

Senedd Cymru
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Economi Gwyrdd
GE18
Ymateb gan: M-SParc

Welsh Parliament
Economy, Trade, and Rural Affairs Committee
Green Economy
GE18
Evidence from: M-SParc





Green Economy

The Green Economy represents a huge opportunity for Wales, with North Wales uniquely placed to take advantage with its' mix of nuclear, wind, tidal, hydro-, solar and hydrogen opportunities. For Wales to take advantage of the potential economic benefits from these sectors, and benefit from hosting infrastructure projects in Wales, the Welsh Government must focus on 4 key areas; supply chain development, skills development, innovation and project pipelines and certainty to ensure Wales maximises on the benefits from the green economy.

The Welsh Government needs to work with key developers and stakeholders, including UK Government, to strengthen, monitor and support the local skills and supply chain requirements associated with energy infrastructure projects in Wales. There needs to be earlier and more meaningful engagement with developers, showing clear commitments, which must be mandated, to ensure local supply chains have an opportunity to supply the sector. The Welsh Government also need to take increased ownership of the projects to ensure they can mandate and subsequently monitor supply chain and skills opportunities.

Supply Chain

The Welsh Government has done well to support supply chain clusters such as the [Offshore Energy Alliance](#), the [North West Nuclear Arc](#) and [Wales Nuclear Forum](#), but incentives such as these still run on very tight budgets, increasing support would enhance the benefits these clusters could bring to the sector.

The Offshore Energy Alliance has set up a **group**, consisting of over 45 companies who meet regularly to network, share best practise and collaborate on opportunities within the offshore energy sector. The support from the OEA for these businesses means they have access to the developers and large tier 1 companies that they wouldn't usually meet as often. This network of companies are working together to deliver innovation and economic benefit for the region in the green sector, and further funding for programmes such as these is essential for the development of the supply chain.

Another supply chain cluster which is key to delivering economic benefit for Wales within the green economy is the Wales Nuclear Forum. The forum brings together companies working within the nuclear sector to highlight developments in the sector and provide networking opportunities.

Clusters such as these, all of which are supported by the Egni team at M-SParc, provide essential support for supply-chains in the Green sector across Wales. Most of these clusters are run on tight budgets, by volunteers, thus if the Welsh Government wishes to maximise opportunities from these clusters; clear and dedicated long-term support is needed, to enable the widening of the clusters' reach to supply chains, and provide the support and guidance needed to maximise opportunities in this sector.

Without the support of clusters like these, companies will have diminished visibility of the green sector, and will therefore be less likely to connect, network and form collaborations, resulting in less jobs within the sector.

Skills



Similar key targets and obligations should additionally be mandated within skills. There already exists a [skills gap north Wales](#), which is projected to grow over the coming years as we see new developments in either offshore energy, nuclear or both. To maximise the potential economic opportunities, the Welsh Government need to ensure that local people have the appropriate skills to benefit from the job opportunities these developments will bring. As with the supply chain, there needs to be cross sectoral collaboration, and a clear pipeline of opportunities to give HE and FE institutions the confidence to develop the appropriate courses, giving people the choice to train in the relevant sectors.

It is important that the Welsh Government work with regional partners across the sector to highlight and promote the jobs that are in Wales, highlighting future opportunities. We are hearing from our ecosystem/networks? that there is a shortage in engineers, we are therefore looking to set up a specific programme to support that, and Welsh Government should also be focusing on specific areas and supporting the development of skills to support the growth of the green economy.

Ensuring that those already working in the sector have access to the skills and training required to ensure they are up to date with latest developments and can transition between sectors will be especially important when supporting the green economy. There is a clear lack of awareness of the types and availability of green jobs, especially across [north Wales with young people still believing they have to leave the region to find 'high-value' jobs](#). The skills gap will be harder to manage and will need a more targeted intervention to maximise economic impact from the green sector. At M-SParc, we deliver a [skills academy](#) programme which aims to bridge the skills gap with 6month placements in industry, to facilitate the entry into skilled sectors, and ensure we don't lose out on these job opportunities.

Certainty

There also needs to be a more coordinated approach across the sector to ensure there is a pipeline of opportunities for companies, to instil confidence and de-risk any investments needed by companies to maximise the opportunities from the sector.

There is a key role for the Welsh Government to work within its devolved powers, and through working UK Government, to deliver a clear timeline for future projects and the associated opportunities to de-risk investment into supply chain and skills ahead of project development. Without this, we will not be able to fully take advantage of the huge skills and supply chain opportunities and ultimately, these opportunities will be lost to elsewhere. The Welsh Government needs to maintain pressure on the UK Government to deliver on agreed projects and objectives and ensure Wales is at the forefront of these discussions, especially if the projects are being hosted in Wales.

Companies, especially SMEs (which make up over 99.3% of enterprises in Wales) cannot invest in new products, processes, jobs or skills without a clear pipeline of opportunities – the risks are too large for companies to commit to large costs or changes for just one project, which may still be uncertain. If companies were confident in the pipeline of opportunities, they would be able to scale up to the demands of the green sector and bring about the associated benefits. Without that certainty, it is more likely that larger, more established companies from outside of Wales will be better placed to take advantage of the opportunity, which will not result in the same levels of economic development for Wales.



The consenting process for new developments is long, complex and expensive and is a barrier for the green economy in general, not just in Wales. We are in a climate emergency, both UK and Welsh Government have acknowledged this and yet barriers to development persist. If projects continue to take decades to develop, we will never realise our climate goals, let alone the associated opportunities from the green economy. The Welsh Government needs to continue to put pressure on the UK Government to ensure a timely progression of projects and to ensure the Welsh supply chain and communities benefit from hosting the developments.

Innovation

Wales has an incredible innovation ecosystem with key innovation centres such as [M-SPARC](#), [Aber Innovation](#), [AMRC Cymru](#) and [Tramshed Tech](#), giving a true opportunity to lead a green innovative economy in Wales. The Welsh Government needs to continue and enhance support for innovation within the green sector. There is often a barrier to technology adoption, but Wales should be targeting these opportunities and become the home of green innovation by creating an ecosystem where pilot projects thrive.

Another potential route to maximising the economic opportunities would be for the Welsh Government to take a more active role in key developments. Welsh Government should explore the option of partnering on projects, through Ynni Cymru or similar bodies. This would give the Welsh Government the power to deliver impact, control the local supply chains, skills and potential community benefits schemes associated with the developments. This would be an innovative approach to new developments. The establishment of Ynni Cymru has given the Welsh Government a unique opportunity to partner on and support green projects across Wales.

Welsh Government also need to be targeting the current community benefits schemes, as the current system is not adequate and will not deliver the economic impact desired. There needs to be more strategic thinking about this funding, small pots of funding for community councils to host projects in their local area are not enough and a more ambitious approach is required. Developers should be given clear guidance on the commitments expected of them to host projects in Wales. We need to be bold in our ask – there are limited development sites and therefore Welsh Government could be in a strong bargaining position and use it accordingly.

Overall, the Welsh Government needs to be more proactive in supporting the green economy and giving adequate support to Wales' supply chain clusters and skills, before the opportunities are missed. SMEs need increased confidence to invest in new supply chain techniques or up-skilling, and the Welsh Government needs to provide that certainty, support and guidance to allow Wales to take advantage of the green economy.