

Cyflwynwyd yr ymateb i ymgynghoriad y [Pwyllgor Cyllid](#) ar [Cyllideb Ddrafft Llywodraeth Cymru 2025-26](#).

This response was submitted to the [Finance Committee](#) consultation on the [Welsh Government Draft Budget 2025-26](#).

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## RSPB Cymru Submission to Inform Scrutiny of the Welsh Government Draft Budget 2025/2026

*RSPB Cymru is part of the RSPB, the UK's largest nature conservation charity, inspiring everyone to give nature a home. Together with our partners, we work to protect threatened birds and wildlife so our towns, coast, seas and countryside will teem with life once again. We play a leading role in BirdLife International, a worldwide partnership of nature conservation organisations.*

### Introduction and Summary

We welcome the opportunity to provide evidence to inform Committee scrutiny of the Welsh Government's 2025/26 draft budget.

Current budget allocations are not sufficient to meet the scale and pace of delivery required to address the nature and climate crisis. Following the UK Government's autumn budget, with an increased settlement for Wales, we urge the Welsh Government to increase investment in these critical areas.

Investing in nature, as emphasized by the [Dasgupta Review](#), is not just an environmental imperative but an economic one. To support the transition to a budget that is capable of securing biodiversity restoration to deliver a Nature Positive Wales, we ask the Committee to consider the following:

- A costed plan to deliver nature's recovery is needed to provide clarity on the investment required to deliver on the Welsh Government's commitments to nature recovery under the Global Biodiversity Framework, the Biodiversity Deep Dive and promised statutory biodiversity targets. The Plan should be owned by the whole of the Welsh Government to ensure biodiversity delivery is integrated across departments' activities and enable the wider benefits of investment in nature to be explored. WEL's Pathways to Nature Recovery report, updated in 2024, sets out costs for key actions and identifies an estimated shortfall in public investment of £438m per annum.
- This figure reflects the need for a significant increase in funding for sustainable land management. Almost 90% of Wales' land is farmed. Policy driven changes in farming practice have been the greatest driver of biodiversity decline in Wales, and changes to agricultural policy and funding through the Sustainable Farming Scheme represent the greatest opportunity to reverse the downward trend and restore nature (providing wider societal benefits), while supporting sustainable food production. [Analysis](#) commissioned by the RSPB, The Wildlife Trusts and the National Trust found that to deliver on biodiversity and climate targets through environmental land management would require almost £600m per annum in Wales – a substantial increase on the current funding level.
- While the grant funding available under the Nature Networks Fund was increased for 2024-25 following in-year cuts in 2023-24, the fund is still substantially over-subscribed. There remains a critical gap in the funding available to the third sector to develop large scale, collaborative projects to contribute to delivering the '30 by 30' target and we suggest the allocation of budget in this area needs to be doubled. Further work is needed to ensure that NNF grants (including large grants) are allocated in a timely way to secure value for money

by maximising the time available for delivery.

- The funding gap for nature demands a substantial increase in public investment, but is too great to be addressed through public investment alone. The Welsh Government has a critical role to play in enabling responsible, private investment into nature's recovery in Wales. We welcome the current consultation on Principles for Sustainable Investment.

### The Case for Investment in Nature

The [State of Nature Wales 2023](#)<sup>1</sup> reported that the abundance of land and freshwater species has on average fallen by 20% across Wales since 1994, and one in six species is at risk of being lost from Wales. Historic and continued pressures on wildlife mean that Wales is now one of the most nature depleted countries on earth. This matters for people as well as wildlife – we depend on the benefits, or services, provided by natural systems such as clean air and water, fertile soils, pollination, carbon sequestration, greater resilience to the more frequent floods and droughts resulting from climate change, and individual health and well-being (a recent UK [poll](#) found that 79% of people think nature is important for our well-being and economic prosperity).

There is ample evidence of the benefits of, and return on, investment in nature. For example, a 2011 report for Defra estimated the annual value of SSSIs in Wales at £128m. Compared to the annual public spend on SSSIs of £10m in Wales at the time, this equated to every £1 in public spending returning a benefit of almost £13. The economic benefits of investing in nature-based solutions to mitigate and adapt to the impacts of climate change can be substantial. Conservative [estimates](#) suggest that for peatland restoration, £4.62 of economic and social benefits can be expected from each £1 invested; for woodland creation, the return would be £2.79; while for saltmarsh it is up to £1.31<sup>2</sup>.

Furthermore, research commissioned by RSPB Cymru has estimated that investment in nature (including restoration and creation of priority habitats, a nature-based tourism development plan, and urban green spaces), could support almost 7,000 FTE nature-based green jobs in Wales.

Investing in nature, as emphasized by the [Dasgupta Review](#), is not just an environmental imperative but an economic one.

### [Funding Nature's Recovery in Wales](#)

The Welsh Government has promised to introduce legally binding nature recovery targets for Wales through the Environmental Principles, Governance and Biodiversity Bill, expected to be laid in Spring 2025. We expect these targets to reflect the Welsh Government's commitment to the Global Biodiversity [Framework](#), which sets a mission to take urgent action to reverse the loss of biodiversity by 2030, putting nature on a path to recovery so that by 2050 nature is restored for the benefit of all people. Delivering key targets, including restoring species populations to healthy and resilient levels and reducing the risk of human induced extinctions; protecting and effectively managing 30% of our land and seas for nature ('30 by 30'); and restoring degraded ecosystems will take a step change in delivery, backed by investment.

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<sup>1</sup> See the full suite of 2023 State of Nature Reports, including the Wales report, at [stateofnature.org.uk](http://stateofnature.org.uk).

<sup>2</sup> 2021 RSPB Economic benefits of nature-based solutions. Cambridge Econometrics.

<https://www.camecon.com/what/our-work/rspb-economic-benefits-of-nature-based-climate-solutions/>

Through the Biodiversity Deep Dive in 2022 the Welsh Government has committed to key [actions](#) needed to deliver '30 by 30', but progress on their delivery is slow. These, and others, need to be integrated into a costed plan for nature's recovery to provide a clear picture of the action pathways and investment needed.

Wales Environment Link's '[Pathways to 2030](#)' report, updated in 2024, sets out some of the key actions required to achieve nature's recovery - addressing public access to nature, effective protected areas, tackling pollution and restoring ecosystems such as peatland and native woodlands - and estimates the public investment needed to deliver on these. The report identifies the need for an additional £438 million per annum, based on the assumption that the Sustainable Farming Scheme is focused on land management that delivers nature and climate targets (see later section on this). For many of these actions, a critical component identified is the need for additional people, usually working at a strategic level in NRW and the Welsh Government. The [change](#) process that NRW is implementing as a result of financial pressures is therefore very worrying.

### Sustainable Farming Scheme (SFS)

A 2024 [report](#) prepared for the RSPB, National Trust and the Wildlife Trusts by Matt Rayment - **For farming, nature and climate - Investing in the UK's natural infrastructure to achieve Net Zero and nature's recovery on land** - concludes that the overall costs of meeting environmental priorities through farming and land management in the UK are estimated at £5.95 billion per annum over 10 years. The report also indicates that **Wales requires £595 million per annum** over ten years to meet environmental land management priorities, e.g. via the Sustainable Farming Scheme. This is an update of a report last prepared in 2023, and the estimated costs for Wales have risen from **£496 million per annum**, having been updated to reflect Net Zero targets and significant changes in the cost drivers affecting UK agriculture like the associated cost of living crisis.

Looking ahead to 2026, the Sustainable Farming Scheme offers the opportunity to lead truly transformational change across Wales in tackling the nature and climate crisis and ensure sustainable farming systems for future generations. We believe that focussing taxpayers' money on securing environmental outcomes and promoting sustainable food production and onward supply chains will provide a strong value for money argument for maintaining and increasing the rural budget for Wales at a time when public finance is coming under great scrutiny.

To ensure these *value for money* outcomes we remain concerned that, as yet, there is still no clear plan detailing the contribution the SFS, including the higher tiers, needs to make to hit Wales's Net Zero and 2030 biodiversity targets.

We strongly support the Biodiversity Deep Dive recommendations to invest in skilled land management advisors and pilot projects – these commitments are an essential element of the transition from current agricultural payments to sustainable land management, and will need to be met with corresponding commitments in the budget.

## Seabird Conservation

We welcome the commitment by the Welsh Government to develop a Welsh Seabird Conservation Strategy, which is nearing consultation. It is critical that the strategy, once published, is underpinned by dedicated, long-term funding to deliver the actions it identifies.

A key action to safeguard seabirds is biosecurity, whereby non-native invasive mammalian predators are prevented from colonising seabird breeding sites on islands. Coordinated biosecurity for important Welsh seabird islands has been developed and implemented since 2018, most recently via the **Biosecurity for Wales** project funded by Welsh Government. Grant funded projects have established effective prevention, surveillance and response techniques and protocols essential for protecting seabird populations on islands and for Wales to meet its statutory biodiversity commitments. We welcome Welsh Government's decision to provide funds to extend the existing project by 12 months. However, despite the obvious need for this effective protection of vulnerable seabird populations, funding for Biosecurity for Wales is set to end in March 2026 and there is no commitment to maintain the established Biosecurity Team and/or its activities and outputs beyond this date (a cost of £100,000 per annum).

Delivering conservation action for seabirds whilst they are at sea is challenging – making it critical to reduce the threats they face. Therefore, carefully planning how and where human activities at sea take place is vital. Planning systems in the marine environment have failed to keep pace with the evolution and scale of development – in particular, offshore wind. An independent review of marine planning by the Welsh Government is currently underway, and we would expect to see funding allocated to support any recommendations of this review adopted by the Welsh Government.

## Nature Networks Fund

The Nature Networks Fund is a central mechanism for supporting collaborative efforts in habitats and species conservation across Wales. It remains the only large grant programme through which Welsh Government is able to support collaborative, multi-year partnership projects to improve the condition of protected sites. As such it is a key funding mechanism for delivery of the '30 by 30' target in Wales.

We therefore welcome the reinstatement of the large grants (up to £1m) element of the Nature Networks Fund (NNF) and note it has been heavily oversubscribed again in Round 4. This shows a real need for support through this grant mechanism and a desire to deliver by the sector.

If the 30 by 30 target is to be achieved in Wales, the NNF budget in particular must be increased to meet demand and enable partners to play their part. One way to do this initially could be to utilise underspend from other departments to maximise potential delivery - we understand this has been done in other areas such as the Third Sector and Communities Team Volunteering Grant with WCVA, where a high number of additional quality applications were enabled through underspend, over and above the original budget, because of the standard and need. Moreover, the latest UK budget announcement increasing employer National Insurance contributions will also have an impact on project costs, meaning less can be delivered through rising costs and capped grant requests.

We therefore call on the Welsh Government to double the budget for the large NNF grant facility to enable the sector to collaborate to deliver biodiversity targets. The timing of the grant process could also be improved to maximise impact – the NNF should be launched in the Spring, with approval by the Autumn to enable critical seasonal in-year delivery.

Other grants, such as the new NLHF Landscape Connections, can fund multi-year high value projects but are highly competitive UK wide programmes and have to be delivered with National Parks and National Landscapes - thus excluding much needed quality projects on protected sites within the wider landscape. The loss of access to EU LIFE funding, which supports a number of multi-million pound, multi-year restoration projects in Wales that are now coming to an end, leaves a critical gap in the potential to fund such projects, and a funding cliff for species such as Curlew.

Looking forward, there is opportunity to better integrate and align UK Structural and Social Funds (Levelling Up and Shared Prosperity Fund) with the Well-being of Future Generations Act, Environment (Wales) Act and Welsh Government green policies maximising green infrastructure and jobs for nature and climate.

### Nature Service Wales

[Research](#) commissioned by RSPB Cymru estimated that an investment in nature, where this provides opportunities across green jobs (including restoration and creation of priority habitats, nature-based tourism development plan, as well as creation of woodland and urban green spaces), could support almost 7,000 direct FTE jobs in Wales.

Additional jobs would be created through supply chain and multiplier effects<sup>3</sup>. However, the Future Generations Commissioner's office have identified a skills gap of 250 places per year to support the retraining of young people and professionals into jobs that are fit for a future workforce.

With support and investment, and the integration of nature based skills into existing programmes, the [Nature Service Wales](#) has potential to make a real contribution to the Welsh Government's ambitions for green jobs and growth while supporting delivery of Wales' biodiversity goals.

### The scale of investment needed for nature's recovery – the role of private finance

Given the extent of the nature funding gap, it is unlikely that the investment needed to restore nature will be met solely through public finding. We therefore welcome the commitment under the Biodiversity Deep Dive to consider barriers and solutions to help channel private investment into nature recovery, and the current consultation on Sustainable Investment Principles.

It is essential for the Welsh Government to play an active role in developing a regulatory framework for private investment in nature, in order to manage initial risks and support private investors while pre-empting unintended market consequences. Through a regulatory framework and the setting of clear standards, government can ensure that private investment in nature will deliver towards nature's recovery, support local communities and boost local economies. The Welsh Government should support innovative finance through clearer demarcation of the Investment Readiness funding stream under the NNF.

We support the work undertaken by FinanceEarth in outlining the necessary steps for governments across the UK to [finance nature's recovery](#) in a responsible way, and we will continue to engage in this work as it develops in Wales.

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<sup>3</sup> Matt Rayment 2020 Developing a Green Workforce in Wales – Estimating the Scale of the Need and Opportunity [Developing a Green Workforce in Wales \(squarespace.com\)](#)