme would involve and the objective and expected duration of the scheme.

i. To clarify the geographical scope to which a suspension of statutory provisions could apply. For example whether it could apply to the whole of Wales.

The exercise of the power will relate to a specific identified experimental scheme. An experimental scheme is intended to apply to a specified party or parties and will not be about suspending a provision entirely. It could in principle apply throughout Wales if a party, for example, had sites in different areas of Wales. However, the suspension would apply only to that site and not generally.

4. Climate Change

a. To set out how the Welsh Government will calculate the proportion of EU ETS emissions that are attributable to Wales.

As we are looking to develop a new emission reduction framework, as part of the supporting regulatory framework, we will review a range of options before adopting the most appropriate methodology to account for Wales' share of the EU-ETS. In determining how EU-ETS emissions are taken into account in the net Welsh emissions account, we will need to consider how the approach interacts with the wider operation of the trading scheme at an EU level to ensure Wales is not disadvantaged. We will also consider the approaches taken elsewhere and will

engage with the UK government and Scotland to inform our approach. Once established, the method for accounting for Wales proportion of EU-ETS emissions in the net Welsh emissions account will be set out in regulations.

Due to the complex nature of the work, advice will be sought from the advisory body on setting these regulations, as defined in the Bill.

b. Given the importance of EU ETS credits to Welsh emissions, why there isn't a duty on Welsh Ministers to bring forward regulations under Section 33(2) on the circumstances in which units may be credited or debited.

The provisions enables Welsh Ministers to provide in regulations, which carbon units can be credited to and debited from the net Welsh emissions account and how this can be done.

This provision is similar and consistent with the Climate Change (Scotland) Act 2009 and needs to be a power rather than a duty in order to retain flexibility to address any changes in the future such as changes/removals in terms of European and international practice, existing or new schemes e.g. if no industries in Wales were involved in any trading schemes, Welsh Ministers would not be able to implement the duty.

c. To explain why there is not a duty on Welsh Ministers to limit the net amount of credits by which the net Welsh emissions account may be reduced by under Section 33(3).

The power ensures that the Welsh Ministers can limit the extent to which traded units can be used to meet the 2050 target. It is required to enable the Welsh Ministers to set the desired mix of domestic action *versus* international credits that may be used to meet the Welsh targets which we will need to set out anyway in our Policies and Proposals report. As with section 33(2) regulations are only required should trading be permitted by Welsh Ministers within the net Welsh emissions account. If no such trading scheme was introduced, a duty to make regulation limiting its activity would be redundant, therefore this is retained as a power rather than a duty.

I am considering this matter further and acknowledge the Committee's comments on the desirability to limit the net amount of credits by which the net Welsh emissions may be reduced.

d. Whether any consideration was given to the inclusion of a domestic effort target on the face of the Bill.

It is my intention to develop a "policies and proposals" report to meet the carbon budgets, which will detail the overall domestic effort. The increased detail and transparency in this report will provide the National Assembly with greater powers to scrutinise the collective contribution from the Welsh Government.

It is also important to note that the nature of Welsh emissions – with more than 50% of Wales' emissions coming from EU-ETS installations - is different to that of Scotland and influenced significantly by a small number of EU Emissions Trading Scheme (EU-ETS) installations. Those installations are comprehensively regulated

at EU level; Welsh Ministers options to influence that scheme are constrained by the limits of devolved competence.

e. To explain what type of carbon units could be 'unrestricted' in their use towards the Welsh emissions target under Section 33(4) of the Bill.

The units of carbon that can be traded, for example, as in the EU Emission Trading Scheme (EU-ETS), will be unrestricted. The purpose of a carbon trading scheme is to incentivise the reduction of emissions over time, therefore, restricting their use reduce their effectiveness. This is consistent practice with the wider UK.

The framework put in place by the Bill will apply the key principles around the crediting and debiting of carbon units to the overall emissions account. Whilst ensuring the clarity and flexibility needed to keep up to date with the latest carbon reporting practices are applied through regulations.

f. To explain how the requirement to report on policies to deliver carbon budgets under Section 39 relates to the requirement in Section 9(2) for the National Natural Resources Policy to set out what action needs to be taken in relation to climate change.

In terms of the National Natural Resources Policy, Welsh Ministers will be required to set out their policies for contributing to the sustainable management of natural resources in relation to Wales including what steps need to be taken in relation to climate change. The focus will be on the role that our natural resources and the benefits we receive from our ecosystems can contribute to the mitigation of and adaptation to climate change.

The Proposals and Policies Report under section 39 relates to policies and proposals for meeting the carbon budget for that period contributing to the overall long-term target. These proposals will have a wider focus covering sectors such as waste, transport, public sector etc. and how they help in reducing emissions.

g. In relation to Section 42, within what timeframe do you expect Welsh Ministers to lay a statement outlining how they are going to compensate for any excess in the final year of a carbon budget.

The timing of the report setting out how any excess will be compensated for is in itself bound by the timing of the final budgetary period statement under section 41. A final budgetary statement may be laid any time up to 2 years after the close of the relevant budget period. To retain the flexibility to produce any compensatory report as soon as reasonably practicable after the budgetary statement a specific timeframe is not set out for this report. Furthermore, due to the potential for significant variation in the scale of compensatory policies and proposals required, dependent upon the amount of excess in any budget period, and the complex nature of the work, I do not believe it would be appropriate to impose a collective fixed timeframe on the development of these reports.

h. To explain why no provisions in relation to adaptation have been included in the Bill.

There are other mechanisms in place within the Bill and in other legislation to account for adaptation such as the Well-being of Future Generations (Wales) Act 2015 and Climate Change Act 2008. The National Natural Resources Policy must include actions that should be done in relation to climate change, which will include both adaptation and mitigation. The new approach introduced in the Bill in relation to the resilience of our ecosystems and the multiple services they provide includes the role that our natural resources can contribute to climate change adaptation.

An additional layer is provided by the link to Well-being of Future Generations (Wales) Act 2015. The Well-being of Future Generations Act (Wales) 2015 includes a number of components which are required to take adaptation into consideration; these include the 'resilience goal,' which specifically looks at the resilience of Wales and the ability to adapt to climate change. Public bodies will have to demonstrate how they are working towards all of the goals. The Future Trends report and the Well-being assessments, must take into account the UK Climate Change Risk Assessment which assesses the threats and opportunities to Wales over the next century in key sectors such as health, infrastructure, business.

5. Carrier Bags

a. To clarify whether Welsh Ministers intend to use the provisions in the Bill to direct the net proceeds from the current single use carrier bag charge to charitable purposes.

Regulations made under section 57 will require sellers to apply the net proceeds of the carrier bag charge to charitable purposes.

It has always been the Welsh Government's policy that sellers should not profit from the charge and, up to now, sellers have been encouraged to donate them to good causes and to sign up to the Welsh Government's voluntary code. Although it is clear that many sellers are donating the net proceeds, I am concerned that some sellers are not doing so which is why I think it is necessary to impose this requirement.

Sellers who are already donating their net proceeds will continue to do so and their current arrangements should not be affected by this duty.

6. Waste

a. To clarify whether any new separation requirements introduced would be subject to the same tests currently included in the Waste (England and Wales) Regulations 2011 of being necessary and technically, environmentally and economically practicable.

I want the regulations to be proportionate to their aim. Whether we achieve that through adhering to the test of being technically, environmentally, and economically practicable (TEEP), or through other measures, would be considered and consulted upon in the course of developing those regulations.

b. To set out whether the Welsh Government would publish codes of practice or guidance for any new requirements introduced.

The Welsh Government may publish guidance or codes of practice to support the new requirements, and we would do so if this was considered necessary. The necessity for this will be considered as part of the further development of the proposals.

c. To outline what consideration has been given as to how the provisions could affect the relative competitiveness of Welsh businesses.

It is expected that overall the competitiveness of Welsh business will be increased by the provisions. The modelling for the preferred option in the RIA predicts there will be a financial benefit to Wales of £69.5 million over ten years. Many businesses will benefit from the proposals. Research undertaken by WRAP suggests that there may be an increase in costs for some businesses in Wales, but the research indicates that increases are likely to be small. These costs and benefits are detailed in the Regulatory Impact Assessment accompanying the Bill. As the waste management sector develops, competitive forces will result in further cost savings being passed down to the waste producers.

Waste separation and collection requirements which are similar to these proposals were introduced in Scotland in January 2014. The indications are that the new requirements are not having an adverse impact on businesses in Scotland, with the stock of private sector businesses growing during 2014.

7. Shellfisheries

a. To confirm whether you believe the phrase harm 'likely to occur' is sufficient to enshrine the precautionary principle included in the Birds and Habitats Directive.

I believe this is sufficient to protect the precautionary principle as expressed in the Birds and Habitats Directive.

The precautionary principle expresses the position that a requirement to take action should not be limited to cases where damage is certain. The Bill provisions reflect this principle: where there is sufficient evidence that it appears to the Ministers that the operation of a fishery is likely to result in harm to a European Marine Site (EMS), the Welsh Ministers can take appropriate action. There is no need to wait for harm to actually occur. This reflects the content of the Birds and Habitats Directives.

b. To set out what burden of proof Welsh Ministers may need to demonstrate that harm is 'likely to occur'.

The Welsh Ministers will be able to take action where there is sufficient evidence that it appears to them that the operation of a fishery is likely to cause harm.

The evidence must be sufficient. This approach reflects EU provisions and we would expect it to be interpreted consistently with those provisions.

For the power to be effective it will need to be applicable in a wide range of circumstances. This is a test which provides important elements of flexibility, which are required given the diverse situations in issue.

c. To clarify whether the definition of harm in section 76 would enable Welsh Ministers to act if a shellfisheries order in combination with other factors was causing a cumulative negative impact to a European marine site.

The Welsh Ministers will indeed be able to take action wherever they are able to establish a causative link between the operation of the fishery and the damage to the European Marine Site.

The Welsh Ministers will not be prevented from acting, providing that link can be established, because there are potentially other sources of damage to such a site. The provisions are not expressly limited so that the Grantee (for example) must be the sole and exclusive cause of the damage.

Clarifications from the oral evidence

A. You committed to provide a note on how the reporting duties in this Bill relate to each other. We would be grateful for receipt of this note.

The main reporting duties in the Bill form the delivery framework for the sustainable management of natural resources. This is a combined approach that takes in evidence, assesses it, and acts upon it in an adaptive way, forming an iterative process subject to review and responding to updated information, in line with the principles of sustainable management at section 4 of the Bill.

State of Natural Resources Report: NRW will be under a duty to provide this report, which will:

- include an assessment of the state of natural resources in Wales and how their sustainable management is being achieved;
- be the keystone of the evidence base for policy on how natural resources are managed and sustainably used, including the National Natural Resources Policy under section 9 and the Future Trends Report under the Well-being of Future Generations (Wales) Act 2015; and
- be published in the year before each National Assembly general election.

National Natural Resources Policy: The Welsh Ministers will be under a duty to prepare and publish this policy, which will:

- set out the Welsh Government's priorities in relation to the management of natural resources;
- be based on the state of natural resources in Wales as reported by NRW and also take account of all other relevant evidence, since it is prepared in accordance with the principles of sustainable management of natural resources;
- be implemented by the Welsh Ministers facilitated by area statements; and
- be reviewed after each National Assembly election at a minimum.

Area statements: NRW will be under a duty to prepare area statements, which will:

- set out the key risks that need to be carefully managed and mitigated and the key opportunities for the sustainable use of natural resources at an area level;
- facilitate the implementation of the National Natural Resource Policy;
- optionally, where appropriate, be included as a part of a similar plan or strategy or vice-versa;
- be implemented by NRW in partnership with other organisations; and
- be kept under review, for revision at any time in line with the principles of sustainable management of natural resources.

In summary, the identification of national priorities and opportunities will be set out in the National Natural Resources Policy, which will be informed by the evidence in the State of Natural Resources Report. The State of Natural Resources Report will also inform area statements, which will implement the National Natural Resources Policy at the local level. The local evidence which is captured in the preparation of area statements can then be used to inform future reviews of the State of Natural Resources Report.

Annex 3 sets out a timeline detailing when these reporting duties are expected to come about, with reference to the reports in the Well-being of Future Generations (Wales) Act 2015.

B. Can you please clarify the timetable for the publication of the first Future Trends report.

Although the Future Trends Report is not a part of this Bill, it is a part of the wider governance framework for a more sustainable Wales, to which the duties in this Bill also contribute.

Section 11 of the Well-being of Future Generations (Wales) Act 2015 specifies that the Future Trends Report must be published no later than 12 months after a general Assembly election. This means it will be available by May 2017 at the latest.

It will be for the next Government to decide when they will publish the report before this date. The Future Trends Report will contain evidence about the future economic, social, environmental and cultural well-being of Wales. The preparation and publication of the Future Trends Report will depend in part on the availability of that information, which will come from a range of sources.

C. Mr Asby, in his oral evidence, stated that the provisions within the Bill on the timeline for setting the carbon budgets are 'the exact same provisions' as those in the UK Climate Change Act 2008 [see RoP para 221]. However, they appear to be different. The first UK budget had to be set within 18 months of commencement, not within two years. Additionally, the UK Act required the setting of the first three budgets by June 2009 and not the first two as is the case with the Environment (Wales) Bill.

The Bill follows the arrangements that were put in place for the UK Climate Change Act (the first budget was set after the carbon budget start date).

In order to quantify our emissions effectively, the first budgetary period will need to consider a number of important factors such as the latest science and technology and the Future Trends reports. To supplement this work and to consider the implications across Wales, the relevant engagement with wider stakeholders will need to be undertaken and advice will need to be sought from the Advisory Body.

D. Mr Asby stated that there was an explicit reference in the Bill to a provision to allow local authorities to report on the biodiversity duty as part of their reports on well-being [para 172 RoP]. We have been unable to find this in the Bill and would be grateful for clarification.

The Bill itself does not include an explicit reference to allow local authorities to report on the biodiversity duty as part of their reports on how they are delivering their well-being objectives under the Well-being of Future Generations (Wales) Act 2015. However, paragraphs 76 and 77 of the Explanatory Memorandum set out the following:

76. The introduction of a new reporting duty enables public authorities to report on actions taken to improve biodiversity and to promote the resilience of ecosystems and also what actions have been taken to incorporate biodiversity measures into other areas of policy, strategies or initiatives.

77. The intention is to achieve integration benefits for those bodies that fall under the Well-being of Future Generations (Wales) Act 2015 as they will be able to report on how they are delivering the biodiversity duty in their reports on how they are meeting their well-being objectives. For these bodies this will also ensure that the requirement is joined-up and embedded within the Well-being of Future Generations (Wales) Act 2015 obligations.

Therefore this applies to all the bodies that fall under the Well-being of Future Generations (Wales) Act 2015, including local authorities.

E. You stated that the Wales Marine Plan has to be based on Welsh Ministers' other policies and that this would provide the link between the marine plan and the area statements and NNRP. Can you please clarify where this is required in law? More specifically, is there provision in the Marine and Coastal Access Act 2009 that requires this? [See RoP para 115].

The Welsh Ministers are the marine planning authority for Welsh inshore and offshore regions pursuant to section 50 (2) of the Marine and Coastal Access Act 2009 (MCAA). Section 51(3)(a) of the MCAA provides that a marine planning authority must be prepared and adopt a marine plan in accordance with Schedule 6 to the MCAA. Paragraphs 9 (1) and 9 (2) (h) of Schedule 6 provide that in preparing a marine plan, the marine plan authority must have regard to any plan prepared by a public authority in connection with the management or use of the sea or the coast or of marine or coastal resources.

In addition, the duty on marine planning authorities to produce a marine plan, at section 51(3)(b) of the Act, specifies that the marine plan must state policies for and in connection with the sustainable development of the relevant area.

In Wales, sustainable development is expressed through the Well-being of Future Generations (Wales) Act 2015. This means applying the sustainable development principle in the exercise of functions, which would include the function of preparing a marine plan.

The sustainable development principle includes the need to take into account an integrated approach - considering how an activity can contribute to all of the well-being goals and each of the organisations' well-being objectives set under the Well-being of Future Generations (Wales) Act 2015.

This requirement of the Well-being of Future Generations Act means that, in practice, the Welsh Ministers will consider their other policies when preparing the Wales Marine Plan, ensuring a common approach is taken to marine planning and natural resource policy development and delivery.

This will deliver against our Programme for Government commitment to a more integrated approach to the management of Wales' natural resources. The National Natural Resources Policy will set out the national priorities in relation to the management of natural resources as a whole, and complement the existing framework for terrestrial and marine planning which look in more detail at the issues in relation to the management of natural resources on land and in relation to the sea. The Wales National Marine Plan will therefore focus on the framework for the sustainable management of Wales' marine resources.

Area statements will draw together the evidence at a local level, looking in particular at the priorities identified in the National Natural Resource Policy and identifying the risks and opportunities within that area. Where relevant to the priorities in the national policy and to the area being considered, area statements will look at the interface between air, land and sea at the local level.

This means that area statements will support local delivery of the national policies set out in both the Wales National Marine Plan and the National Natural Resource Policy, thereby ensuring that the management of our land and sea is joined up in practice.

F. You stated that you believed that there was a limit on the amounts of carbon budget that could be carried forward. Can you please clarify this statement [RoP para 223].

Welsh Ministers can only carry back 1% of the budget. The Welsh Ministers must consult the advisory body before carrying an amount of carbon budget forward.

In order to encourage early emissions reductions, the Bill does not place a specific limit on the credit that can be gained from early action.

G. You stated that the provision on separation of waste only refers to commercial waste. Section 66 refers to 'controlled waste' collected by a waste collection authority. Can you please clarify whether the definition of controlled waste includes municipal and household waste collected by local authorities [RoP para 316].

Section 66 of the Bill inserts provision into Part II of the Environmental Protection Act 1990. Controlled waste is defined in section 75(4) of that Act 1990 and includes household, commercial and industrial waste. 'Municipal waste' is not a term found within the Environmental Protection Act 1990, but is most commonly used to refer to waste comprising both household and some commercial waste. Controlled waste therefore includes both local authority collected municipal and household waste.

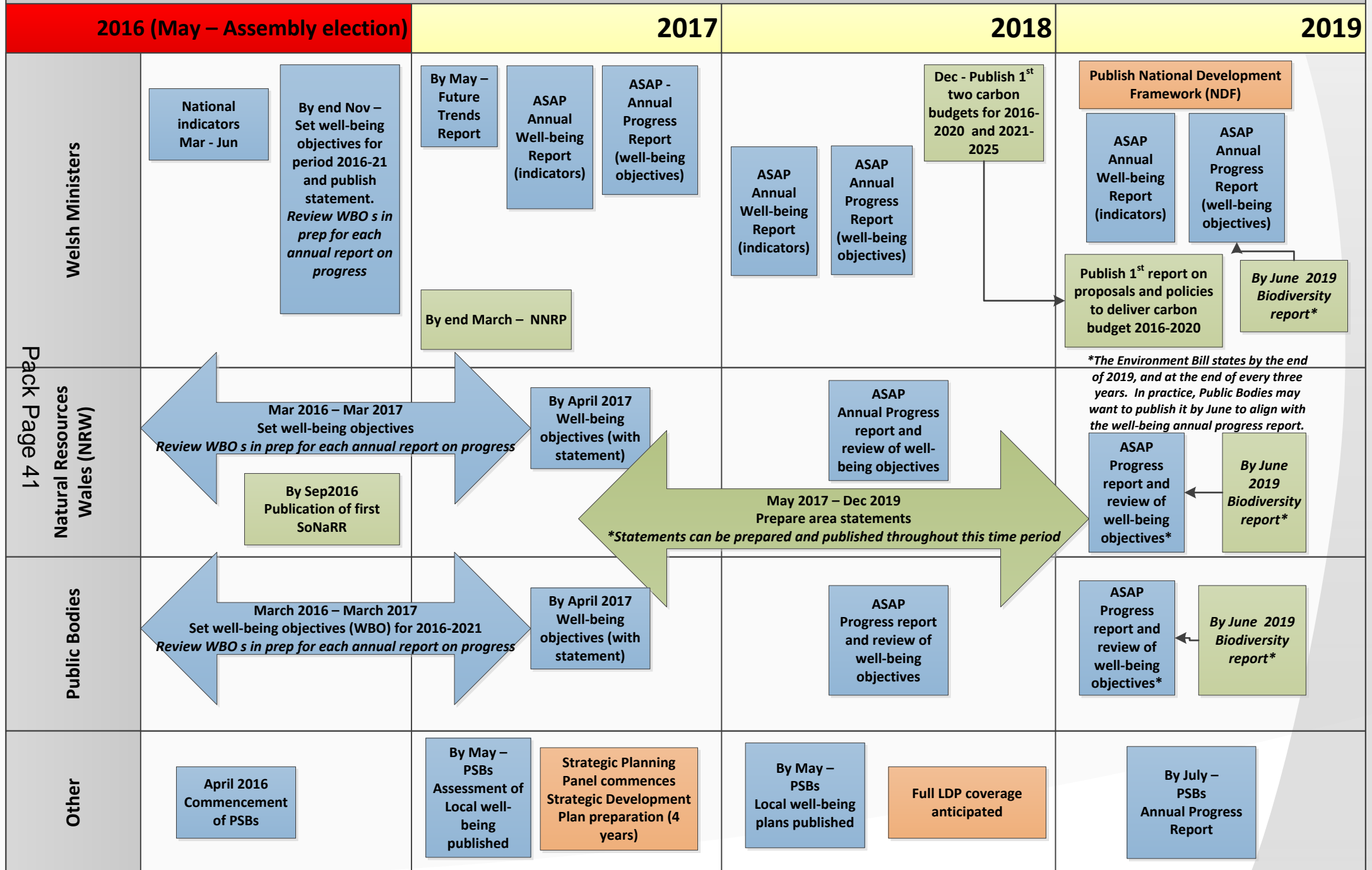
Section 45AA(4) of Environmental Protection Act 1990 (as inserted by section 66 of the Bill) places a duty on occupiers of premises in Wales to present controlled waste in accordance with any applicable separation requirements prescribed by the Welsh Ministers. This particular duty does not apply to domestic premises; it will affect business premises (e.g. commercial) which primarily produce commercial and industrial waste.

Links to legislation – Environment (Wales) Bill, Well-being of Future Generations Act 2015 and Planning Act 2015

Key: Environment Bill

Well-Being of Future Generations Act

Planning Act



Links to legislation – Environment (Wales) Bill, Well-being of Future Generations Act 2015 and Planning Act 2015

Key: Environment Bill

Well-Being of Future Generations Act

Planning Act

	2020	2021(May – Assembly Election)	2022	2023
Welsh Ministers	<p>By May - Annual Progress Report - well-being objectives</p> <p>Dec – Publish 3rd carbon budget</p>	<p>By the end 2021 Publish the report on proposals and policies to deliver carbon budget 2021-2025</p> <p>ASAP Annual Progress Report - well-being objectives</p> <p>ASAP Annual Well-being Report (indicators)</p> <p>June 2021 – April 2022 Review NNRP</p> <p>By May – Future Trends Report</p> <p>By June 2022 Biodiversity report *</p> <p>Dec – Lay final statement before National Assembly for budget 2016-2020</p> <p>ASAP Annual Well-being Report (indicators)</p> <p>ASAP Annual Progress Report - well-being objectives</p>	<p>ASAP Annual Well-being Report (indicators)</p> <p>ASAP Annual Progress Report - well-being objectives</p> <p>Dec – Lay final statement before National Assembly for budget 2016-2020</p>	<p>ASAP Annual Well-being Report (indicators)</p> <p>ASAP Annual Progress Report - well-being objectives</p> <p>End Sep – Lay before the National Assembly a response to climate change advisory body progress report</p>
Natural Resources Wales (NRW)	<p>ASAP Annual Progress report and review of well-being objectives</p> <p>By end of 2020 Publish second SoNARR</p>	<p>ASAP Annual Progress report and review of well-being objectives</p> <p>By end Nov – Set well-being objectives for period 2021-2026</p>	<p>ASAP Annual Progress report and review of well-being objectives</p> <p>By June 2022 Biodiversity report *</p>	<p>ASAP Annual Progress report and review of well-being objectives</p> <p>May 2022 – May 2023 If NNRP amended - review area Statements *Statements can be prepared and published throughout this time period</p>
Public Bodies	<p>June - Progress report and review of well-being objectives</p>	<p>ASAP Progress report and review of well-being objectives</p>	<p>ASAP Progress report and review of well-being objectives</p> <p>By June 2022 Biodiversity report *</p> <p><i>*The Environment Bill states by the end of 2019, and at the end of every three years. In practice, Public Bodies may want to publish it by June to align with the well-being annual progress report.</i></p>	<p>ASAP Progress report and review of well-being objectives</p>
Other	<p>By May - Future Generations Commissioner Report</p> <p>By May – The AGW report - SD principle</p> <p>By July - PSBs Annual progress reports</p> <p>Before end of 2020 - Climate Change Advisory Body publish progress report</p>	<p>Anticipated SDPs adopted</p> <p>By July – PSBs Annual progress reports</p>	<p>By July – PSBs Annual progress reports</p>	<p>By May – PSBs Assessments of local well-being published</p> <p>June - Climate change Advisory Body publish report on 1st budget</p> <p>By July – PSBs Annual progress reports</p>

Links to legislation – Environment (Wales) Bill, Well-being of Future Generations Act 2015 and Planning Act 2015

Key: Environment Bill

Well-Being of Future Generations Act

Planning Act

	2024	2025	2026 (May – Assembly Election)
Welsh Ministers	<p>Five year review of NDF</p> <p>ASAP Annual Well-being Report (indicators)</p> <p>ASAP Annual Progress Report - well-being objectives</p>	<p>ASAP Annual Well-being Report (indicators)</p> <p>ASAP Annual Progress Report - well-being objectives</p> <p>By June 2025 Biodiversity report*</p> <p>By Dec - Publish 4th Carbon Budget</p>	<p>ASAP Annual Well-being Report (indicators)</p> <p>By May - Annual Progress Report - well-being objectives</p> <p>By end 2026 – Publish report on the proposals and policies for the carbon budget 2026-2030</p> <p>From June 2026 – Review NNRP</p>
Natural Resources Wales (NRW)	<p>ASAP Annual Progress report and review of well-being objectives</p>	<p>ASAP Annual Progress report and review of well-being objectives</p> <p>By June 2025 Biodiversity report*</p> <p>By end of 2025 Publish third SoNARR</p>	<p>ASAP Annual Progress report and review of well-being objectives</p>
Public Bodies	<p>ASAP Progress report and review of well-being objectives</p>	<p>ASAP Progress report and review of well-being objectives*</p> <p>By June 2025 Biodiversity report*</p>	<p>ASAP Progress report and review of well-being objectives</p>
Other	<p>By May – PSBs Local well-being plan published</p> <p>By July – PSBs Annual progress reports</p>	<p>May – The AGW report on SD principle</p> <p>By July – PSBs Annual progress reports</p>	<p>By July – PSBs Annual progress reports</p>

**The Environment Bill states by the end of 2019, and at the end of every three years. In practice, Public Bodies may want to publish it by June to align with the well-being annual progress report.*

Statement of Policy Intent: Area Statements

Environment (Wales) Bill Part 1, Section 10

Description:

Section 10 of the Environment (Wales) Bill places a duty on Natural Resources Wales (NRW) to produce publish and implement area statements and prescribes what has to be included within those statements. The new general purpose of NRW (as provided in section 5) provides the approach to be taken by NRW in preparing area statements. Section 10 requires that NRW must:

- Prepare and publish statements for the areas of Wales that it considers appropriate for the purpose of facilitating the national natural resources policy (NNRP). NRW may also use area statements for any other purpose in delivering its functions.
- Specify within an area statement the priorities, risks and opportunities for sustainable management of natural resources that need to be addressed in that area and state how NRW proposes to address them.
- Take such steps as appear it to be reasonable practicable to implement an area statement, and encourage others to take such steps
- NRW must keep area statements under review and may revise them at any time.
- Before publishing an area statement, NRW must consider whether another plan, strategy or similar document should be incorporated into the area statement, or the area statement should be incorporated into another plan, strategy or similar document.

Policy Intention:

An area statement is a product of the area based approach that will be produced by NRW for the **purposes of implementing one or more of the priorities and opportunities outlined in the NNRP**. In doing so, NRW will draw together all the available evidence at a local level and identify the risks and opportunities within that area. This process will include engagement with stakeholders and collaboration with relevant public bodies and other organisations.

The aim for delivering the NNRP at the local level is to ensure that the priorities and opportunities identified in the NNRP are delivered or addressed at the **appropriate scales** – that is not only within ecological boundaries but also the social, economic and cultural boundaries.

The intended effect of an area statement is to provide an integrated and coherent **evidence base for NRW and other bodies to take appropriate actions** in relation to the priorities and opportunities identified in the NNRP in a way that promotes the **sustainable management of natural resources**.

It will bring together all of NRW's functions; for instance on climate change,

water, flood, biodiversity, pollution, waste, forestry, landscape, access and recreation and how these are considered as a whole at the local level. This will allow NRW to **integrate, simplify and improve** efficiency of its role.

Area statements **reduce bureaucracy** by integrating existing NRW plans and programmes thereby providing better understanding of the values of our natural resources and the contribution that they make to our social, economic and environmental well-being. The approach will help to improve understanding of their economic, social and environmental importance.

In addition area statements can be used for the purpose of NRW delivering any of its statutory functions. Also, **public bodies** that are also members of a public service board may seek to include priorities or opportunities identified in an area statement as part of their local well-being plan.

NRW may also consult other bodies that can assist with the objectives for the area (such as private companies, landowners, and environmental NGOs). However only public bodies defined in the Bill will be under a duty to assist NRW.

Evidence of Need

Historically natural resources in Wales have been managed through a legal framework of environmental statutory duties and regulatory functions, through separate, often siloed, and reactive frameworks that have evolved gradually over many decades, and developed mostly in response to specific environmental problems.

Furthermore, the evidence shows that the capacity of our natural resources to continue to provide the services - on which we all depend - is diminishing. If we are to continue to benefit from them – and avoid compromising the ability of future generations to enjoy the same benefit – we need to manage them effectively to enable Wales to develop sustainably and to maximise our contribution across the Well-being Goals.

As set out by UK National Ecosystem Assessment (UKNEA) targeted strategic planning based on integrated information will enable long term risks to natural resources, such as those identified in the UKNEA and the State of Nature Report, to be identified and minimised through better decision making.

The Sustaining a Living Wales Green paper published in January 2012 included propositions to develop a clear spatial context for management of natural resources as a whole. At the local level it sought views on how best to make the connections between existing local environmental plans and designations and identify new opportunities and approaches, to help provide a context for decision-making on the use of natural resources.

Through the consultation process stakeholders recognised that a piecemeal approach to the decision making affecting natural resources is not delivering the economic, social and environmental gains needed. **Respondents called on the Welsh Government to develop an integrated and more holistic**

approach – embedding the principles of the ecosystem approach with the majority of respondents agreeing with the concept of local resource management planning. This echoed earlier recommendations to Welsh Ministers made by the Assembly’s Sustainability Committee.

Area statements are the product that will enable NRW to undertake the area based approach. In implementing priorities through area statements, NRW must apply the principles of the sustainable management of natural resources as described at Section 4 of the Bill. The statements will collectively present evidence and information in a clear and concise format that will enable the full range of impacts and the opportunities provided by ecosystem services to be considered. In practical terms, this will maximise the opportunities from the services that we receive whilst reducing the impacts on those services where those impacts could affect their longevity.

Reducing Red Tape

It is not a policy intention for area statements to be an additional action plan. Area statements will provide NRW with an opportunity to integrate, rationalise and simplify any plans, programmes or strategies produced where this is consistent with any specific statutory duty. There is currently a variety of time and planning cycles for the development of these plans and any non statutory plans, most of which do not align. It is anticipated that rationalisation is likely to occur at review points as individual plans and strategies are reassessed. It will be for NRW to identify how to replace the various plans that currently exist in relation to the management of natural resources at the local area level.

Coverage of Area Statements

It is envisaged that every part of terrestrial and coastal Wales will be covered by an area statement in due course.

It is not intended to set the timings of the roll out on the face of the Bill in order to allow time for NRW to effectively implement the legislation, and reflect that the priorities for the sustainable management of natural resources identified in the NNRP might be delivered in specific locations. It will also allow NRW to undertake all of the necessary evidence gathering and engagement to ensure that area statements are fit for purpose.

However, there will be a requirement for Welsh Ministers and NRW on each principal review to consider the extent to which there are parts of terrestrial and coastal Wales that are not yet covered by an area statement. Further, Welsh Ministers may wish to direct NRW as to expected timescales for the implementation of area statements across Wales

It is not intended that the framework being put in place by this Bill will replace the framework recently established for the marine environment, but it will work with it to ensure that the management of natural resources in terrestrial and marine environments are integrated. In setting out the national priorities in relation to the sustainable management of natural resources as a whole – our air, water, land and sea – will point to the Wales National Marine Plan as the

means of sustainably managing our marine resources and which will reflect the context of the ecosystem approach for Wales' marine area.

In doing so, NRW will draw together all the available evidence at a local level and identify the risks and opportunities within that area which could include evidence from the Wales National Marine Plan.

This will ensure that the management of our land and sea is joined up in practice. Where relevant to the priorities in the NNRP and to the area being considered, area statements will look at the interface between air, land and sea at the local level.

Interface with the Well-being of Future Generations Act (Wales) 2015

Public Services Boards (PSBs), established under the Well-being of Future Generations (Wales) Act 2015, will be required under the Bill to **take account of any area statements** (within their area) when preparing local **well-being assessments**. PSBs may have to take account more than one area statement as the appropriate scale for action within an area statement will be shaped by ecological, social, economic and cultural factors and therefore may not always correspond to the administrative boundary of the PSB. In addition, Area statements will also provide the evidence to support regulatory and development **planning decisions** by setting out the priorities, opportunities and challenges at a local level to achieve the sustainable management of natural resources.

Public bodies under the Well-being of Future Generations (Wales) Act 2015 will be required to report annually on the progress they have made on meeting their well-being objectives. It is intended that an area statement will assist a public body to deliver on and maximise their contribution to the achievement of the well-being goals and objectives as they will provide information on the opportunities available and the risks that need to be managed in order to sustainably manage the natural resources in a given area.

The Environment (Wales) Bill requires NRW to promote and engage in collaboration and cooperation to prepare an area statement. As mentioned above, an area statement will also provide a source of information and evidence on what actions other public bodies may need to take, and identifying the key actors, such as landowners, to facilitate action. In addition public bodies (as defined by Section 11 of the Bill), on a request from NRW must assist NRW in the preparation of the area statements (to provide information or other assistance to NRW).

Guidance

Welsh Ministers can issue guidance to NRW on the content or form of area statements. The Welsh Ministers may also issue guidance on how public bodies can help in the delivery of an area statement.



Llywodraeth Cymru
Welsh Government

Post Implementation Review of the Single Use Carrier Bag Charge in Wales: Emerging Findings Report

Research Summary

Social Research Number: 2015-48

www.gov.wales

The Single Use Carrier Bag (SUCB) Charge (Wales) Regulations 2010 introduced a charge of a minimum of 5 pence for each SUCB, at the point of sale, both in store and for distance selling methods from October 2011.

This bulletin presents emerging findings from a post implementation review of the SUCB charge.

In order to inform future developments relating to the charge in Wales, the study examines the impact of the charge on consumers, businesses and the environment, and the impact of the voluntary agreement with retailers to donate the net proceeds to good causes.

Key Points:

For the period October 2011 to October 2014; the following points have emerged:

- The review estimates that SUCB use has declined by 71%.
- A rise in the use of “bags for life” and other re-useable bags has meant an overall reduction in **all bags** of 57%.
- Consumer support for the charge increased from under two thirds (61%) reported prior to the introduction of the charge in 2011, to just under three quarters (74%) in 2014
- Among retailers who charged for their bags, the majority reported that the SUCB charge had made either a positive or neutral impact on their business (87%) compared with 13% who thought it had made a negative impact.
- The net benefit of the SUCB charge was between £28 million and £32 million.
- Through the implementation of the 5p charge for SUCBs, additional donations to good causes have been estimated at between £17 million and £22 million.
- As a result of the donations to good causes, it has been estimated that social benefits of between £27 million and £35 million have accrued through environmental, health and employment benefits.

Background

Wales was the first country in the UK to introduce a Single Use Carrier Bag (SUCB) Charge in order to reduce consumption and the associated environmental impacts. The SUCB Charge (Wales) Regulations 2010 introduced a charge of a minimum of 5 pence for each SUCB, at the point of sale, both in store and for distance selling methods, from October 2011.

Aims and objectives of study

The overall aim of this project was to conduct a post-implementation review of the SUCB charge. Within this broad aim, the project objectives were to assess:

- The impact the charge has had on the use of SUCBs and the associated behaviour of consumers in Wales;
- The impact the charge has had on businesses in Wales;
- The extent to which the voluntary agreement with retailers has succeeded in encouraging the donation of the net proceeds of the charge to good causes;
- The extent to which the charge has reduced littering of SUCBs;
- The economic benefits of the charge.

Methods

The Study comprised:

- a literature review;
- a telephone survey of 1,011 consumers;
- a telephone survey of 504 retailers;
- a focus group plus individual semi-structured telephone discussions with retailers; and
- semi-structured discussions with manufacturers and distributors.

The study was undertaken between July 2014 and April 2015.

Detailed Findings

Retailers

Among retailers who charged for their bags, the majority reported that the SUCB charge had either a positive or neutral impact on their business (87%) compared with 13% who thought it had a negative impact. Just

under three quarters of retailers who charge for bags (74%) agreed with the statement: 'we are happy to see the charge continue as it is', a further 14% agreed that '*we are happy for the charge to continue, but we would like to see some changes*', while fewer than 10% agreed that 'we would like to see the charge removed'.

The feedback about the SUCB charge received via the retailer focus group was also generally positive, with many retailers reporting that business costs had reduced as a result of the charge because fewer bags were being purchased.

Retailers also reported spending relatively little time administering the charge during the previous year. Over half (58%) of retailers reported that they had spent no additional time administering the charge over the previous year, while just over a quarter (27%) reported spending one day or less; 5% of retailers reported spending more than one day on SUCB administration.

Respondents to the retailer survey were asked to estimate the cost of the charge to their business. The findings suggest that the total administrative cost of the SUCB charge to retailers across Wales was less than £180,000 per year.

Consumers

Consumers were asked whether they supported or opposed the charge. The majority of consumers were supportive of the charge. Consumer support for the charge had increased from under two thirds (61%) reported prior to the introduction of the charge in 2011, to just less than three quarters (74%) in 2014.

Consumer support for the charge is also demonstrated by the fact that 42% reported taking fewer SUCBs than before the charge was introduced and over one third of consumers (35%) reporting that they had stopped taking SUCBs altogether.

The review found that SUCB use varied by the type of shopping, with SUCB use being

higher for consumers' most recent takeaway purchase (78%) when compared with their most recent non-food shop (36%), their most recent 'top-up' food shop (29%) and their most recent regular supermarket food shop (17%).

Manufacturers and Distributors

Retailers were asked who supplied their SUCBs. Five of the top ten suppliers of SUCBs identified as part of the retailer survey were interviewed for feedback on the impact of the charge. Manufacturer feedback suggested that smaller suppliers experienced a negative impact on their business, with reports of a decline in overall sales.

Good Causes

There is no statutory duty on retailers to donate the money from SUCBs to good causes, but this forms part of a voluntary agreement developed by Welsh Government that retailers can sign up to. This voluntary agreement sets out the following principles:

- The net proceeds are donated to good causes, which where possible, will benefit Wales.
- The net proceeds will provide additional support to good causes over and above any existing arrangements.
- Where retailers have more than 10 full-time employees, a copy of or a link to their record will be provided to the Welsh Government when published for monitoring purposes.
- Where retailers have less than 10 full-time employees, a statement will be made including the name of the good cause(s) to which the money has been donated.

Of the retailers who charged for SUCBs, 78% reported that they donated all of the net proceeds; a further 9% reported that they donated a proportion of the net proceeds and 6% of respondents said they didn't know what proportion was donated to good causes. Less than 1 in 10 retailers reported that they did not donate the net proceeds and 1% refused to answer the question.

The findings of the consumer survey suggest that there was some confusion with regards to the SUCB charge and the use of the funds generated. Half of consumers questioned (50%) thought that retailers donated the money from the charge to good causes, while over one third 36% said that they didn't know what happened to the charge; the remaining respondents reported that the charge was paid to the Welsh Government (7%), that retailers kept the charge themselves (6%), that it was paid to the local authority (2%) or gave a variety of other explanations (2%).

Litter

This study used both consumer and retailer surveys to assess the impact of the charge on litter. The majority of retailers reported no change to the amount of litter 'around their premises' (78%). However, when asked about the extent to which they agreed with a set of attitudinal statements, Over half (59%) of retailers agreed that 'the charge has helped to reduce litter' and two thirds (66%) of consumers agreed with the statement 'the charge has helped to reduce littering in my local authority area'.

The disparity between these two findings may reflect the difference in the wording of the two questions put to retailers, with the former being limited to their own premises and the latter potentially interpreted as relating to a wider area.

SUCB Use

This review estimates that SUCB usage has declined by 71% in the charge time frame (2011 to 2014).

However, work undertaken by the Waste and Resources Action Programme (WRAP) for supermarkets in Wales shows that there is a 78% decline in SUCB usage. The difference between the two surveys reflects the inclusion of non-supermarket retailers in this review.

A rise in the purchase and use of "bags for life" and other re-useable bags across the

same time scale has meant an overall reduction in **all bags** of 57%.

Next steps / Future publications

This bulletin presents emerging findings from the review. It is envisaged that the full evaluation report will be published on the Welsh Government website in Autumn 2015.

Views expressed in this report are those of the researchers and not necessarily those of the Welsh Government

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Welsh Government Social Research
August 2015

ISBN: 978-1-4734-4627-4
Evaluation of the Single Use Carrier Bag
Charge in Wales: Emerging Findings
Report (Emerging finding report)
English online

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Agenda Item 3

Environment and Sustainability Committee

Meeting Venue: **Committee Room 3 – Senedd**

Meeting date: **Thursday, 16 July 2015**

Meeting time: **09.00 – 12.30**

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



This meeting can be viewed on [Senedd TV](http://senedd.tv) at:

<http://senedd.tv/en/2988>

Concise Minutes:

Assembly Members:

Alun Ffred Jones AM (Chair)
Mick Antoniw AM
Jeff Cuthbert AM
Russell George AM
Llyr Gruffydd AM
Janet Haworth AM
Julie Morgan AM
William Powell AM
Jenny Rathbone AM
Joyce Watson AM

Witnesses:

Julian Harrison, Wheelabrator Technologies
Phil Short, Wheelabrator Technologies
Edward Woodall, Association of Convenience Stores
Mark Lang, Federation of Small Businesses
Scott Fryer, Wildlife Trust Wales
Gill Bell, Marine Conservation Society
Gareth Cunningham, RSPB Cymru
Jim Evans, Welsh Fisherman's Association
James Wilson, Welsh Fishermen's Association
Mark Russell, British Marine Aggregate Producers Association
David Jones, Marine Energy Pembrokeshire

Sarah Williams, Natural Resources Wales
John Wheadon, Natural Resources Wales
Eleanor Smart, Natural Resources Wales
Mary Lewis, Natural Resources Wales

Committee Staff:

Alun Davidson (Clerk)
Adam Vaughan (Deputy Clerk)
Gwyn Griffiths (Legal Adviser)
Graham Winter (Researcher)
SeatonN (Researcher)
Chloe Corbyn (Researcher)

1 Introductions, apologies and substitutions

1.1 There were no apologies.

2 Environment (Wales) Bill – Stage 1: Evidence Session 16

2.1 Witnesses responded to questions from Members of the Committee.

3 Environment (Wales) Bill – Stage 1: Evidence Session 17

3.1 Witnesses responded to questions from Members of the Committee.

4 Environment (Wales) Bill – Stage 1: Evidence Session 18

4.1 Witnesses responded to questions from Members of the Committee.

5 Environment (Wales) Bill – Stage 1: Evidence Session 19

5.1 Witnesses responded to questions from Members of the Committee.

6 Environment (Wales) Bill – Stage 1: Evidence Session 20

6.1 Witnesses responded to questions from Members of the Committee.

7 Papers to note

7.1 Members noted the paper.

7.1 Environment (Wales) Bill: Further Information from the Farmers' Union of Wales

8 Motion under Standing Order 17.42 to resolve to exclude the public from the remainder of the meeting

9 Environment (Wales) Bill: Discussion of Evidence

9.1 Members discussed the evidence gathered for Stage 1 of the Environment (Wales) Bill.

10 How do we achieve a smarter energy future for Wales? – Discussion of Approach to the Inquiry

10.1 Members agreed the approach to the ‘Smarter Energy Future for Wales?’ inquiry.

Effective implementation of the Ecosystem Approach: achieving a resilient Wales

WEL supports the development of an Ecosystem Approach in Wales. However, we are not convinced that the definition, objective and principles of sustainable management of natural resources (SMNR) fully reflect the ecosystem approach described under the CBD. In particular, we are not convinced that the conservation element of the ecosystem approach is sufficiently explicit.

The Bill does not supplant existing nature conservation tools, but we feel it misses the opportunity to be explicit about the role of SMNR (and therefore of NRW) in halting and reversing biodiversity loss. As such, the Bill's provisions could be interpreted in a largely utilitarian way – leading to the development of SMNR which is biased towards use; an Ecosystem Services Approach not an Ecosystem Approach.

We are informed that this is not the intention of the Welsh Government, so we believe this part of the Bill could be amended to clarify the essential role of the new framework in delivering conservation and protection of the environment. This is particularly important because Sections 3 and 4 are central to the new general purpose of Natural Resources Wales, and will undoubtedly affect the way the body's role is interpreted in the future.

Halting and reversing the loss of biodiversity

Linked to our concerns above, is our concern that Part 1 does not contain a clear driver for halting and reversing biodiversity loss. It also lacks provision for measuring progress in this area, in spite of the Welsh Government's recognition of biodiversity loss as a critical issue, alongside climate change. We welcome the biodiversity duty with its new reporting requirements, but feel the Bill would be strengthened by:

- providing focus on measurable outcomes;
- providing an overall mechanism for measuring and reporting on the effectiveness of activities undertaken towards these outcomes; and
- providing stronger Government leadership and accountability, with a process to identify remedies if outcomes are not delivered.

Our recommendation is to include biodiversity targets within the Bill and a detailed briefing on what these targets should be and how they could be measured is provided with this letter.

Protecting and enhancing our landscapes and seascapes

Another concern of WEL is that the Ecosystem Approach as set out in the Bill does not fully address issues associated with the protection of landscape and seascape character. It needs to be appreciated that landscapes are different from ecosystems. They are places where ecosystems exist and they provide an important context for managing natural resources in an appropriate and integrated manner.

Landscapes and seascapes reflect the cultural values and associations people have with nature. Article 5 of the European Landscape Convention makes it clear that landscapes should be recognised in law as 'an essential component of people's surroundings, an expression of the diversity of their shared cultural and natural heritage, and a foundation of their identity.' Given the particular influence that cultural associations and heritage values have on a location's identity, it follows that these considerations should be embedded in the principles of sustainable management of natural resources.

We hope that you find these further, expanded views on Part 1 of the Bill helpful in considering the Committee's response at this stage. If you need any further information or explanation, please do not hesitate to get in touch.

Yours sincerely,



Annie Smith, Chair of WEL's Natural Resources Working Group

Registered Charity Number / Rhif Elusen Gofrestredig: 1022675
Chair / Cadeirydd : Bill Upham **Director / Cyfarwyddwraig : Susan Evans**



Statutory Targets for Biodiversity: Environment (Wales Bill)

July 2015

1. The case for statutory biodiversity targets

1.1. A background of repeated failure to halt biodiversity loss

The Environment Bill provides an excellent opportunity to build on the existing suite of nature conservation legislation and provide renewed drive for biodiversity. To do this, we believe it needs:

- clarity that turning around biodiversity declines is part of the aim of 'sustainable management of natural resources';
- a focus on biodiversity outcomes, against which progress can be measured; and
- Government leadership and accountability for progress towards international biodiversity commitments.

Wales' failure to meet the 2010 target to halt biodiversity loss prompted an inquiry by the Sustainability Committee. Other specific outcomes in the Environment Strategy relating to protected sites (for favourable condition of Natura 2000 sites by 2010, and SSSIs by 2015) have also not been met. **The Sustainability Committee's [Biodiversity Inquiry report \(2011\)](#) recommended that interim targets be put in place** to ensure achievement of the revised target, under the CBD and the EU Biodiversity Strategy, for halting biodiversity loss by 2020. Half-way to 2020, we need renewed commitment if this goal, and longer term recovery (in line with 2050 vision statements of the CBD and EU) is to be achieved. **Statutory targets would provide a driver to ensure that existing legislation, together with the new tools established in the Environment Bill, is implemented effectively to secure results for biodiversity.**

1.2. A necessary focus on species and sites

The State of Nature report found that **many of the species suffering dramatic declines are those with specialist habitat requirements, dependent on appropriate management and protection of their habitats.** The new approach to the sustainable management of natural resources provides a great opportunity to ensure species' needs are properly integrated into new management approaches aimed at broader environmental health, through the National Natural Resources Policy and the Area Based Approach. If this does not happen, we are concerned that priorities will be based on broad habitat types and the ecosystem services they provide – like timber and drinking water. Prioritising actions without consideration of whether or how they impact upon the needs of priority species could create negative impacts or miss opportunities to provide benefits.

Our experience of Glastir shows that, to produce meaningful results for species, their requirements have to be fully considered at the appropriate scale. Learning from Glastir also highlights the need to measure success in terms of outcomes, not only reporting on actions taken. The recent response to the Environment and Sustainability Committee from Sir John Lawton emphasised that species are a vital metric of the success of environmental management in terms of addressing biodiversity loss.

Our protected sites are generally the best places for nature, but they have been allowed to deteriorate largely through absence of appropriate protection or management. Protected sites already deliver multiple benefits and are the logical starting point for securing wider resilience. In spite of this, outcomes set in the Environment Strategy for Wales (ESW) for protected sites to be in favourable condition have not been delivered. One ESW outcome remains in the future – favourable condition for all Wales’ protected sites by 2026, and its delivery requires renewed commitment.

1.3. Improving leadership, scrutiny and accountability

The Well-being of Future Generations Act made an important step in formally recognising that a biodiverse natural environment is a goal of sustainable development, and the wider public sector has to play a role in delivering it. The Welsh Government has recognised that biodiversity loss is one of the key challenges we face (p 22, Explanatory Memorandum), so **strong leadership from Government is critical to address the biodiversity crisis.**

Achieving the targets will require action from a variety of actors, and Government will need to use its influence (via legislation, policy, funding, etc.) to ensure progress is made. We believe **ownership of the targets by the Welsh Government is critical, to place the delivery of international biodiversity commitments firmly in the public domain, enable the public (via the Assembly) to hold the Government to account on progress, and ensure remedies are identified if progress is not made.**

2. The Targets

The Welsh Ministers should be required to ensure that a national biodiversity index increases by 15% by 2050 from current levels

This national index would need to be based on population trends of priority species that are rare or declining, based on the current ‘section 42 list’ (which will in future fall under s7 of this Bill) – like the UK Watchlist Indicator described in the State of Nature report. It is possible to produce a Wales specific indicator even though, initially, it would only represent a limited range of species and groups. We are confident this can be improved upon over time, with support for an increase in comprehensive monitoring programmes, to ensure the robustness of the indicator. The suggested increase of 15% is reasonably ambitious considering the effort that will be required to halt long term species declines. There is precedent for this sort of long-term statutory target in the UK Climate Change Act, reflected in Part 2 of this Bill.

The Welsh Ministers should be required to take all steps to achieve favourable condition of Wales’ protected sites by 2026.

For some sites it is likely that attaining favourable condition will be a longer term goal, because of the extent of deterioration and the impact of wider environmental factors (e.g. air and water pollution) that should be addressed through sustainable management of natural resources. However, appropriate management should be secured in line with the target above. Milestones will need to be developed leading up to and beyond 2026, and may need to reflect different timescales for different types of sites (e.g. Natura 2000 sites, SSSIs and Marine Conservation Zones).

Ymgyrch Diogelu Cymru Wledig Campaign for the Protection of Rural Wales

Cadeirydd Chairman Dr Jean Rosenfeld
Cyfarwyddwr Director Peter Ogden



Alun Ffred Jones AM,
Chairman,
Environment and Sustainability Committee,
National Assembly for Wales,
Cardiff Bay,
CARDIFF.
CF99 1NA

August 24th 2015

Dear Alun Ffred


**Environment and Sustainability Committee: Environment Bill:
Supplementary evidence: Campaign for the Protection of Rural Wales (CPRW)**

In response to your invitation at the Committee's oral evidence session in July, for further suggestions as to how both the scope and approaches proposed in draft Environment Bill may be strengthened, please find enclosed a short supplementary statement from the Campaign for the Protection of Rural Wales.

I hope this explains why it is crucial that the role of landscapes and in particular those cultural and heritage values which define a location's sense of place, should be more appropriately reflected in the underlying principles that Part 1 of the Bill seeks to promote.

I trust this additional information proves helpful.

Yours Sincerely,



Peter A. Ogden
Director

Cc Mr Alun Davidson
Clerc
Environment and Sustainability Committee



Environment and Sustainability Committee

Environment Bill:

Supplementary evidence: Campaign for the Protection of Rural Wales

A place for landscapes in the Environment Bill.

Authoritative evidence presented to the Environment and Sustainability Committee during its initial consideration of the Environment Bill in July, highlighted the fact that the draft Bill did not recognise the cultural values associated with landscapes, or the important context and integrating role they play in land use management and environmental stewardship.

Why are landscapes so important?

Landscapes are different to ecosystems. They are the places where bundles of ecosystems exist and interact with each other to create the distinctive physical characteristics and identity of a location. Just as importantly they are the medium which expresses the cultural values and associations people have with nature and their surroundings.



The way these different relationships manifest themselves not only shapes the places where natural resources exist but also the way society perceive, value and respond to the landscapes that surround them.

Landscapes therefore define our “Sense of place” and in so doing must be regarded as fundamental considerations in the configuration of any operational approach which aims to secure both the integrated and sustainable management of our natural resources and ecosystems.

For any approach which directs the use of natural resources to be complete, it must therefore not only account for those cultural interactions which give landscapes their local value or national importance, but also ensure that these same values are fully considered in any process which guides or determines change to them.

For that to be the case, any important human / nature relationships which form an integral part of a landscape’s defining character as well the cultural traits which define a location’s symbolic, emotional and psychological values, must be reflected in the Bill’s Principles of Natural Resource Management.

At the moment, this doesn’t seem to be the case as the contextual role that landscapes play has been overlooked.

Similarly because the “Principles of Sustainable Natural Resources management” only apply to the scope of natural resources as defined in Clause 2 of the Bill, a credibility gap exists in

understanding how these Principles adequately account for all the defining elements of Article 5 of the European Landscape Convention, as outlined below.

European Landscape Convention: Article 5

Each Party undertakes:

- a. to recognise landscapes in law as an essential component of people's surroundings, an expression of the diversity of their shared cultural and natural heritage, and a foundation of their identity;*
- b. to establish and implement landscape policies aimed at landscape protection, management and planning through the adoption of the specific measures set out in Article 6;*
- c) to integrate landscape into its regional and town planning policies and in its cultural, environmental, agricultural, social and economic policies, as well as in any other policies with possible direct or indirect impact on landscape.*

Given these requirements, it is therefore difficult to understand how landscapes or the elements within them which are valued specifically because of the significance of their cultural signature, are accounted for in the current SMNR approach¹.

Embedding landscapes into the existing SMNR's approach

Whilst the Bill's current SMNR approach aims to safeguard the resilience of natural resources and individual ecosystems, it is not apparent how it will secure the long term integrity or coherence of landscapes especially those distinguishing cultural qualities or associations which give a location its distinctive identity and sense of place.

Broadening the scope of the ecosystems approach to include specific reference to landscapes would in our view overcome this deficiency. In addition it would also add greater credibility to Welsh Government's overall natural resource management ambition, by securing not only the optimal state or composition of habitats, but by also embracing a culturally inclusive and more coherent "place based" approach, that landscapes describe.

CPRW therefore suggests that a landscape's context, in particular any distinctive cultural features, human influences or associations which add value to its character, should be properly accounted for in the Bill's Principles for the sustainable management of natural resources.

Peter Ogden
Director
CPRW

August 24th 2015

¹ Such qualities or cultural values of landscapes might include the distinctive patterns of field systems, the uniqueness of stone walls or hedgerow boundaries, landscapes with striking social values, e.g. the former coal or slate mining landscapes of South and North Wales, (examples of which are either inscribed or proposed as World Heritage Cultural landscapes because of their Outstanding Universal Cultural Values).

Appendix 1

The difference between ecosystems and landscapes

Although not defined in the Bill, ecosystems are accepted as being of any size, usually encompassing specific limited spaces and having vaguely defined boundaries. They are functional systems which focus on the interaction of organisms, populations, and energy/matter cycles. Humans and anthropogenic elements are effectively viewed as external factors.

By contrast, landscapes are areas of land or water or both, well defined in space and time along various scales, which provide the living space for the totality of biotic elements. Human activity and any associated cultures and values are fundamental components of a landscape and the way they interact provides both structure and the medium which enables ecosystems to be integrated in a socially and economically desirable manner.

Because landscapes are determined by the different clusters or patterns of interacting ecosystems within them, their properties and values are more complex than the component ecosystems which create them. Effectively landscapes are higher order, added value natural resource systems with a more understated range of broader characteristics than ecosystems.

Agenda Item 3.4

How Welsh emissions are to be calculated

Allocation of energy emissions between Wales & the rest of the UK.

Within the UK, two sets of based emissions accounts are produced to inform the UK Greenhouse Gas Inventory. The methods to calculate emissions and the totals for the whole of the UK are the same in each set; however they differ in the way that they attribute the emissions from the energy sector (namely, electricity generators & fuel producers) to different categories within the accounts. The two formats for reporting are called 'point of release' and 'end user'. Both are reported to the UNFCCC, however the Environment Bill would need to stipulate which format was to be used as for Wales the totals would differ.

Both 'point of use' and 'end user' reflect Wales' responsibility for emissions in different ways. The 'point of use' format recognises the economic & employment contribution of the electricity generators to Wales; whereas 'end of use' recognises the responsibilities of Welsh residents and businesses for the upstream impacts of their energy use.

In addition to considering responsibility, the choice of format should also be informed by how well it can monitor progress in mitigation activities undertaken by the WAG. My recommendation when choosing one or the other would be to consider the mitigation measures that the WAG can put in place & the expected contribution to targets and budgets from measures undertaken elsewhere in the UK.

For example using the end-user format, the accounts would show the effect of measures that:

- Reduce energy end use in total (e.g. efficiency, or demand reduction)
- Promote fuel switching to renewables or low carbon sources (e.g. uptake of biomass; PV)
- Reduce the carbon intensity of electricity generation & fuel supply chains in the UK

For Wales to meet emission reduction targets the country would be reliant on the upstream emissions associated with the energy it uses. These upstream emissions are based on the average emissions intensity of electricity and other fuels produced across the whole of the UK. On those grounds, collaboration would be needed to ensure that UK wide measures to decarbonise the energy supply chain were compatible with Wales' emission reduction targets.

Using a 'point of use' allocation method, the accounts would show the effect of measures that:

- Decarbonise the electricity generators in Wales
- Limit the emissions from any fuel refineries or leakage from gas storage sites in Wales
- Reduce fuel (gas, coal, oil) use in Wales (for transport and buildings) via efficiency or fuel switching
- Encouraged switching heating and transport from fossil fuels to electricity (e.g. encouraging the uptake of hybrids & EVs and heat pumps)

I'm not familiar with all the current and planned future devolved powers to say whether one method better reflects the mitigation measures available to the Welsh Government than another.

Allocation of international aviation emissions

Emissions from international aviation are currently allocated to the UK based on the fuel sold for international flights. This equates well to the fuel used by departing flights from UK airports and is generally accepted as a fair way of allocating international aviation emissions between countries.

When considering dividing up these emissions between Wales & the rest of the UK there are a number of ways that can be considered.

The fuel used during a flight can be broken down into that used in the 'landing and take-off cycle' and the cruise phase.

Options of allocation to Wales include:

1. The emissions from flights departing from airports in Wales
2. A proportion of the emissions from UK flights that are used by Welsh residents
3. A hybrid approach by which Wales is allocated the emissions from the landing and take-off cycle of flights from Welsh airports and the cruise emissions from flights taken by Welsh residents elsewhere in the UK (for example, users of Manchester, Birmingham International and Heathrow).

The first option is consistent with the 'point of use' above and the latter two with the 'end user' basis. Mitigation measures under the first & third method would include:

- Encouraging best practice taxiing, landing & take-off routines to minimise fuel burn at airports in Wales
- Stipulating air craft efficiency standards when allocating slots at Cardiff Airport
- Demand management, reducing the numbers of flights that have less economic value to Wales

The second and third options would track mitigation measures including:

- Encouraging Welsh residents to fly less e.g. having weekend breaks, celebrations & holidays in Wales rather than flying to their destinations.
- Encouraging & supporting with appropriate infrastructure, the use of ICT in place of business travel (where suitable)
- Any UK wide measures that encourage the use of more fuel efficient aircraft fleet & airport operations.

Emissions from sources that are more difficult to reduce

Sources of CO₂ such as aviation, shipping, cement and steel manufacturers are more difficult to reduce than others. Similarly it would be difficult for agriculture to reduce its N₂O and CH₄ emissions to 80%.

With an overall objective to reduce total emissions by 80%, it would be reasonable to expect that sectors have differing levels of contribution according to their ability to mitigate. Sectors unable to deliver an 80% reduction should be compensated for by greater efforts in other sectors to reduce their emissions by an equivalent amount above 80%. For example, there are readily available solutions to reduce the emissions from both electricity generation and the energy used for heating and cooling buildings & arguably this sector could reduce emissions by >80%.

For further information regarding pathways to reduce emissions from the steel & aluminium sector were considered by a comprehensive research project led by Prof Julian Allwood at the University of Cambridge (details here: <http://www.csap.cam.ac.uk/network/julian-allwood/>)

For both steel and cement, measures of resource efficiency, the reuse and recycling of materials and their replacement by alternative materials where practicable are all part of the solution together with the use of carbon capture and storage (CCS) technology retrofitted to existing plant and incorporated into new build. *(The different components of CCS have been demonstrated globally (e.g. separation of CO₂ from other gases is routine in the gas industry; piping CO₂ is conducted by the fizzy drinks industry & CO₂ has been pumped & stored into the Sleipner oil field for the purpose of enhanced oil recovery), the technologies are being assembled at commercial scale in projects in Saskatchewan in Canada, and Peterhead Scotland. While at an early stage in commercialisation – the technology is advancing requiring now the incentives – including clear long term carbon reduction targets - to develop further for sources such as cement & steel plant as well as Bio-CCS).*

For aviation and shipping, alternative fuels are being explored alongside novel designs and technologies to reduce their reliance on fossil fuels. These include blended wing designs and electric aircraft and the use of fletner rotors and kites on ships. Demand management is fundamental in the interim – particularly for aviation.

4. On what basis should Welsh emissions be calculated e.g. on a consumption basis; production basis; or both?

I would suggest both are used for monitoring purposes, with targets set on a production (including international aviation and shipping) basis.

The production basis provides a good foundation on which to understand emissions within the direct influence of the Welsh Government. There are measures that can be taken in Wales which can reduce them.

Consumption based emissions and eco-footprinting techniques in general are very helpful for understanding the wider impact of the population of Wales on the environment. In addition they can indicate whether emissions reductions in Wales are occurring at the expense of those overseas – for example to track our responsibility for China's emissions growth.

Reducing these overseas impacts could be delivered through a number of different mechanisms, including public procurement policies that require suppliers to meet environmental credentials. However, the success of these actions would not be captured using the techniques currently used to calculate consumption emissions – complementary monitoring metrics would be necessary to do this.

Consumption based accounting methods, are usually based on expenditure by members of the population on goods and services broken down by the country from which they're imported. While more sophisticated methods can distinguish between the emissions associated with goods and services imported from different countries (capturing the carbon intensity of production in different areas of the world), they are not sufficiently sophisticated as yet to capture the success or not of incentivised actions by Welsh residents to actively purchase more eco-friendly products. In addition the datasets that underpin these calculations are not all annually updated.

From my experience in using consumption emissions accounting methods - they are useful for giving a broad understanding of Wales' indirect effects, but as it stands would be difficult to use to monitor the success of the plethora of policies that could be aimed at reducing these indirect impacts. I'd suggest using consumption emissions accounts for periodic monitoring, but measuring the success of

mitigation policies that target Wales' indirect carbon footprint with more readily updateable metrics.

Carl Sargeant AC / AM
Y Gweinidog Cyfoeth Naturiol
Minister for Natural Resources

Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: LF CS 0704 15

Jocelyn Davies AM
Chair of the Finance Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

28 July 2015

Dear

Jocelyn

Environment (Wales) Bill

At my evidence session at the Finance Committee held on 9 July, I agreed to provide further information on a number of issues in relation to the Environment (Wales) Bill. I have set out below a response to each.

1. Examples of the economic benefits

During the evidence session you enquired about the approach taken in the Regulatory Impact Assessment (RIA), I believe the following information helps to respond to your queries.

The Committee asked about the presentation of the costs and benefits in the RIA and in particular, that benefits are displayed alongside the costs and also whether costs have been offset by benefits. I do not believe this is the case with the Environment Bill; the RIA clearly sets out the estimated costs and benefits separately. Both the research commissioned to inform the RIA and the RIA itself have been produced in accordance with HM Treasury 'Green Book' guidance on appraisal in central government.

In particular, the RIA sets out a summary of the costs and benefits included for each part of the Bill and also for the Bill as a whole. The RIA estimates the overall costs to be £291m with estimated benefits of £359m and therefore the net benefit is approximately £68m (all figures are given as present value over 10 years).

The Committee asked for details of how the benefits have been measured in the RIA. As requested, I have set out below some examples to explain how the benefits have been estimated, but this is not intended to be a full analysis.

Part 1: Sustainable Management of Natural Resources

The main potential benefit that has been assessed as having a significant impact is the contribution towards the improved resilience of Wales' ecosystems.

Research¹ suggests that 'a targeted approach to land-use planning that recognises both market goods and non-market ecosystem services would increase the net value of land to society by 20% on average, with considerably higher increases arising in certain locations'. Although there is no comprehensive model of ecosystem services in Wales that can accurately value the potential changes resulting from improved natural resource management, there are studies that can give an indication of the level of values involved, these assessments are included in the RIA for illustrative purposes. However, attempts to calculate changes in value more precisely were not considered robust, therefore, were not included in the overall figure for the benefit of the Bill.

It is anticipated that the qualitative benefits expected as a result of the Bill will add to the figure estimated in the RIA for the Bill as a whole. The RIA sets out the way in which the proposals are anticipated to improve the resilience of Wales' ecosystems, including benefits for communities and the environment.

Part 4: Collection and Disposal of Waste

In terms of monetised benefits, the benefits in relation to the collection and disposal of waste have been more precisely measured due to the availability of evidence at this stage (refer to pg. 238 to pg.244 in the RIA). As noted in the RIA, the assessment of costs and benefits for Part 4 is based on research undertaken by Eunomia Research & Consulting Ltd using their in-house waste flow model.

In present value terms, the estimated costs for the waste provisions of the Bill are £159 million over 10 years with benefits of £218 million.

The figures for the monetised benefits were derived as follows:

Waste Management Businesses

Materials revenue: £70.74m PV

Avoided Landfill Tax: £172.46m PV

The Eunomia model compares the likely treatment of waste streams under the baseline ('Do Nothing') scenario with that under the proposed policy to generate estimates of the additional capital expenditure and ongoing operating costs associated with waste collection, waste treatment costs, revenue from the sale of recyclable materials and the volume of waste going to landfill (and therefore landfill tax).

As outlined in the RIA, waste management businesses are expected to benefit overall from the proposals, in the main due to cost savings from avoided landfill tax, residual treatment and revenue from recyclable materials. However, in a competitive market it would be expected that some of these cost savings would be passed to the waste producer, lowering the benefit to the waste management business.

¹ 52Bringing Ecosystem Services into Economic Decision-Making: Land Use in the United Kingdom
<http://www.google.co.uk/url?url=http://www.environmental-economics.org/pdfs/Bateman-2013>

I would ask the Committee to note that while the reduction in landfill tax represents a benefit to waste management businesses in Wales, there is a corresponding cost to the Exchequer. This figure is therefore not included in the £218 million figure above.

Sewerage Authorities

Avoided Water Treatment Costs: £7.08m PV

The ban on the disposal of food waste to sewers is expected to generate savings to Sewerage authorities through:

- a reduction in the blockage of and damage to sewerage systems
- avoidance of costs of treating effluent from macerators

Based on current costs and the expected reduction in the volume of food waste entering the sewerage system, the benefits to sewerage authorities are estimated to be between £530,000 and £884,000 per annum

Environmental Benefit

Monetised Environmental Costs: £139.77m PV

The figures for the monetised environmental benefits were derived as follows:

It is estimated that a ban on the incineration and landfilling of certain materials will see environmental benefits. The monetised environmental benefit presented above is based on the monetisation of emissions to air, including climate change and air pollution impacts, the latter being considered through a monetisation of the impact on human health.

The modelling estimates an additional 2.5 million tonnes of recycled materials over a ten year period and a CO₂ equivalent reduction of 2.1 million tonnes over a ten year period.

Additional research has shown that large reductions in greenhouse gas emissions can be achieved against the current baseline by diverting priority materials from landfill to recycling.

To give one example the carbon saving from improving the management of plastic from I&C waste from the baseline situation in 2007/8 to a high level of material recovery (largely by diverting landfilled waste to recycling) is 110 000 tonnes of CO₂ equivalent.

Job Creation

The RIA also sets out a number of other benefits as a result of Part 4 of the Bill, including the potential for job creation. Further information is set out below, however, these have not been monetised for the purpose of the RIA.

High levels of recycling are predicted to result to increase employment in Wales. It is estimated, by the Skills Sector Council, that in Wales there are around 7,850 people employed in the waste management industry. Research shows that implementing a 70% recycling rate for all wastes by 2025 would potentially create new jobs in Wales in the order of:

- 3,600 new jobs across municipal, commercial and industrial (including construction and demolition) sectors.
- 2,600 new jobs in the municipal sector alone.

Many of the jobs created come from:

- The economic activity of the reuse, preparation for reuse and recycling industries.
- 'Indirect' employment (through other economic activity supporting the industry, for example from the industries' purchases of goods and services).
- 'Induced' employment (through industry employees spending their wages in the economy).

Data from the European Commission shows that the waste management sector for the EU-25 amounts to 1.2 to 1.5 million jobs. Recycling 100,000 tonnes of waste can create up to 250 jobs as opposed to 20-40 in the case of incineration and approximately 10 landfilling.

Part 3: Charges for Carrier Bags

Extending the Welsh Ministers powers to enable them to set a charge on other types of carrier bags:

- Total costs are £123.75 million over 10 years compared to total benefits of £132.02 million. These figures are derived from the research undertaken by Ricardo AEA and the Welsh Government. They can be broken down as follows:
 - Costs: £8.25 million to manufacturers (reduction in the number of single use carrier bags being purchased) and £115.50 million to consumers (based on the preferred charging option for "bags for life").
 - Benefits: £37.66 million in retailer revenue, £80k to wholesalers and £66.76 million increase in charitable donations.
 - Other: £19.25 million through an increase in tax revenue and £8.27 million in environmental impact (for example a reduction in littering, carbon emissions and air pollution).

A duty on retailers to donate the proceeds from the sale of carrier bags to good causes:

- Quantified costs are £1.2million over 10 years compared to benefits of £8.7million. These figures are derived from the RIA work undertaken by Ricardo AEA and the Welsh Government. They can be broken down as follows:
 - Costs: £800k for businesses (in relation providing two "returns" per annum) and £400k for monitoring and enforcement (as a mandatory agreement is being introduced).
 - Benefits: This is made up of £4.79 million in increased revenues for environmental charities and £3.92 million in increased revenues for non-environmental charities.

The figures for the environmental benefits are based on 'bottom-up' modelling undertaken by Ricardo AEA which looked at the relative CO₂ and air quality impacts associated with manufacturing the different types of carrier bag and also the relative littering/disposal impacts associated with each type of bag.

These impacts were then aggregated up to reflect the number of the various bag types purchased under each option. The remaining benefits reflect the redistribution of the revenue from the additional carrier bag charge (which is a cost to consumers) between retailers, wholesalers, charities and the exchequer. Again, this is based on the modelling work undertaken by Ricardo AEA.

2) The costs that may fall on local authorities and others if something goes into the recycling waste stream, but then ends up in landfill

The Bill is aimed at businesses and the public sector rather than households.

The cost of disposal of contaminants from the recycling stream would not be incurred by either waste management companies, or by local authorities, who operate their commercial waste services on a full cost recovery basis. The cost would be passed to the business waste producers by the local authorities or waste management businesses that collect their waste. This will incentivise greater quality of recycling by waste producers in order to reduce business costs.

3) What the 1 per cent inspection figure of business premises by Natural Resources Wales is based upon

The 1% figure is an indicative estimate for modelling purposes.

NRW inspects premises on a risk and intelligence led basis. It is expected that it will target businesses producing larger amounts of waste, those producing priority waste materials or those that intelligence leads them to suspect are breaching legislative requirements. The 1% figure was discussed with NRW and settled on as an adequate and appropriate level of inspection for the modelling. The figure takes into account:

- the parallel duty placed on waste collection companies and local authorities to collect recyclable wastes from their business customers by means of separate collection, which will result in the collection agents themselves requiring their customers to segregate their wastes for collection;
- the reasonable expectation that the majority of businesses seek to comply with their legal obligations.

4) A copy of the letter to the Chair of the Environment and Sustainability Committee in relation to a timetable for publishing the secondary legislation relating to the Bill

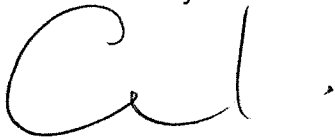
The timetable you requested is provided at **Annex 1**.

This table has been updated since it was originally provided to the Environment and Sustainability Committee in my letter of 17 June 2015. These changes are the result of emerging evidence and are as follows:

Indicative dates by which the Welsh Ministers make regulations on fees for the marine licensing regime, under sections 78 to 80 of the Bill, have been amended. The intended date for introduction of new fees, by which time the regulations will need to be made is April 2017, which is being driven by the ongoing marine licensing fees review. The rationale for this includes a number of factors; Royal Assent of the Bill, Assembly elections in 2016 and the fees review.

I hope that you find this helpful. If you would like any further information on the Bill, please contact me. I am copying this letter to the Chair of the Environment and Sustainability Committee.

Yours sincerely

A handwritten signature in black ink, appearing to be 'C. Sargeant', written in a cursive style.

Carl Sargeant AC / AM

Y Gweinidog Cyfoeth Naturiol

Minister for Natural Resources

CC: Alun Ffred Jones AM, Chair of the Environment and Sustainability Committee

Annex 1

Forward look: Anticipated commencement and subordinate legislation dates

This Annex sets out the dates by which it is expected that the provisions of the Bill will be commenced, and dates by which it is anticipated that powers conferred on the Welsh Ministers to make subordinate legislation would be exercised. It may be most helpful to read it alongside the Statement of Policy Intent.

Date	Milestone	Notes
March 2016	-- Anticipated date of Royal Assent, subject to the will of the Assembly --	
May 2016	Commencements two months after Royal Assent.	Part 1 (sustainable management of natural resources); Part 2 (climate change); Part 5 (fisheries for shellfish); Section 83 (repeal of publication requirements); Section 84 (appeals against special drainage levies); Section 85 (power of entry); section 86 (byelaws).
May 2016	-- Elections to the National Assembly for Wales --	
Q3 2016	The Welsh Ministers abolish the Regional Flood and Coastal Committee and establish Flood and Coastal Erosion Committee.	Under section 82 of the Bill and sections 26B, 26C, and 26D of the Flood and Coastal Management Act 2010, as inserted by section 82 of the Bill.
September 2016	NRW publish first SoNaRR.	Under section 8 of the Bill.
January 2017	Earliest time that the Welsh Ministers would consider making regulations for the separate collection of waste.	Under section 45AA of the Environmental Protection Act 1990, as inserted by section 66 of the Bill.
January 2017	Earliest time that the Welsh Ministers would consider making regulations prohibiting disposal of food waste to sewer.	Under section 34D of the Environmental Protection Act 1990, as inserted by section 67 of the Bill.
January 2017	Earliest time that the Welsh Ministers would consider making regulations prohibiting or regulating disposal of waste by incineration.	Under section 9A of the Waste (Wales) Measure 2010, inserted by section 68 of the Bill.
March 2017	The Welsh Ministers publish NNRP.	Under section 9 of the Bill.

April 2017	Indicative date by which the Welsh Ministers make regulations on fees for monitoring, variation etc. of marine licenses.	Under section 72A of the Marine and Coastal Access Act 2009, as inserted by section 78 of the Bill.
April 2017	Indicative date by which the Welsh Ministers make regulations on further provisions for the payment of fees for marine licenses.	Under section 107A of the Marine and Coastal Access Act 2009, as inserted by section 79 of the Bill.
April 2017	Indicative date by which the Welsh Ministers make regulations on appeals against variation etc. of marine licenses for non-payment of fees or deposits.	Under section 108(2A) of the Marine and Coastal Access Act 2009, as inserted by section 80 of the Bill.
May 2017	Indicative date for publication by the Welsh Ministers of guidance about implementing area statements.	Under section 13 of the Bill. It is intended that the guidance would be provided as soon as possible after the Bill receives Royal Assent.
May 2017	Regulations to define the meaning of carbon units.	Under section 36 of the Bill. It is intended that these regulations would be made as soon as reasonably practicable after receiving Royal Assent, having received advice from the advisory body.
December 2018	Time by which the Welsh Ministers must publish the carbon budgets for the net Welsh emissions account for the period 2016-2020 and 2020-2025.	Under section 31 of the Bill.
January 2020	Time by which the Welsh Ministers must publish the carbon budget for the net Welsh emissions account for the period 2025-2030.	Under section 31 of the Bill.
December 2020	NRW publish second SoNaRR.	Under section 8 of the Bill.
May 2021	-- Elections to the National Assembly for Wales --	
June 2021	The Welsh Ministers begin first review of NNRP.	Under section 9 of the Bill.
January 2025	Time by which the Welsh Ministers must publish the carbon budget for the net Welsh emissions account for the period 2030-2035.	Under section 31 of the Bill.

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| January 2030 | Time by which the Welsh Ministers must publish the carbon budget for the net Welsh emissions account for the period 2035-2040. | Under section 31 of the Bill. |
| January 2035 | Time by which the Welsh Ministers must publish the carbon budget for the net Welsh emissions account for the period 2040-2045. | Under section 31 of the Bill. |
| January 2040 | Time by which the Welsh Ministers must publish the carbon budget for the net Welsh emissions account for the period 2045-2050. | Under section 31 of the Bill. |

Introduction

The following note summarises Wheelabrator Technologies Inc. UK's (WTI) concerns with respect to proposals for incineration bans as set out in the proposed Environment Bill (Wales). This note focusses on the 'need' and 'consequences.' It also highlights the two very different ways in which the Bill might be enacted through regulation, as currently worded.

Wheelabrator Technologies Inc. and the Parc Adfer Project

WTI is developing Parc Adfer an energy recovery facility for North Wales. Located on the Deeside Industrial Park, it will divert non-recyclable waste from landfill and instead use it as a resource to generate clean energy, equivalent to the needs of around 30,000 homes. WTI has been selected to develop the facility by the North Wales Residual Waste Treatment Project (NWRWTP) on behalf of the communities of Conwy, Denbighshire, Flintshire, Gwynedd and Isle of Anglesey. The project is designed to meet the needs of the five authorities and deliver the policy aims of the Welsh Government and the Towards Zero Waste strategy, diverting waste away from landfill and increasing recycling rates.

The Parc Adfer facility is likely to be the largest single inward investment scheme on the Deeside Industrial Estate for the next 5 to 10 years. However, it will benefit the North Wales region in other ways, including:

1. Maximising the benefits for North Wales as it transitions to low carbon generation and electricity supply for businesses, households and communities.
2. Contribute to meeting the Welsh Government's own energy security goals.
3. Create around 300 jobs during the construction phase and some 35 new full time jobs when operational.
4. Give local business across Wales the opportunity to find out more about the multi-million pound supply chain opportunities which will be available over the three year construction phase and the 25 years of operation.

Lack of Clarity

The current drafting of the Bill can be interpreted far more broadly than what we understand to be the underlying intent, which is to prevent *uncontaminated* recyclable material from going to energy from waste facilities or landfill sites. In its current form the Bill could be used to ban specific elements *within a mixed contaminated* waste stream.

The implications related to these two potential outcomes are explored in the sections below, however it is sufficient here to say that a ban on individual materials within contaminated waste streams would have serious implications for both energy from waste operators and investors in Wales, as well as for wider Welsh Government policy aims. It would also be expensive and unwieldy to enforce.

We have received reassurances from Jasper Roberts (the Welsh Government's Deputy Director, Waste and Resource Efficiency) that there is currently no intention for the proposed Bill to apply to elements of mixed residual waste streams, and that: *'The intention is to promote effective capture of recyclable materials at source to achieve, over time, our target of achieving a minimum of 70%*

recycling, such that waste when it reaches an energy from waste facility is suitable for incineration'. This reassurance is helpful in addressing our main concern, however for this to have value for our investors it needs to be expressed in the Bill itself should the Welsh Government choose to pursue the concept of incineration bans. The letter is attached in full with this note.

We are strongly of the view that any form of an incineration ban is unnecessary and will only serve to create uncertainty for the waste and recycling industry as they review investments plans in the face of an uncertain future regulatory environment. This is explored further in the note below.

Incineration Bans on Uncontaminated Recyclable Materials

Assuming the intention of the Bill is to prevent 'uncontaminated materials' destined for recycling from going to energy from waste then WTI is not concerned, as there is no material impact for WTI, the wider industry or indeed for Wales. For that reason we question whether it would be a good use of public resources to pursue this element of the Bill. The reasons for our views are highlighted in this section.

Regulatory powers already exist

Welsh Government already has, and enforces, powers to prevent incineration of recyclables, within the environmental permitting regime. All of WTI's existing permits, and those of other modern energy from waste facilities, include the wording: "*Waste shall only be accepted if having been separately collected for recycling it is contaminated and otherwise destined for landfill*".

There is currently no problem to fix

In WTI's experience and that of other energy from waste operators, no uncontaminated recyclable material is currently incinerated. Neither our facility in Ferrybridge nor those of several other operators we have checked with (operating more than two million tonnes worth of capacity in the UK) have ever accepted materials of this type for treatment at their facilities. This is not surprising given the existing permitting regime and the value anyway inherent in recyclable material.

There will likely *be* no problem to fix

Recyclable materials have value, often substantial value, and energy from waste treatment or landfill, has significant cost. This differential in value is what drives material out of the waste stream to be recycled. This value differential is driven by existing legislation, such as landfill tax and packaging recovery notes (PRN's).

Incineration Ban on Materials in a Contaminated Mixed Waste

If the intention is to prevent individual materials in a contaminated mixed waste stream from going to energy from waste facilities in Wales, then WTI would have serious concerns.

Suitability of Infrastructure

Removing specific materials from a mixed waste stream requires suitable infrastructure; a 'pre-treatment' step to separate materials suitable for recycling as well as a residue for disposal via landfill or energy from waste facilities. Neither the UK nor the planned, energy from waste

infrastructure in Wales is designed to treat waste arising from pre-treatment processes. Such material typically has a different composition (e.g. lower moisture, higher calorific content) and content (e.g. the content is likely to be lower in levels of ferrous and non-ferrous metals). All of these things would impact on the economic functioning of an energy from waste facility that has been designed for an untreated mixed waste stream. It is impossible to quantify the impacts without knowledge of the specific pre-treatment process that would be required.

Quality of Recyclable Material

The recycled materials produced by an intermediate pre-treatment system are of much lower quality than those that are 'source separated' (e.g. household waste collected from the kerbside in different bins). The current approach taken by Wales is to produce high quality recyclables through source separation and that already successful approach may be undermined by introducing the option to use mixed collections that are later sorted.

Apparent Versus Real Impact

There would be an element of robbing Peter to pay Paul, as energy from waste facilities are able to recycle ferrous and non-ferrous metals very efficiently after combustion. In addition, the bottom ash produced after the combustion process is graded for use in the construction industry (displacing quarried material). Furthermore, there has been a lot of recent innovation in ash processing resulting in ever new and more sophisticated methods of separating individual high-value metals. For example, once the proposed Parc Adfer Energy Recovery Facility becomes operational, the plant will increase recycling rates for the five authorities in the NWRWTP by up to 7%.

In short, energy from waste doesn't just incinerate waste; it adds value and enhances recycling.

Enforcement

Visual inspection prior to tipping is hard because vehicles are sealed or covered and tipping occurs straight into the bunker (this waste will contain contaminated paper, card, plastics etc.). It would not be safe or practical to tip out every load prior to depositing into the bunker.

Appropriateness In a High Recycling Environment

Recycling levels in Wales are very high and have been achieved by instigating a strong source separation regime, with kerbside recycling by householders at some of the highest levels in Europe. A move now, to a method of 'sorting after the fact' via mechanical separation could be counterproductive and compete with source-separation, potentially moving waste away from high-value source-separated recyclables to lower value material. The 'blueprint for collecting waste' in Wales is working and should be celebrated for that fact that source separation is happening on a large scale, providing higher value materials for recycling.

There are a few examples where incineration bans on components of a mixed waste stream have been used, but it tends to be more relevant in areas of low uptake for kerbside sort recycling collections- for example in Scotland where services were on offer but not being taken up in the same way that they are in Wales. The Scottish Government has introduced measures to ensure metals and dense plastics are removed prior to incineration, which has been very disruptive and expensive for the industry.

Wales has already been successful in removing this material from the waste stream and it looks likely that Wales will continue to exceed Scotland's recycling performance (and that of most other European countries) without pursuing this less desirable option. The addition of pretreatment in Wales would likely be less efficient and more expensive because it would be seeking to extract value from a more problematic/contaminated base material than Scotland.

Welsh Government figures released in August show that Wales is recycling on average over 56% of its Local Authority Collected Waste. The five authorities our facility will serve are averaging over 57%, with Denbighshire leading the County league table on 66% - so well on the way to the 70% target by 2025. Where Wales requires additional infrastructure and assistance, is in moving **residual** waste away from landfill, to help meet the Towards Zero Waste aspirations of 95% diversion from landfill. This is precisely the job our proposed facility will deliver, as Parc Adfer will reduce the current 43% of waste that is landfilled to near zero for the NWRWTP. We will provide the ability to meet these landfill diversion rates, whilst simultaneously increasing recycling, through our bottom ash re-use and the recycling of metals.

Unintended Consequence – Export of a resource to Europe

We agree with the findings of the options assessment carried out to inform the Bill that there will be unintended consequences of the Bill in its current form. For example, it will increase the likelihood of Welsh waste being exported to England or Europe – the latter is already taking place in Ceredigion and Pembrokeshire where residual waste is now being shipped to Sweden.

Expensive pre-treatment would add cost to disposal and will make more distant disposal options, outside of Wales, more attractive. This would drive material out of Wales and its closed loop, undermining the current policy objectives of creating a circular economy and moving waste up the hierarchy. The proximity of both the operational Trident Park facility, and the planned Parc Adfer facility, to the English border means that commercial operators are likely to export waste to England, to the detriment of those Welsh facilities, jobs and local supply chains.

Unintended Consequence - Stymie Inward Investment

This Bill would have the potential to disrupt one of the largest public-private partnership investments in North Wales at a crucial time for the project. WTI needs clarity quickly to ensure that this does not become a roadblock to unlocking the many benefits that the Parc Adfer project can bring.

Conclusion

Outside of our own project, the uncertainty created by the proposed legislation, as currently drafted, may also inhibit other investment in recycling and waste infrastructure, as potential developers will remain unclear and extremely cautious about the direction that Welsh Government policy is taking and the types of infrastructure it is wishing to attract to Wales. The *Investing in Wales* conference held in Newport last November clearly demonstrated that Wales is a country that is open to the global market place as a location to operate and trade. To underpin this message WTI believes that it is important for the proposed Bill to be 'joined up' with current policy and initiatives currently in progress. This will provide a solid base for further private sector investment in urgently needed waste infrastructure in Wales.

Cyflwyniad

Mae'r nodyn canlynol yn crynhoi pryderon Wheelabrator Technologies Inc. UK's (WTI) ynglŷn â'r cynigion am waharddiadau llosgi sy'n cael eu datgan yn y ddeddfwriaeth arfaethedig Bil yr Amgylchedd (Cymru). Mae'r nodyn hwn yn canolbwyntio ar yr 'angen' a'r 'canlyniadau'. Mae hefyd yn tynnu sylw at y ddwy ffordd wahanol iawn y gallai'r Bil gael ei ddeddfu drwy reoliad, fel y mae wedi'i eirio ar hyn o bryd.

Wheelabrator Technologies Inc. a Phrosiect Parc Adfer

Mae WTI yn datblygu Parc Adfer fel cyfleuster adfer ynni i Ogledd Cymru. Fe'i lleolir ar Barc Diwydiannol Glannau Dyfrdwy, bydd yn dargyfeirio gwastraff na ellir ei ailgylchu o safleoedd tirlenwi ac yn hytrach yn ei ddefnyddio fel adnodd i gynhyrchu ynni glân, sy'n cyfateb i anghenion oddeutu 30,000 o gartrefi. Dewiswyd WTI i ddatblygu'r cyfleuster gan Brosiect Trin Gwastraff Gweddilliol Gogledd Cymru (NWRWTP) ar ran cymunedau Conwy, Sir Ddinbych, Sir y Fflint, Gwynedd ac Ynys Môn. Bwriedir i'r prosiect fodloni anghenion y pum awdurdod a chyrraedd nodau polisi Llywodraeth Cymru a'r strategaeth Tuag at Ddyfodol Diwastraff, gan ddargyfeirio gwastraff o safleoedd tirlenwi a chynyddu cyfraddau ailgylchu.

Cyfleuster Parc Adfer, yn ôl pob tebyg, fydd yr un cynllun mewnfuddsoddi mwyaf ar Ystâd Ddiwydiannol Glannau Dyfrdwy yn y 5 i 10 mlynedd nesaf. Er hynny, bydd o fantais i ardal Gogledd Cymru mewn ffyrdd eraill hefyd, gan gynnwys:

1. Sicrhau'r manteision gorau posibl i Ogledd Cymru wrth iddi drawsnewid i gynhyrchu a chyflenwi trydan isel ar garbon i fusnesau, aelwydydd a chymunedau.
2. Cyfrannu at gyrraedd nodau Llywodraeth Cymru ei hun i ddiogelu ffynonellau ynni.
3. Creu oddeutu 300 o swyddi yn ystod y cam adeiladu ac oddeutu 35 o swyddi amser llawn newydd pan fydd y safle'n gweithredu.
4. Rhoi i fusnesau lleol ledled Cymru y cyfle i gael gwybod rhagor am y cyfleoedd gwerth aml i filiwn o bunnau yn y gadwyn gyflenwi, cyfleoedd a fydd ar gael dros y cyfnod adeiladu tair blynedd a'r 25 mlynedd tra bydd y safle'n gweithredu.

Diffyg Eglurder

Gellir dehongli'r drafft presennol o'r Bil yn llawer ehangach na'r hyn y deallwn ni yw'r bwriad sylfaenol, sef atal deunydd ailgylchadwy *dihalog* rhag mynd i gyfleusterau ynni o wastraff a safleoedd tirlenwi. Ar ei ffurf bresennol, gellid defnyddio'r Bil i wahardd elfennau penodol mewn llif gwastraff *halogedig cymysg*.

Mae'r goblygiadau sy'n gysylltiedig â'r ddau ganlyniad posibl hyn yn cael eu pwysu a'u mesur yn yr adrannau isod, fodd bynnag, mae'n ddigonol dweud yma y byddai gwaharddiad ar ddeunyddiau unigol mewn llifau gwastraff halogedig yn cael effaith ddifrifol ar fuddsoddwyr a chwmnïau ynni o wastraff yng Nghymru, yn ogystal ag ar nodau polisi ehangach Llywodraeth Cymru. Byddai hefyd yn ddud ac yn anodd ei orfodi.

Mae Jasper Roberts (Dirprwy Gyfarwyddwr Gwastraff ac Effeithlonrwydd Adnoddau Llywodraeth Cymru) wedi ein sicrhau nad oes dim bwriad ar hyn o bryd i'r Bil fod yn weithredol ar elfennau o lifau gwastraff gweddilliol cymysg, ac mai: 'Y bwriad ydy hybu dal deunyddiau ailgylchadwy yn effeithiol

yn y tarddiad er mwyn cyrraedd, dros amser, ein targed o lefelau ailgylchu o o leiaf 70%, cymaint fel bod gwastraff pan mae'n cyrraedd cyfleuster ynni o wastraff yn addas i'w losgi'. Mae'r sicrhad hwn yn helpu i leddfu ein prif bryder, er hynny, er mwyn i hyn fod o werth i'n buddsoddwyr mae angen i hyn gael ei fynegi yn y Bil ei hun, pe byddai Llywodraeth Cymru yn dewis mynd ar drywydd y cysyniad o waharddiadau llosgi. Mae'r llythyr cyflawn ynghlwm gyda'r nodyn hwn.

Rydym yn gadarn o'r farn bod unrhyw fath o waharddiad llosgi yn ddiangen ac na fydd ond yn gweithredu i greu ansicrwydd i'r diwydiant gwastraff ac ailgylchu wrth iddynt adolygu cynlluniau buddsoddiadau yn wyneb amgylchedd rheoleiddio ansicr i'r dyfodol. Rhoddir sylw pellach i hyn yn y nodyn isod.

Gwaharddiadau Llosgi ar Ddeunyddiau Ailgylchadwy Dihalog

Gan dybio mai bwriad y Bil ydy atal 'deunyddiau dihalog' y bwriedir iddynt fynd i'w hailgylchu rhag mynd i gyfleusterau ynni o wastraff yna nid yw WTI yn bryderus, gan na chaiff hyn effaith sylweddol ar WTI, ar y diwydiant ehangach nag yn wir ar Gymru. Am y rheswm hwnnw, rydym yn gofyn a yw mynd ar drywydd yr elfen hon yn y Bil yn ddefnydd da ar adnoddau cyhoeddus. Mae'r rhesymau am ein safbwyntiau wedi'u hamlygu yn yr adran hon.

Mae pwerau rheoleiddio'n bodoli eisoes

Mae Llywodraeth Cymru eisoes yn meddu ar bwerau, ac yn gorfodi'r pwerau hynny, i atal llosgi deunydd ailgylchadwy, o fewn y gyfundrefn trwyddedu amgylcheddol. Mae holl drwyddedau presennol WTI, a thrwyddedau cyfleusterau ynni o wastraff modern eraill, yn cynnwys y geiriad: "*Ni chaiff gwastraff ond ei dderbyn os, ar ôl ei gasglu ar wahân i'w ailgylchu, ei fod yn halogedig ac y bwriedir, fel arall, ei yrru i safle tirlenwi*".

Nid oes problem i'w chywiro ar hyn o bryd

O brofiad WTI a chwmnïau ynni o wastraff eraill, ni chaiff unrhyw ddeunydd ailgylchadwy dihalog ei losgi ar hyn o bryd. Nid yw naill ai ein cyfleusterau yn Ferrybridge na chyfleusterau sawl cwmni arall yr ydym wedi'u holi (sy'n gweithredu gwerth dros ddwy filiwn tunnell o gapasiti yn y DU) erioed wedi derbyn deunyddiau o'r math hwn i'w trin yn eu cyfleusterau. Nid yw hyn yn syndod ac ystyried y gyfundrefn drwyddedu bresennol a'r gwerth sy'n gynhenid pryn bynnag mewn deunydd ailgylchadwy.

Mae'n debygol na fydd problem i'w chywiro

Mae gwerth sylweddol yn aml i ddeunyddiau ailgylchadwy, ac mae safleoedd tirlenwi neu driniaeth ynni o wastraff yn costio llawer. Y gwahaniaeth hwn mewn gwerth ydy'r hyn sy'n gyrru deunydd allan o'r llif gwastraff i'w ailgylchu. Caiff y gwahaniaeth hwn mewn gwerth ei symbylu gan y ddeddfwriaeth bresennol, megis y dreth dirlenwi a nodiadau adfer pecynnau (PRN's).

Gwaharddiad Llosgi ar Ddeunyddiau mewn Gwastraff Cymysg Halogedig

Os mai'r bwriad ydy rhwystro deunyddiau unigol mewn llif gwastraff cymysg halogedig rhag mynd i gyfleusterau ynni o wastraff yng Nghymru, yna byddai gan WTI bryderon difrifol.

Addasrwydd y Seilwaith

I dynnu deunyddiau penodol o lif gwastraff cymysg rhaid cael seilwaith addas; sef cam ‘cyn-driniaeth’ i wahanu deunyddiau sy’n addas i’w hailgylchu ynghyd â gweddillion i’w gwaredu drwy safleoedd tirlenwi neu gyfleusterau ynni o wastraff. Nid yw’r seilwaith ynni o wastraff presennol nac arfaethedig yng Nghymru wedi’i ddylunio i drin gwastraff sy’n codi o brosesau cyn-driniaeth. Mae gan ddeunydd o’r fath gyfansoddiad gwahanol (e.e. llai o leithder, cynnwys caloriffig uwch) a chynnwys gwahanol fel arfer (e.e. mae lefelau metelau fferus ac anfferrus y cynnwys yn debygol o fod yn is). Byddai’r holl bethau hyn yn effeithio ar weithrediad economaidd cyfleuster ynni o wastraff a fwriadwyd ar gyfer llif gwastraff cymysg heb ei drin. Mae’n amhosibl mesur yr effeithiau heb wybodaeth am y broses cyn-driniaeth benodol a fyddai’n ofynnol.

Ansawdd Deunydd Ailgylchadwy

Mae’r deunyddiau ailgylchu a gynhyrchir gan system cyn-driniaeth ganolraddol o ansawdd llawer is na’r rheini sy’n ‘cael eu gwahanu yn y tarddiad’ (e.e. gwastraff tŷ a gesglir oddi ar garreg y drws mewn gwahanol finiau). Y dull presennol yng Nghymru ydy cynhyrchu deunyddiau ailgylchadwy o ansawdd uchel drwy wahanu yn y tarddiad a gallai’r dull hwnnw sydd eisoes yn llwyddiannus gael ei danseilio drwy gyflwyno opsiwn i ddefnyddio casgliadau cymysg sy’n cael eu dethol yn ddiweddarach.

Effaith Ymddangosiadol yn erbyn Effaith Wirioneddol

Ceid yma elfen o ddwyn o’r naill law i dalu’r llall, gan fod cyfleusterau ynni o wastraff yn gallu ailgylchu metelau fferus ac anfferrus yn effeithlon iawn ar ôl llosgi. Hefyd, caiff y lludw gwaelodol a gynhyrchir ar ôl y broses losgi ei raddio i’w ddefnyddio yn y diwydiant adeiladu (yn lle deunydd wedi’i chwarelu). At hynny, cafwyd llawer o ddatblygiadau arloesol yn ddiweddar mewn prosesu lludw gan esgor ar ddulliau bythol newydd a mwy soffistigedig o wahanu metelau uchel eu gwerth, unigol. Er enghraifft, pan fydd Cyfleuster Adfer Ynni Parc Adfer yn dechrau gweithredu, bydd y safle yn cynyddu cyfraddau ailgylchu’r pum awdurdod ym Mhrosiect Trin Gwastraff Gweddilliol Gogledd Cymru (NWRWTP) hyd at 7%.

Yn fyr, nid yw ynni o wastraff ddim ond yn llosgi gwastraff; mae’n ychwanegu gwerth ac yn gwella ailgylchu.

Gorfodi

Mae’n anodd archwilio deunyddiau cyn tipio gan fod cerbydau wedi’u selio a’u gorchuddio a chaiff deunyddiau eu tipio’n syth i’r bynker (bydd y gwastraff hwn yn cynnwys papur halogedig, cardfwrdd, plastigau ayb.). Ni fyddai’n ddiogel nac yn ymarferol tipio pob llwyth allan cyn ei roi yn y bynker.

Priodoldeb mewn Amgylchedd Lefelau Ailgylchu Uchel

Mae lefelau ailgylchu yng Nghymru yn uchel iawn a llwyddwyd i wneud hyn drwy annog system gwahanu yn y tarddiad gadarn, gyda’r lefelau ailgylchu ar garreg y drws ymysg yr uchaf yn Ewrop. Gallai symudiad yn awr, at ddull o ‘dethol ar ôl y weithred’ drwy wahanu mecanyddol fod yn wrthgynhyrchiol a chystadlu â gwahanu yn y tarddiad, gyda’r posibilrwydd o symud gwastraff o fod yn ddeunydd ailgylchadwy uchel ei werth sydd wedi’i wahanu yn y tarddiad yn ddeunydd is ei werth. Mae’r ‘glasbrint ar gyfer casglu gwastraff’ yng Nghymru yn gweithio a dylid dathlu’r ffaith honno fod

gwahanu yn y tarddiad yn digwydd ar raddfa fawr, gan ddarparu deunyddiau gwerth uwch i'w hailgylchu.

Mae rhai esiamplau i'w cael lle mae gwaharddiadau llosgi ar gydrannau o lif gwastraff cymysg wedi cael eu defnyddio, ond mae'n tueddu i fod yn fwy perthnasol mewn ardaloedd lle nad yw'r lefelau casglu ailgylchu wedi'i ddethol ar garreg y drws yn uchel- er enghraifft yn yr Alban lle'r oedd gwasanaethau ar gael ond ddim yn cael eu defnyddio fel ag y maent yng Nghymru. Mae Llywodraeth yr Alban wedi cyflwyno mesurau i sicrhau bod metelau a phlastigau trwchus yn cael eu tynnu cyn llosgi, a bu hyn yn llyffethair ac yn ddrud iawn i'r diwydiant.

Mae Cymru eisoes wedi bod yn llwyddiannus yn tynnu'r deunydd hwn o'r llif gwastraff ac mae'n edrych yn debygol y bydd Cymru yn parhau i ragori ar berfformiad ailgylchu'r Alban (a'r rhan fwyaf o wledydd Ewrop) heb fynd ar drywydd yr opsiwn llai dymunol hwn. Byddai ychwanegu cyn-driniaeth yng Nghymru yn debygol o fod yn llai effeithlon ac yn ddrutach oherwydd y byddai'n ceisio tynnu gwerth allan o ddeunydd sylfaenol mwy halogedig/problemus na'r Alban.

Dengys ffigurau a ryddhawyd gan Lywodraeth Cymru ym mis Awst bod Cymru yn ailgylchu ar gyfartaledd dros 56% o'r Gwastraff a Gesglir gan Awdurdodau Lleol. Mae ffigur cyfartalog y pum awdurdod y bydd ein cyfleuster yn eu gwasanaethu yn dros 57%, gyda Sir Ddinbych ar frig tabl cynghrair y Sir ar 66% - ac felly mewn sefyllfa dda iawn i gyrraedd y targed o 70% erbyn 2025. Lle mae Cymru angen cymorth a seilwaith ychwanegol, ydy i ddargyfeirio gwastraff **gweddilliol** o safleoedd tirlenwi, er mwyn helpu i gyrraedd y dyheadau yn Tuag at Ddyfodol Diwastraff o ddargyfeirio 95% o safleoedd tirlenwi. Dyma'n union fydd ein cyfleuster arfaethedig yn ei wneud, oherwydd y bydd Parc Adfer yn lleihau'r lefel bresennol o 43% o wastraff sy'n cael ei dirlenwi i ddim bron ar gyfer NRRWTP. Byddwn yn darparu'r gallu i fodloni'r cyfraddau dargyfeirio o safleoedd tirlenwi, gan gynyddu'r cyfraddau ailgylchu ar yr un pryd, drwy ail-ddenyddio lludw gwaelodol ac ailgylchu metelau.

Canlyniad Anfwriadol – Allforio adnodd i Ewrop

Rydym yn cytuno â chanfyddiadau'r asesiad o opsiynau a wnaed i hysbysu'r Bil y bydd canlyniadau anfwriadol i'w cael oherwydd y Bil ar ei ffurf bresennol. Er enghraifft, bydd yn ei gwneud yn fwy tebygol y bydd gwastraff o Gymru yn cael ei allforio i Loegr neu Ewrop - mae'r olaf eisoes yn digwydd yng Ngheredigion a Sir Benfro lle mae gwastraff gweddilliol yn awr yn cael ei allforio i Sweden.

Byddai cyn-driniaeth ddrud yn ychwanegu cost at waredu a bydd yn gwneud opsiynau gwaredu pellach, y tu allan i Gymru, yn fwy atyniadol. Byddai hyn yn gyrru deunydd allan o Gymru a'i dolen gaeedig, gan danseilio'r amcanion polisi presennol o greu economi gylchol a symud gwastraff i fyny'r hierarchaeth. Mae agoswydd cyfleuster presennol Trident Park, a chyfleuster arfaethedig Parc Adfer, i'r ffin â Lloegr yn golygu bod cwmnïau masnachol yn debygol o allforio gwastraff i Loegr, er anfantais i'r cyfleusterau Cymreig, i swyddi a chadwyni cyflenwi lleol.

Canlyniad Anfwriadol – Llesteirio Mewnfuddsoddi

Byddai'n bosibl i'r Bil ymyrryd ag un o'r buddsoddiadau mwyaf drwy bartneriaeth rhwng y sector cyhoeddus a'r sector preifat yng Ngogledd Cymru ar adeg dyngedfennol i'r prosiect. Mae ar WTI angen eglurder yn gyflym i sicrhau nad yw hyn yn dod yn rhwystr rhag sicrhau'r manteision lawer y gellir eu cael yn sgil prosiect Parc Adfer.

Casgliad

Y tu allan i'n prosiect ein hunain, gallai'r ansicrwydd a grëir gan y ddeddfwriaeth arfaethedig, fel y'i drafftiwyd ar hyn o bryd, hefyd rwystro buddsoddiadau eraill mewn seilwaith gwastraff ac ailgylchu, oherwydd y bydd datblygwyr posibl yn ansicr ac yn hynod ragofalus ynglŷn â chyfeiriad polisi Llywodraeth Cymru a'r mathau o seilwaith y mae'n dymuno ei ddenu i Gymru. Fe wnaeth y gynhadledd *Buddsoddi yng Nghymru* a gynhaliwyd yng Nghasnewydd fis Tachwedd diwethaf ddangos yn glir bod Cymru yn wlad sy'n agored i'r farchnad fyd-eang fel lleoliad ar gyfer gweithredu a masnachu. I ategu'r neges hon, mae WTI yn credu ei bod yn bwysig i'r Bil arfaethedig fod 'wedi'i gyplysu' â'r polisi cyfredol a chynlluniau sydd eisoes yn mynd rhagddynt. Bydd hyn yn darparu sylfaen solet ar gyfer buddsoddi pellach gan y sector preifat mewn seilwaith gwastraff y mae gwir ei angen yng Nghymru.

Yr Adran Cyfoeth Naturiol
Department for Natural Resources



Llywodraeth Cymru
Welsh Government

Paul Green
Director, Business Development
Wheelabrator Technologies
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29 July 2015

The Environment Bill and its Impact on Parc Adfer

It was very useful to be able to meet you in London recently to discuss the North Wales Residual Waste Treatment Project, the proposed Parc Adfer energy from waste facility and the relevant aspects of the Environment Bill.

I would like to take this opportunity to re-iterate the Welsh Government's continuing support for the project, as meeting the needs of the five participating North Wales authorities in a way which is consistent with the Welsh Government's policies and priorities. The Welsh Government is also conscious of the contribution that the Parc Adfer facility will make to recycling in Wales, for example through the recycling of bottom ash and metals.

The Environment Bill creates, at a high level, the legislation needed to plan and manage Wales' natural resources in a more sustainable and joined-up way. It gives Ministers the powers to promote the objectives set out in the consultation document to which you refer and the detail of how this is undertaken will be set out in the regulations, which themselves will be subject to future public consultation and scrutiny by the National Assembly for Wales.

It is not the intention of the Welsh Government to ban the incineration of mixed residual waste from municipal, commercial and industrial sectors. The intention is to promote effective capture of recyclable materials at source to achieve, over time, our target of achieving a minimum of 70% recycling, such that waste when it reaches an energy from waste facility is suitable for incineration. We anticipate that at that point, any recyclable materials within it will be too contaminated to facilitate further recycling. In addition to the regulations, the Welsh Government will also provide guidance as to how the regulations and enforcement regime should operate. These will be dictated by the practical considerations of managing the mixed residual waste arriving at an energy from waste facility, and as such would apply regardless of the origin of the material (e.g. whether arising from Wales or England). In the event that a local authority in Wales is found to be failing in its statutory duty to achieve the 70% recycling requirement and, by implication, sending potentially recyclable material to an energy from waste facility, then action will be focused on that

authority and not on the energy from waste operator as the receiver of that waste. For mixed residual municipal waste arising in an English authority and delivered to an energy from waste facility in Wales, the guidance will be mindful of the different target regime applicable in England.

The emphasis will be on achieving up front source separation of materials by placing a duty on waste producers to present materials separately for collection. This will be a focus of our future communication work with businesses and waste collectors. In the case of energy from waste facilities, permit conditions and waste acceptance protocols may be an effective way of ensuring that operators, where practical, divert any specified recyclable material that arrives at the facility for recycling, for example in the case of the delivery of a single load of plastics or paper to the facility. It is also possible that a stricter ban on specified materials to landfill could, if applied as a measure to achieve the target 5% cap on landfill over time, actually increase materials diverted to energy from waste, whilst moving treatment up the waste hierarchy as desired. Thus it is possible that we might modify permit definitions of mixed residual waste to exclude or limit specific materials going to landfill but not for materials diverted to energy from waste. Proposals for regulations will be brought forward only once the legislation has been enacted and will, in their own turn, be subject to full public consultation.

I trust that you find that the above addresses your concerns. I would be pleased to meet again with yourselves, and potentially with your parent organisation and funders, to discuss matters in further detail as necessary.

The copies of the relevant reports to which you refer, can be found by following the links set out below.

Yours sincerely



Jasper Roberts
Deputy Director, Waste and Resource Efficiency

<https://statswales.wales.gov.uk/Catalogue/Business-Economy-and-Labour-Market/Businesses/Business-Demo>

<http://gov.wales/docs/desh/publications/150511-additional-policy-options-analysis.pdf>

http://gov.wales/topics/environmentcountryside/epq/waste_recycling/publication/environment-bill-white-paper-background/?lang=en



Alun Davidson
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

7 September 2015

Reference: International aviation and shipping emissions in the Environment (Wales) Bill

Dear Mr Davidson,

I am writing to you to address concerns that have been raised about including emissions from international aviation and shipping (IAS) in the Environment Bill's climate targets.

In the 2nd July oral evidence session, it was suggested that inclusion of IAS could "lead to logistics coming in through non-affected areas like... English ports and airports" [1]. In this letter, I seek to explain that the risk that including IAS will result in carbon leakage to other UK ports and airports is minimal.

In our response to the Consultation [2], WWF-UK and AEF made the following points:

- Scotland has devised its own simple formula for aviation based on departing flights, easily replicable in Wales, and drawn on conventional accounting practices for shipping.
- The UK still does not formally account for IAS [but] because it is clear that IAS must be included in the long term 80% emissions reduction that the Act delivers, the UK's carbon budgets for other sectors have been tightened such as to allow 'headroom' for including IAS as soon as the methodological issues are resolved.
- [Inclusion of IAS will not impose] any restrictions on Welsh aviation that are not in practice imposed on English and Scottish aviation sectors.

Further to this, I would also like to add the following points:

- Inclusion of IAS in climate targets would not necessarily bind the Welsh Government to taking near-term action to reduce IAS emissions. It would be for the Welsh Government to decide how to set and meet its climate targets in the most cost-effective way. It would take into account the costs, benefits and optimal timings of IAS emissions reductions, and the extent to which action should be driven by national versus international policies.
- The Committee on Climate Change is clear that action to reduce IAS emission should be primarily driven by international policies [3] in order to minimise the risks of market distortion and carbon leakage*. The main purpose of including IAS in climate targets is not to drive near-term domestic action to reduce IAS emissions, but rather to ensure that

* IMO and ICAO are developing policies to reduce IAS emissions, but as their progress has been slow and their ambition is low, this should not preclude greater ambition in regional and national policies.

governments and international institutions can be held to account for IAS emissions, and to give clarity on the impacts of domestic decisions that can affect IAS emissions (e.g. decisions on building new ports or airports).

- Should Wales decide to take domestic action to reduce IAS emissions, the near-term effects (relative to the rest of the UK) are likely to be negligible. In shipping, in-sector emissions reductions can often actually reduce costs [4]. In aviation, 2010 and projected 2050 emissions from Welsh aviation account for less than 1% of total UK aviation emissions [5]. Additionally, other sectors (such as energy efficiency and electricity generation) are likely to offer more cost-effective emissions reduction opportunities, sufficient to meet near-term climate targets, than in-sector emissions reductions in aviation. This means that domestic action to reduce aviation emissions is unlikely in the near-term in the Welsh context. Over time and with supportive policies, the costs of in-sector emissions reductions in aviation are likely to reduce as fossil fuel prices increase, technologies mature, and emissions reductions in other sectors are exhausted.
- Finally, the UK Government is committed to formalising the inclusion of IAS in carbon budgets. The only reason it has not yet done so for aviation is because it is awaiting clarity on the international accounting framework for aviation emissions (which could be clarified as early as 2016 if ICAO makes good progress in developing a market-based measure to reduce CO₂ emissions from international flights). The only reason it has not yet done so for shipping is a preference “to maintain a consistent approach to both international sectors” [6]. This means that there is likely to be a common formal accounting framework across the UK for IAS emissions long before any eventual domestic action in Wales to reduce IAS emissions causes costs to the aviation and shipping sectors, further reducing any residual risk of carbon leakage.

In summary, international action to reduce IAS emissions will not result in carbon leakage; accounting for IAS emissions does not necessarily entail near-term domestic action to reduce IAS emissions; any eventual domestic policies to reduce international shipping emissions are likely to be low-cost or cost-negative to industry; and any eventual domestic policies to reduce international aviation emissions are not likely to be brought in as long as sufficient lower-cost emissions reduction opportunities are available in other sectors (such as energy efficiency and electricity generation) to meet near-term climate targets, by which time it is highly likely that the UK Government will have already formalised the inclusion of IAS in its carbon budgets, further reducing any residual risk of carbon leakage to virtually zero.

I hope this clarification reassures all stakeholders that including IAS in the Environment Bill’s climate targets is highly unlikely to lead to carbon leakage to other UK ports and airports. I reiterate that the Welsh Government has an opportunity to show leadership in the UK and internationally by formally including IAS in its climate targets from the outset. This can be achieved by using similar formulae to those adopted by the Scottish government, with a view to reviewing these formulae as soon as there is clarity on the international accounting framework for aviation emissions.

Yours sincerely,

James Beard, Climate & Energy Policy Officer, WWF-UK

References

1. The Environment and Sustainability Committee: Transcript (Thursday 2 July 2015).
<http://www.senedd.assembly.wales/documents/s42560/2%20July%202015.pdf>
2. WWF-UK/AEF: Joint response from WWF-UK and the Aviation Environment Federation to the Consultation on the Environment (Wales) Bill (2015).
<http://www.senedd.assembly.wales/documents/s41139/EB%2001%20World%20Wildlife%20Fund%20Aviation%20Environment%20Federation.pdf>
3. CCC: Statutory advice on inclusion of international aviation and shipping (2012).
https://www.theccc.org.uk/archive/aws/IA&S/CCC_IAS_Core_ScopeOfBudgets_April2012.pdf
4. European Commission: Time for international action on CO2 emissions from shipping (2013).
http://ec.europa.eu/clima/policies/transport/shipping/docs/marine_transport_en.pdf
5. DfT: UK Aviation Forecasts (2013).
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/223839/aviation-forecasts.pdf
6. DECC: International aviation and shipping emissions and the UK's carbon budgets and 2050 target (2012).
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/65686/7334-int-aviation-shipping-emissions-carb-budg.pdf

Agenda Item 5

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Environment and Sustainability Committee

Environment (Wales) Bill

Summary of the Environment (Wales) Bill Survey

Background

This document provides a summary of responses received to the Environment (Wales) Bill survey conducted by the Outreach team.

Methodology

As part of the Environment and Sustainability Committee's consultation on the Environment (Wales) Bill the Outreach Team conducted a survey in both online and paper-based formats. Participants were asked a range of questions relating to environmental issues, from climate change, nature conservation, recycling and the five pence plastic bag charge.

Awareness Raising

In order to promote awareness of the survey and attract participants the Outreach Team contacted a broad-range of schools, colleges and organisations. Those contacted were able to raise awareness using a range of methods including – placing articles on websites; signposting on social media including Facebook and twitter; and emailing participants directly.

The surveys were also promoted by Assembly staff with relevant groups visiting the Senedd and receiving education visits, and during the Assembly's presence at summer events.



Key Statistics

1,663 Total number of survey responses received

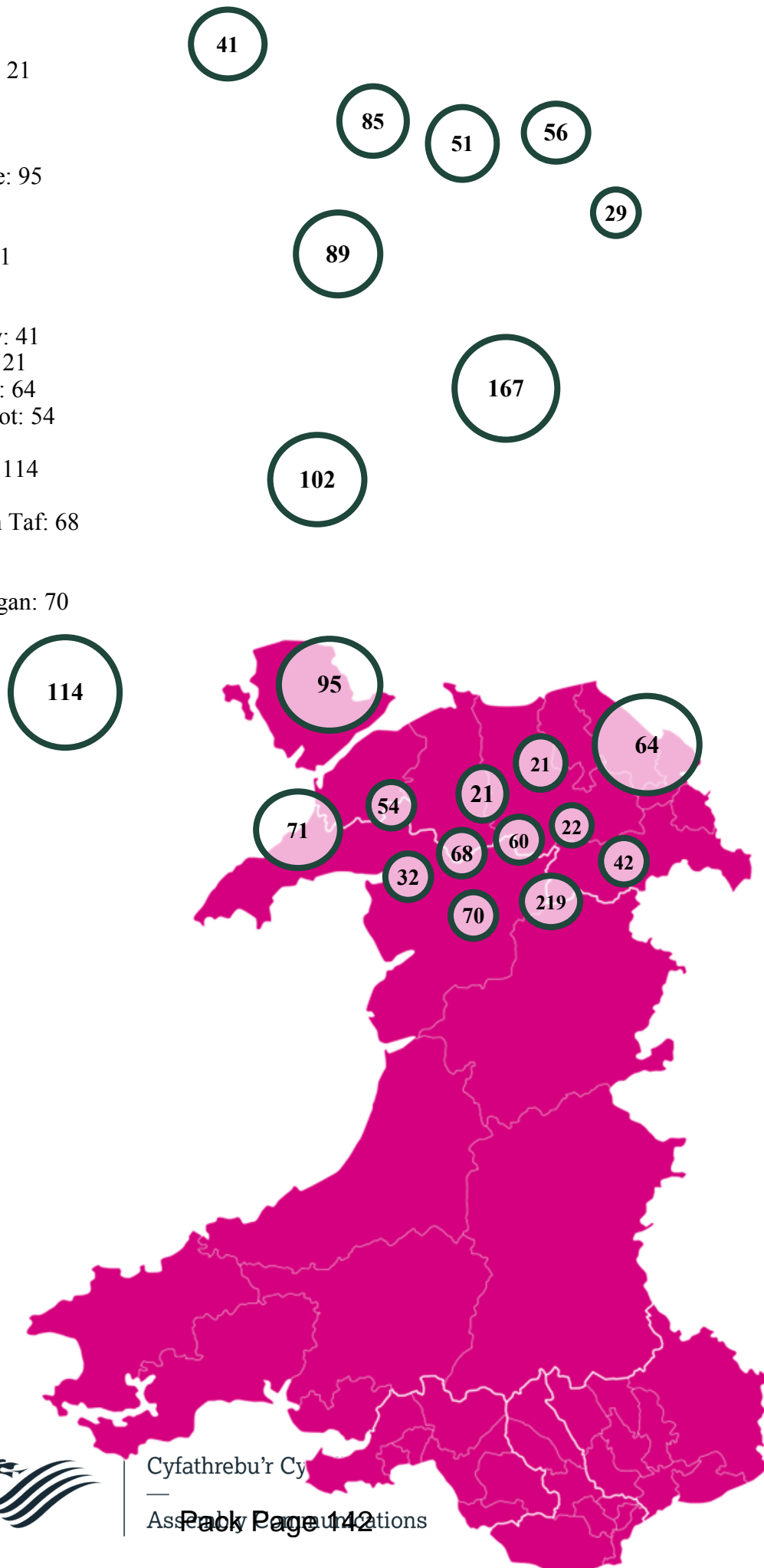
Geographical Summary of Responses

Number of survey responses broken down by local authority area

Total number of responses: 1,583



Blaenau Gwent: 21
 Bridgend: 32
 Caerphilly: 60
 Cardiff: 219
 Carmarthenshire: 95
 Ceredigion: 102
 Conwy: 85
 Denbighshire: 51
 Flintshire: 56
 Gwynedd: 89
 Isle of Anglesey: 41
 Merthyr Tydfil: 21
 Monmouthshire: 64
 Neath Port Talbot: 54
 Newport: 42
 Pembrokeshire: 114
 Powys: 167
 Rhondda Cynon Taf: 68
 Swansea: 71
 Torfaen: 22
 Vale of Glamorgan: 70
 Wrexham: 29



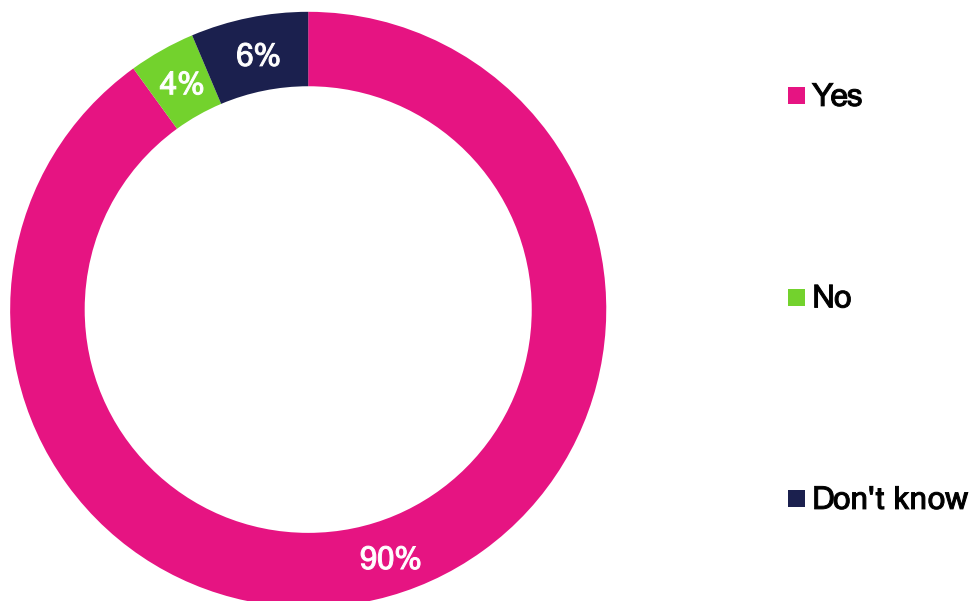
Summary of Responses

Question one – The Environment (Wales) Bill will place a stronger duty on public bodies like hospitals and local councils to maintain and enhance biodiversity or nature as far as is possible when they are delivering services.

Some people have suggested that they would like the Bill to include stronger targets to require the Welsh Government to halt biodiversity loss and restore nature. Do you think the Bill should include such targets?

Total number of responses: 1,633

- Yes: **90.02% (1,470)**
- No: **3.61% (59)**
- Don't know: **6.37% (104)**

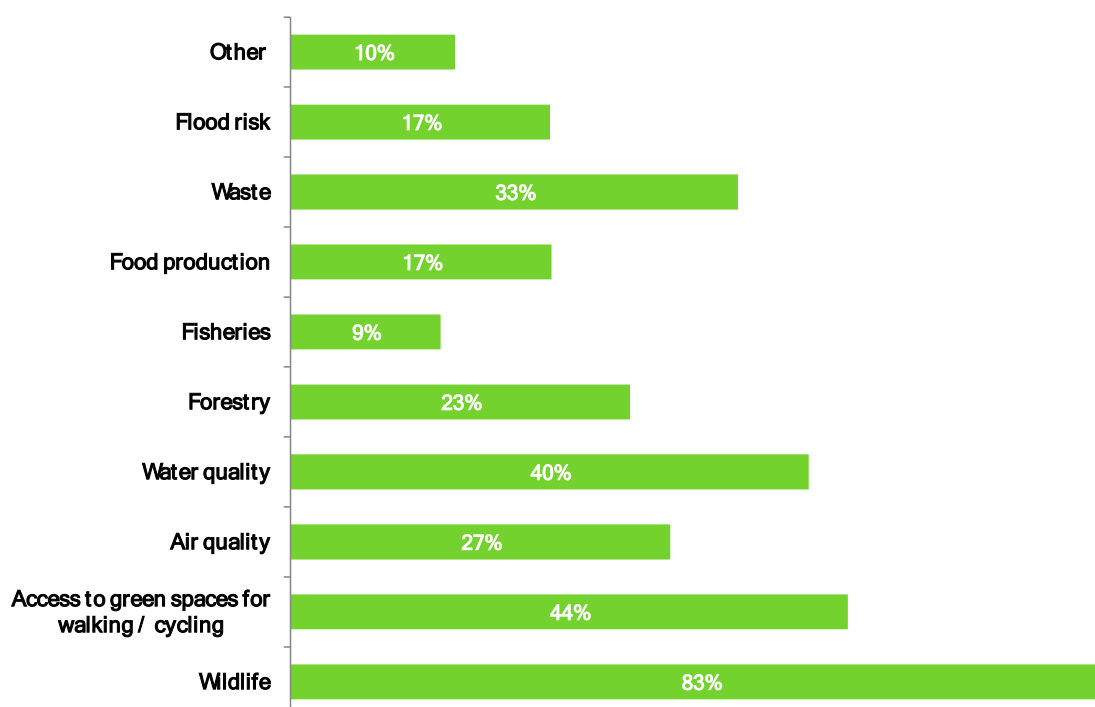


Question two – The Environment (Wales) Bill includes proposals to create area environment plans. These plans will set out for an area the priorities, opportunities and challenges for the environment. For example improving areas for wildlife or using natural resources to generate energy or reduce flood risk.

Thinking of your local area, what would be your environment priorities? Please choose your top three environmental priorities from the list below.

Total number of responses: 1,651

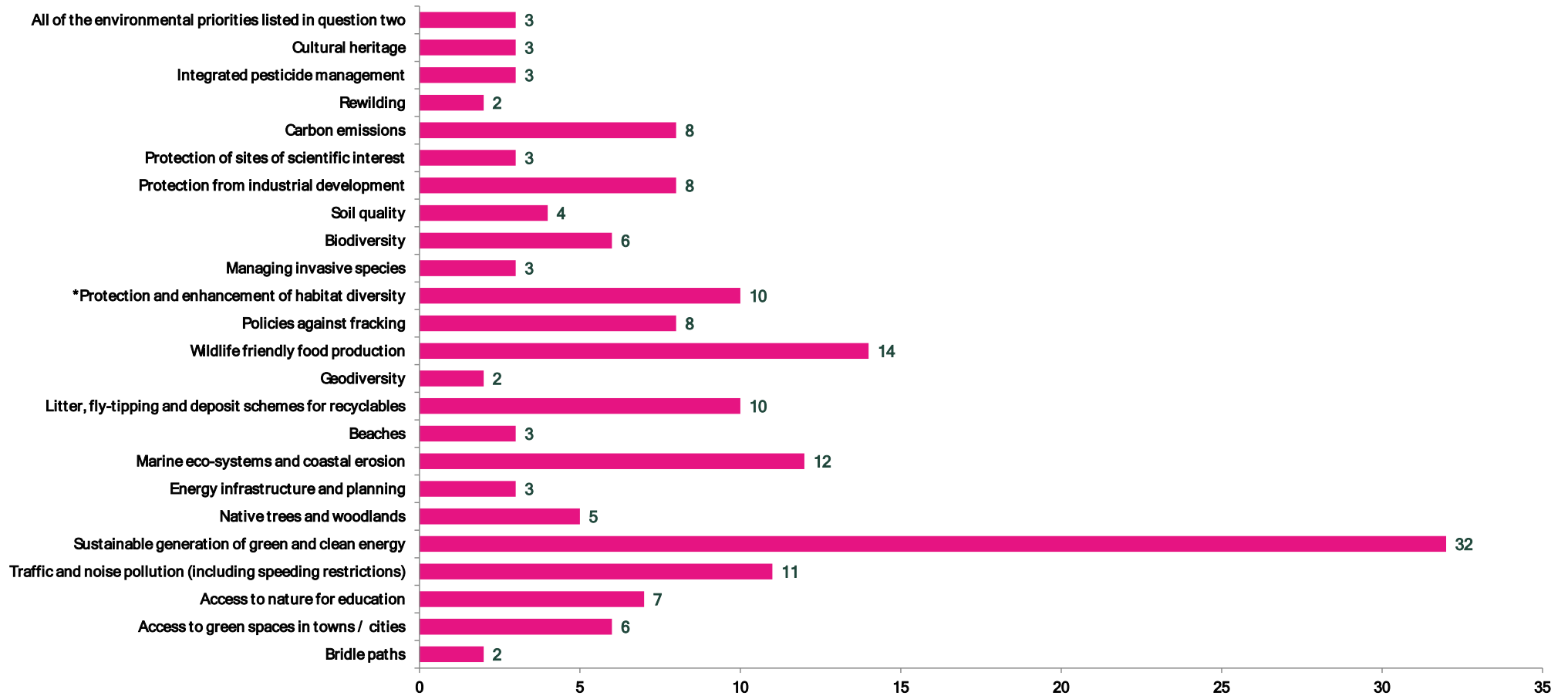
- Wildlife: **82.80% (1,367)**
- Access to green spaces for walking / cycling: **44.46% (734)**
- Air quality: **26.53% (438)**
- Water quality: **40.10% (662)**
- Forestry: **23.08% (381)**
- Fisheries: **9.02% (149)**
- Food production: **16.84% (278)**
- Waste: **32.83% (542)**
- Flood risk: **16.72% (276)**
- Other: **9.99% (165)**



Comments – Other

Total number of responses: 184

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*Protection and enhancement of habitat diversity includes the consideration of trimming hedgerows and verges.



Cyfathrebu'r Cynulliad

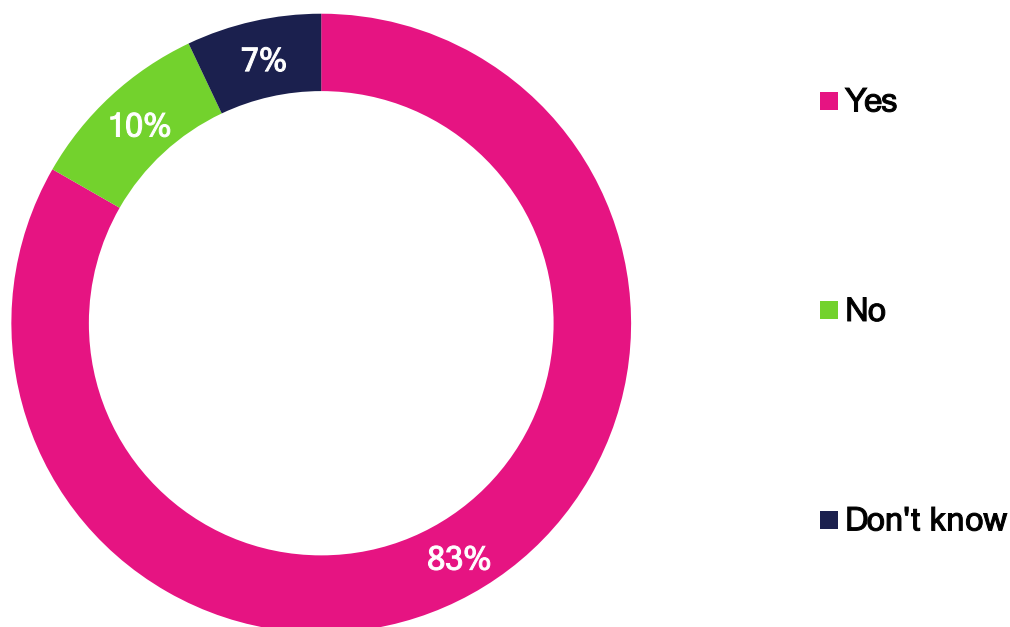
Assembly Communications

Question three - The Environment (Wales) Bill sets a target for the Welsh Government to reduce greenhouse gas emissions by 80% by 2050.

Do you think an interim target should be included in the Bill?

Total number of responses: 1,633

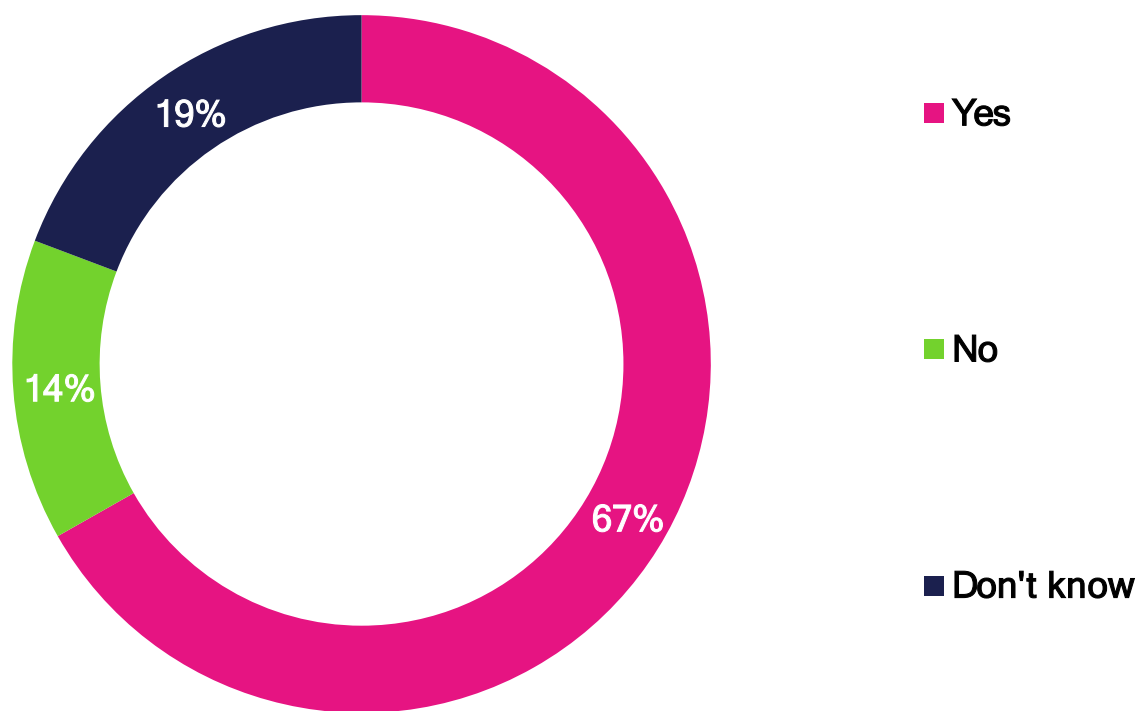
- Yes: **83.28% (1,360)**
- No: **9.68% (158)**
- Don't know: **7.04% (115)**



Question four – If the Welsh Government fail to meet these targets, should sanctions be imposed?

Total number of responses: 1,626

- Yes: **66.79% (1,086)**
- No: **13.96% (227)**
- Don't know: **19.25% (313)**

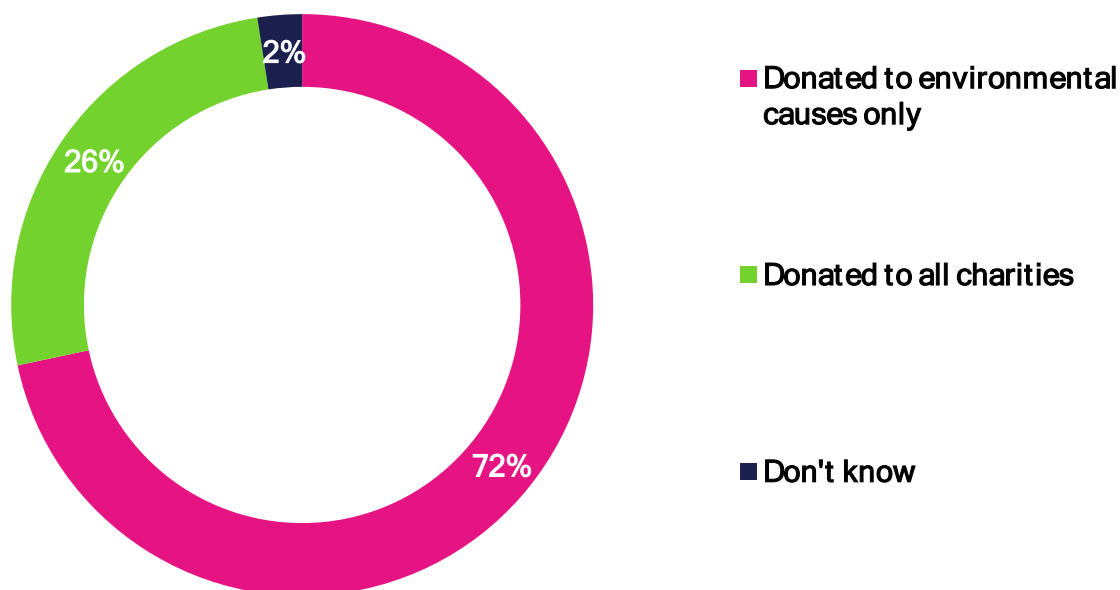


Question five – Since 1 October 2011 there has been a minimum charge of five pence on all single use carrier bags. The carrier bag charge was introduced to reduce the number of carrier bags used in Wales. At present the Welsh Government could if it wanted to make shops and other businesses give any money raised from the charge to environmental causes only. The Welsh Government wants to change this so that shops and other businesses could pass the money raised on to any charitable cause.

Should money raised from the carrier bag charge be donated to environmental causes or to all charities?

Total number of responses: 1,620

- Donated to environmental causes only: **71.67% (1,161)**
- Donated to all charities: **25.86% (419)**
- Don't know: **2.47% (40)**

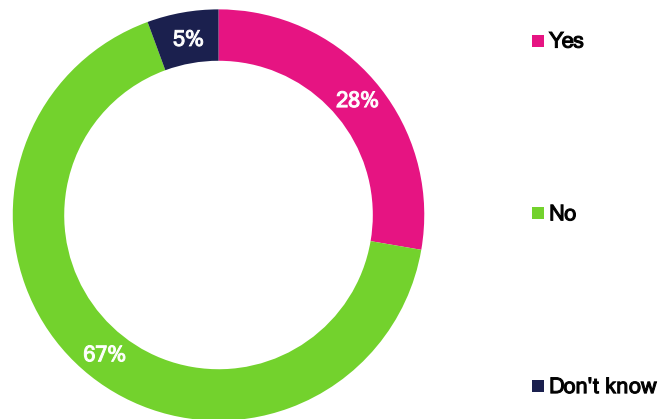


Question six – Do you think the Welsh Government should put a charge on a wider range of carrier bags? (For example, bags for life, hessian bags, cotton bags)



Total number of responses: 1,624

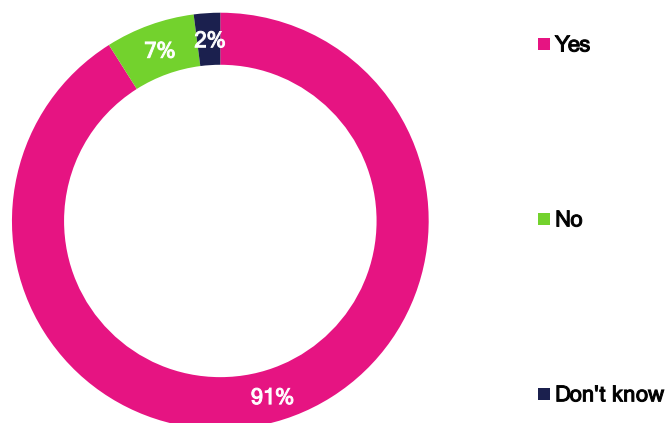
- Yes: **27.71% (450)**
- No: **66.69% (1,083)**
- Don't know: **5.60% (91)**



Question seven - The Welsh Government wants further powers to control the separation of recycling and waste. Do you think that all businesses and households in Wales should be required to separate their recycling and waste?

Total number of responses: 1,615

- Yes: **91.02% (1,470)**
- No: **6.93% (112)**
- Don't know: **2.04% (33)**

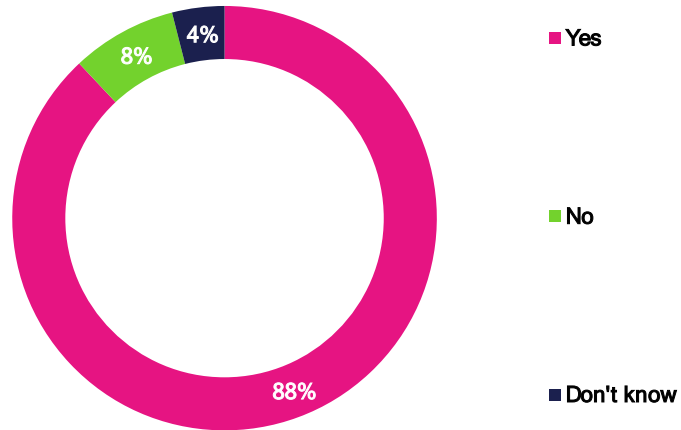


Question eight – Should the same rule apply to big businesses and small businesses?

Total number of responses: 1,608



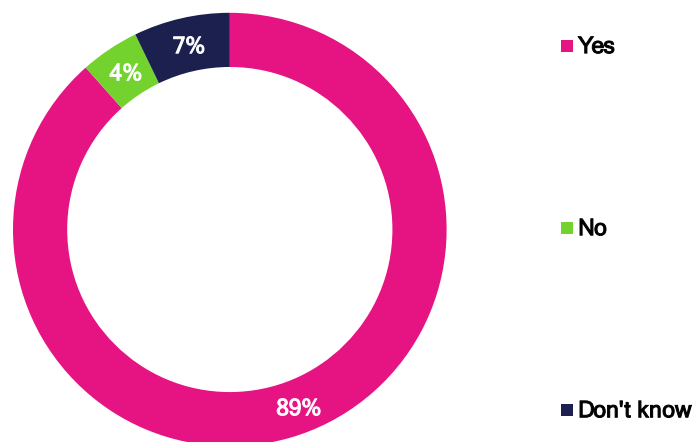
- Yes: **88.00% (1,415)**
- No: **8.02% (129)**
- Don't know: **3.98% (64)**



Question 9 – Should the Welsh Government have more powers in order to stop recyclable materials from being sent to incineration?

Total number of responses: 1,616

- Yes: **88.43% (1,429)**
- No: **4.39% (71)**
- Don't know: **7.18% (116)**

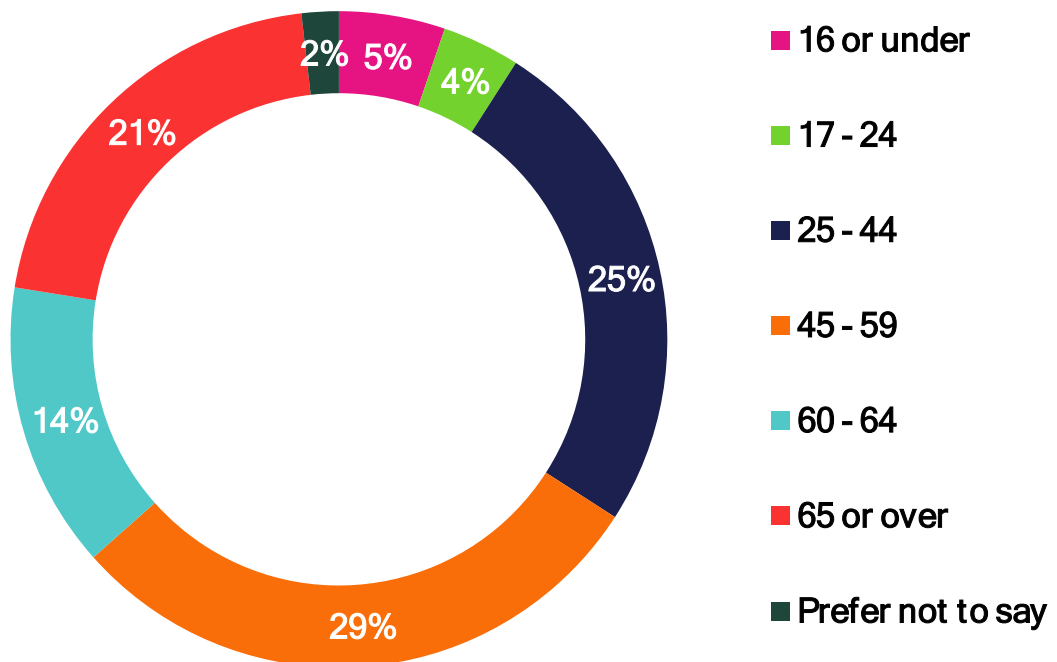


Question 10 – What is your age?

Total number of responses: 1,589



- 16 or under: **5.22% (83)**
- 17-24: **3.84% (61)**
- 25-44: **25.05% (398)**
- 45-59: **29.33% (466)**
- 60-64: **14.10% (224)**
- 65 or over: **20.64% (328)**
- Prefer not to say: **1.83% (29)**



Question 11 – In which local authority area do you live?

Total number of responses: 1,583

