

Senedd Cymru
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Economi Gwyrdd
GE10
Ymateb gan: Marine Conservation Society

Welsh Parliament
Economy, Trade, and Rural Affairs Committee
Green Economy
GE10
Evidence from: Marine Conservation Society



Senedd Economy, Trade and Rural Affairs Committee – Green Economy consultation – Marine Conservation Society response

Welsh seas offer huge economic potential, for example through offshore wind, tourism and recreation, and fisheries. However, in line with the Wellbeing for Future Generations Act and the Environment Act (Wales), Wales' blue economy must have people and nature at its heart if it is to be just and sustainable long-term. We believe that growing our sustainable blue economy will deliver economic resilience, adaptability and opportunity in uncertain times. In doing so, it will achieve social, economic, environmental and political targets.

Marine Natural capital

Natural capital should be the foundation of a sustainable blue economy. Natural capital considers natural resources that provide economic value and additional benefits to society. These additional benefits are delivered in the form of ecosystem services that natural capital assets provide. Habitats like seagrass meadows, salt marshes and kelp forests provide coastal defence, store carbon and support biodiversity. For example, there is estimated to be at least at least 113 million tonnes of carbon stored away in the top 10cm of Welsh marine sediments¹. This represents almost 170 % of the carbon held in Welsh forests. Examples of other marine ecosystem services include food provision, waste treatment, and opportunities for leisure, recreation and tourism.

A lot of marine natural capital is renewable, meaning ecosystems will continue to deliver these benefits indefinitely and for free – as long as these ecosystems can sustain themselves.² This becomes non-renewable at the point where ecosystems become too degraded to support themselves. With UK seas not meeting Good Environmental Status, and

¹ [Contents \(naturalresources.wales\)](#)

² Helm, D. (2015) Natural Capital: Valuing The Planet. Yale University Press.

with 54% of Welsh Marine Protected Area features in unfavourable or unknown condition, Wales' marine natural capital stocks are at risk.

Capital Maintenance – Infrastructure Spending

We echo previous recommendations by the Natural Capital Committee, namely a call for increased government spending on the maintenance of (marine) natural capital.³ Maintaining and enhancing natural capital will create the enabling conditions for job creation, economic growth and scaling up private investment into a sustainable blue economy. As we have been degrading our stock of marine natural capital for a long time, spending or investment is also needed to restore and enhance marine natural capital to a more resilient level.

Rather than solely relying on private or philanthropic funding to achieve this, we see the maintenance of marine natural capital as a necessary form of infrastructure spending. Spending on this natural infrastructure will in turn create the foundation to attract further private investment and create new economic opportunities. A blended finance approach will be key to unlocking these additional opportunities, whereby public funding helps to de-risk and scale up projects sufficiently to make them economically viable to private investors.

Achieving sustainable growth through a blue economy

It should be stressed that this spending is not only justified from an environmental perspective but can also service goals such as job creation and sustainable economic growth. Nature-based recovery presents a largely untapped source of employment and support for rural and coastal economies. In particular, targeted spending on the protection and restoration of marine habitats can support new forms of multigenerational livelihoods.

³ Natural Capital Committee (2014) The State of Natural Capital: Restoring our Natural Assets: Available at: <https://assets.publishing.service.gov.uk/media/5a7f1abbed915d74e33f45b9/ncc-state-natural-capital-second-report.pdf>

Coastal restoration creates new 'blue' jobs. Blue jobs should be seen as those that actively protect and enhance the value of the marine environment to society. Many of the jobs involved in coastal restoration require an active workforce that could not currently be replaced by AI, ensuring longevity and security for local communities. Analysis of restoration programmes in the US revealed that 15–30 jobs are created for every \$1 million USD spent.⁴ There is also an employment multiplier whereby each restoration job creates additional jobs as a healthier marine environment creates new opportunities and attraction for coastal recreation, leisure, and tourism.

Knock-on benefits from job creation in local economies extend to increased property values, higher tax revenues and greater recreational spending. Considering all socioeconomic benefits, coastal restoration provides a tenfold increase on investment.⁵

Looking beyond statistics, these are jobs that would serve the benefits of society. Work to restore coastal habitats, for example, will protect many billions of pounds worth of infrastructure, property and business value from the increasing threats of coastal flooding and erosion linked to climate change.⁶ Restored ecosystems would boost biodiversity, increase the resilience of marine food webs and sequester substantial volumes of carbon, keeping them locked in our marine sediments well beyond our own lifespans. All of this brings the UK closer to achieving commitments made at home and internationally, such as the KMGBF, and could restore the intrinsic link between coastal communities and our ocean.

Spending on the maintenance and enhancement of marine natural capital could also reverse the decline of current industries that are reliant on the marine environment. In a business-as-usual scenario of further ecosystem

⁴ . Samonte et al. (2017) Socioeconomic Benefits of Habitat Restoration. NOAA Tech. Memo. NMFS-OHC-1, p.66.

⁵ McAfee et al. (2021) Valuing marine restoration beyond the 'too small and too expensive'. Trends in Ecology & Evolution, 36(11), pp.968-971.

⁶ Government Office for Science (2018) Foresight Future of the Sea: A report from the Government Chief Scientific Adviser. Available at: <https://www.gov.uk/government/publications/future-of-the-sea--2>

pressure and worsening water pollution, many jobs will be at risk as marine resources become depleted and the marine environment becomes less attractive to visitors and recreational users. Amid high costs and falling fish stocks, the fishing industry is facing big challenges. However, restoring fish species to their maximum sustainable yields would create a more resilient fishing sector that supports small-scale fisheries and aquaculture businesses.⁷

Finally, spending on marine natural capital and healthy seas can better safeguard the wider economy and financial sector. The UK economy, financial sector and the environment are inextricably linked. Although the importance of the ocean for human welfare and our economies has long been acknowledged, the full extent to which our economies and financial systems are dependent on marine health has been neglected.⁸ For example, most of the planet's biodiversity is found within the ocean as it covers 90% of Earth's habitable space.⁹ The entire GDP of the planet is linked in some level to biodiversity, with over half of GDP estimated to be moderately or highly dependent on it.¹⁰ Failure to protect marine ecosystems leaves vast economic and financial value at risk.

Long-term benefits at a local scale

Adopting a community-based approach will give coastal communities ownership of coastal assets, ensuring that they are invested in their protection and beneficiaries of their success through jobs and related revenues. Long-term stewardship of coastal ecosystems depends on enduring community support, meaning that these jobs are supported

⁷ RPA (2020) The value of restored UK seas, Final Report for WWF, July 2020, Norfolk.

⁸ Costanza, R. (1999) The ecological, economic, and social importance of the oceans. *Ecological economics*, 31(2), pp.199-213.

⁹ Palmer, C. P. (2017) Marine Biodiversity and Ecosystems Underpin a Healthy Planet and Social Well-Being. *UN Chronicle*. Available at: <https://www.un.org/en/chronicle/article/marine-biodiversity-and-ecosystems-underpin-healthy-planet-and-social-well-being#:~:text=The%20ocean%20is%20one%20of,marine%20species%20are%20still%20unidentified>.

¹⁰ Herweijer et al. (2020) Nature risk rising: Why the crisis engulfing nature matters for business and the economy. In World Economic Forum and PwC. http://www3.weforum.org/docs/WEF_New_Nature_Economy_Report_2020.pdf.

beyond the short term. Investment in the protection and restoration of these habitats will therefore create multigenerational livelihoods that can shape local identities.

Unlocking further private investment into the blue economy

A leading study by WWF revealed that globally 66% of publicly listed companies have exposure and dependencies on ocean health, with \$8.4 trillion USD of assets and revenues at risk over the subsequent 15 years in a business-as-usual scenario.¹¹ Ocean investments are now firmly on the radar of financial institutions, for protecting financial value but also for exploring impact investments and profit-seeking opportunities. In late 2023, a survey of 700 senior executives and investors by Simmons & Simmons reported that 57% of executives consider investing in ocean and blue economy projects a top priority.¹²

Currently there are barriers to private investment in marine projects that targeted spending and policy measures could help to address.¹³ These barriers include:

- The size and supply of investible projects.
- Competition for space and subsidies for harmful activities.
- High costs and high risk linked to ecological conditions (such as poor water quality).
- A lack of public funding support.
- A lack of data, standards and verification to monetise the benefits that projects deliver.

¹¹ Kennedy et al. (2021). NAVIGATING OCEAN RISK Value at Risk in the Global Blue Economy. 10.13140/RG.2.2.34945.38244.

¹² Simmons & Simmons (2023) A sustainability state of mind: Unlocking growth and profit. Available at: <https://simmons-simmons.foleon.com/esg/unlocking-growth-and-profit/obligation-to-advantage>

¹³ Finance Earth and Pollination (2023) Developing high-integrity marine natural capital markets in the UK Report for Consultation. Commissioned by Blue Marine Foundation and The Crown Estate. Available at: <https://finance.earth/wp-content/uploads/2023/09/Developing-High-Integrity-Natural-Capital-Markets-in-the-UK-Final.pdf>

- A lack of policy support to ensure marine ecosystems are adequately protected.

These barriers can be addressed through various policy interventions and allocation of resources, including:

- 1)** Creating the enabling ecological conditions for marine ecosystems to thrive. This includes addressing fundamental threats like poor water quality, and integrating the value of marine natural capital into the core of marine spatial planning and economic decisions.
- 2)** Building economic strategies around the potential of regenerative coastal and marine activities to support jobs and livelihoods, centred in coastal communities as stewards of the natural environment.
- 3)** Creating innovative blended finance mechanisms where public spending can be used to fund, scale-up and de-risk regenerative projects so that private investment becomes economically viable.

Measures such as this will be necessary to improve the success of regenerative marine projects and increase investor confidence.

Suggested areas of spending

Done correctly, maintaining and enhancing marine natural capital will create the enabling conditions for job creation, economic growth and scaling up private investment into a sustainable blue economy.

The following list is an inexhaustive list of the potential areas of spending that could help to achieve this:

- Research to establish the appropriate baseline of marine natural capital that needs to be maintained.
- Bringing Marine Protected Areas into favourable condition.
- Improved water treatment infrastructure and enforcement of water quality standards.

- Financial support to scale up and de-risk habitat restoration and regenerative projects to enable further private investment.
- Developing robust Marine Spatial Planning that recognises the value of marine natural capital (see below).
- Building skills and knowledge for coastal jobs and support for a Just Transition away from extractive to regenerative industries.

Targeted spending could also unlock opportunities for further private investment into ocean recovery. Spending and policy protection will allow regenerative projects to scale-up and potentially deliver financial returns linked to the benefits they deliver, such as carbon storage.

Marine planning

The scope for offshore renewable energy, particularly for floating offshore wind in the Celtic Sea, has the potential to bring new income and jobs to Wales. However, as recently highlighted by the Crown Estate, [significant infrastructure gaps remain](#) if this technology is to be commercially viable.

This points to the need for Wales' marine planning framework must be improved, and made more spatial, holistic and strategic. This will ensure that 1) economic development can be directed to the least environmentally sensitive areas, potentially streamlining consenting by frontloading environmental assessments before getting to project level assessments, and that 2) developers can ascertain a level of certainty over how much development marine ecosystems can sustain (carrying capacity), allowing them to plan their environmental assessments accordingly. Spatial targets, looked at in the context of ecosystem carrying capacity and marine natural capital, is needed from the Welsh Government. Without this level of certainty, developer investment in Wales is put at risk. The Minister released a [statement](#) in March 2023, outlining her intention to add greater spatial prescription to Wales' marine planning framework, but momentum needs to be maintained and if possible, increased.

Just transition

In transitioning our economy to one that meets the needs of addressing the dual climate and nature crises, interventions will not be effective or sustainable if they disadvantage people, groups or sectors through a lack of planning or consultation. It is also important to note that a transition will not be just if it only focuses on carbon and does not protect and enhance biodiversity. The [Wales Environment Link consultation response to the 'Just transition to Net Zero' consultation](#) last year outlines out key concerns in relation to a just transition to a green economy.

Wales Coast and Seas Partnership

The Wales Coast and Seas Partnership (CaSP) is proving to be an effective forum to bring stakeholders together and work on focussed workstreams. Priority must continue to be given to all three as ways to support a sustainable blue economy.

- 1) *Ocean literacy* - to build understanding of how people, communities and business across Wales connect with Welsh coasts and seas, the impact of our collective and individual actions on the oceans' health and how the oceans' health impacts our everyday lives - leading to improvements in how we manage and use our coasts and seas. Ocean literacy can help to raise awareness of the range of blue jobs and careers available, as well as foster interest in ocean-based careers.
- 2) *Sustainable Investment* - securing innovative and longer-term forms of public, private and blended finance - to deliver key objectives
- 3) *Building capacity* - enabling collaboration and co-production to encourage coordinated action, both locally with our communities, nationally and cross border, to respond to changing needs and opportunities, as the pressures on our coasts and seas increase and conditions change.