

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](#).

WGDB_26-27 33: Ymateb gan: F Yk] X]b['6f]hU]b' | Response from: F Yk] X]b['6f]hU]b'



1. What, in your opinion, has been the impact of the Welsh Government's 2025-2026 Budget?

Investing in Nature and Climate Action

We welcome the recognition in the 2025–26 Budget of the importance of increasing investment in nature and climate action, particularly through initiatives such as Ffermio Bro, Nature Networks Funding, and the increased budget for seagrass restoration.

However, this positive progress has been undermined by the absence of the Sustainable Farming Scheme (SFS). The Habitat Wales Scheme offered significantly lower payments, disrupting the transition for many land managers and creating uncertainty at a critical moment — socially, ecologically, and politically.

We therefore welcome the announcements made over 2026 and continue to offer our support in helping to develop nature-driven options within the Optional and Collaborative layers of the SFS. From this point on, it is essential that these layers — vital to the delivery of Wales's targets for nature, climate, and community resilience — are confirmed, properly supported, and adequately budgeted.

To acknowledge the importance of long-term business planning and to help build confidence in capital investment and transitional business models, we would like to see multi-annual funding confirmed for the Sustainable Farming Scheme from 2026 onwards, with clarity on the scope and depth of payments for the optional and collaborative layers — including how these will evolve over time.

Natural Flood Management (NFM)

Investment in natural flood management (NFM) has been inadequate, despite its proven role in reducing long-term costs and delivering multiple public benefits¹. The budget indicated that only **2%** of the coastal erosion and flooding budget was spent on natural solutions such as riparian buffers, reforesting hillsides, and leaky dams.

It is important to recognise that NFM measures also deliver drought resilience, which is increasingly critical given the extreme weather conditions caused by climate change.

Long-term planning and strategic investment should be delivered through river basin management plans, and we hope this will be strengthened through the recommendations of the Cunliffe Review. We recommend that, alongside increasing NFM investment from

¹ https://www.wildlifetrusts.org/sites/default/files/2025-03/2025_FEB_NaturalFloodManagement_Full_Report_DIGITAL_SPREAD.pdf

2% to 10% of the coastal erosion and flooding budget, the Welsh Government set specific catchment targets for:

- The number of NFM structures required to manage water,
- The total hectareage of planting schemes, wetlands, open water creation, and floodplain restoration.

This could be further strengthened — and the return on investment increased — through a more systematic, systems-thinking approach, linking preventative and restorative interventions across the land–sea interface. This includes utilising beavers for natural flood management, expanding seagrass meadow creation and oyster reef restoration, and better integrating estuarine, marine, and river management, which are often treated separately.

Marine Restoration and Licensing

We welcome the increased funding for seagrass restoration and the associated marine licensing reforms designed to facilitate this work. However, we urge that similar approaches be extended to other habitats such as oyster reefs. The licensing process should also be designed to empower coastal communities to lead in the restoration and stewardship of their local marine environments.²

Towards a More Systemic Approach

Overall, the Budget represents a step in the right direction, but the challenging environmental and economic context demands greater systemic change. Wales needs a more integrated, systems-thinking approach to ensure that each public pound works effectively across multiple targets — nature recovery, climate resilience, and community well-being.

Public spending should not only address immediate pressures but also enable transformational shifts and invest in future generations.³

² <https://www.rewildingbritain.org.uk/blog/10-essential-reforms-to-boost-marine-rewilding>

³ <https://www.gov.uk/government/publications/systems-thinking-for-civil-servants/case-studies#case-study-12>

Closing the Funding and Framing Gap

As we look ahead to the passage of the Environmental Principles, Governance and Biodiversity (Wales) Bill and the legislation of the Global Biodiversity Framework targets, we see a clear gap — not only in funding levels but also in how funding is framed.

We would like to work with the Welsh Government to develop a dedicated Nature Restoration Fund to support land managers in transitioning towards the target of having 30% of land managed for nature by 2030. This fund would help secure long-term resilience and could be launched alongside the economic and social case for “30 by 30”.

Such work already exists internationally⁴ and adapting it to the devolved Welsh context would provide powerful evidence and guidance for the decade ahead.

2. How financially prepared is your organisation for the 2026-27 financial year, how confident are you that you can deliver planned objectives, and how robust is your ability to plan for future years?

As an organisation, we draw on multiple funding sources and do not currently plan to draw directly on any Welsh Government support. However, in representing rewilders and our wider network, we have consistently encountered the need for clearer transition pathways and consistent support for nature-led approaches. Greater detail is urgently needed on the Sustainable Farming Scheme, particularly the optional and collaborative layer and what it can deliver for those wishing to undertake a nature led approach. This needs to come alongside confirmation of multi-annual funding of other nature recovery funds. These mechanisms are vital for land managers who wish to contribute to the ‘30 by 30’ target and/or become recognised as holding land that is designated as an Other Effective Area-Based Conservation Measures (OECMs).

Adjacent, but not outside the remit of this consultation. There remain systemic challenges in Wales around the relatively low level of philanthropic funding directed towards the environment, as shown by Environmental Funders Network reporting, Wales receives the smallest proportion of the philanthropic funding for the Environment in

⁴ https://www.conservation.cam.ac.uk/files/waldron_report_30_by_30_publish.pdf

Britain⁵. Establishing a clear, government-backed national ambition for nature—communicated through budgetary commitments and a strong narrative for investment and transition—would help attract external funding and investment. In addition, mobilising sustainable private finance for nature recovery is more urgent than ever. Welsh Government has a key role in setting the tone and ensuring that both public and private funding streams work together to deliver nature recovery at scale.

3. What action should the Welsh Government take to help households cope with cost-of-living issues and address the needs of people living in urban, post-industrial and rural communities, including building affordable housing and supporting economies within those communities?

A clear and integrated rural strategy is urgently needed, incorporating the full range of businesses that are present within rural Wales and where investment opportunities lie, that truly benefit communities and the Welsh economy. We strongly urge that Welsh Government assess and then publicise the business case (to include social value return) for investing in statutory goals such as managing 30% of land for nature by 2030 and maintaining and enhancing ecosystems as outlined in the Sustainable Land Management framework and Well-being of Future generations (Wales) Act.

We believe it was a missed opportunity to introduce a visitor levy without earmarking a proportion of revenues for nature investment. Given the financial pressures facing councils, these funds will almost certainly be allocated to basic services. While this is understandable, it risks overlooking the fact that Welsh nature underpins much of our tourism economy, and contributes to climate change mitigation, adaptation and resilience. A healthy natural environment also contributes to people’s mental and physical health as well as providing ecosystem services such as clean, air and water. Investment in nature has been proven to offer wider returns to the economy. This investment helps increase the impact of public spending, easing strained budgets, and through the wider system can assist in tackling the cost-of-living crisis. Allocating even a modest portion of levy revenues to enhancing and protecting natural assets would support communities, strengthen tourism, and deliver long-term economic and social returns.

For example, making changes to legislation, where needed, and licensing the reintroduction of beavers, eagles and other charismatic species, within short time-scales where appropriate work has been done to engage stakeholders, will increase visitor

⁵ <https://www.greenfund.org/resources/where-the-green-grants-went-9/#:~:text=In%20the%20ninth%20edition%20of,environmental%20causes%20from%202021%2F22.>

numbers and provide additional opportunities for economic gain in Welsh communities.⁶ Some of these changes are simply processes and are within the gift of Welsh Government to change swiftly. Leadership would be welcome in this space too, through the creation of a species reintroduction strategy for the public estate in Wales, so landowners and organisations can see a clear direction of travel for the public estate and plan to support this.

Active travel routes and habitat creation can also be effectively combined, Maximising value for both. Any new active travel route can incorporate significant green/blue areas in its design, creating habitat and connectivity for nature. Connecting nature restoration areas with active travel routes, which in turn are designed to incorporate nature, would be an excellent way to increase access to not just green spaces, but wild nature, which is proven to have a positive impact on people's health.

4. Have Welsh Government business support policies been effective, given the economic outlook for 2026-27?

Beyond the measures we've already outlined, a level of systemic policy reform is needed to maximise the efficacy of the allocated spend. We recommend two priority areas of reform:

Marine and coastal licensing

- Current licensing rules remain a considerable blocker to restoration activity in the marine environment. Without reform, funding allocated to this area will have limited impact.
- Changes are needed to enable large-scale habitat restoration projects—such as oyster reef recovery—by communities and businesses to be delivered more easily, cheaply and efficiently.
- Unlocking this potential would bring significant economic and environmental benefits, including blue carbon capture, support for sustainable fish stocks (reefs and seagrass meadows act as nurseries and shelter), improved water quality through natural filtration, and enhanced coastal protection through wave and storm surge reduction.

⁶ <https://www.sciencedirect.com/science/article/pii/S1617138120301667>

Sustainable Farming Scheme (SFS)

- Clarity is urgently needed on the higher collaborative layer of the SFS, particularly in relation to Environmental Bill targets.
- We would like to see the explicit inclusion of natural process-led land management for nature restoration within the scheme, to meet Sustainable Land Management (SLM) targets and support delivery of the Environmental Governance, Principles and Biodiversity Bill.
- Without this detail, it is impossible for land managers and third-sector landowning organisations (who provide well-paid employment and contribute significantly to the rural economy) to plan effectively or to assess whether the support on offer will be appropriate.

Taken together, these reforms would make a significant contribution to achieving the targets set out in the Sustainable Land Management framework and the Environment (Wales) Bill for ecosystem health, resilience and restoration, while supporting the forthcoming Environmental Governance, Principles and Biodiversity Targets Bill. While both fall outside of the immediate budget, they are essential support policies that can and will help businesses make positive, long-term changes.

Species Reintroductions

The lack of progress and pace on species reintroductions in Wales is limiting the nation's ability to attract more visitors and increase its economic output. The rise in visitors and anglers following the return of bluefin tuna is an excellent example of how charismatic species can drive economic benefits.

Moreover, the restoration of native species brings direct ecological and economic gains. Beavers, for instance, help reduce flood and drought risk⁷, improve water quality, and boost salmon and trout numbers.⁸ Similarly, the return of golden eagles could provide natural predator control for species such as foxes and badgers, reducing the need for costly human intervention.

⁷ <https://news.exeter.ac.uk/top-stories/beavers-make-difference-to-flooding/>

⁸ <https://beavertrust.org/our-work/beavers-and-fish/>

5. Are Welsh Government plans to build a greener economy clear and sufficiently ambitious? Do you think there is enough investment being targeted at tackling the climate change and nature emergency? Are there any potential skill gaps that need to be addressed to achieve these plans?

The Welsh Government's current plans are clear but remain overly focused on large-scale energy. While this is an important part of the green transition, it is not the only element required. A well-managed green land transition is also essential—particularly as Wales has committed to ensuring that 30% of its land is managed for nature.

At present, there is insufficient attention and support for transitions in land use, marine systems, and broader nature recovery. For example, how will the *Environmental Principles, Governance and Biodiversity (Wales) Bill* and its *30 by 30* target help to create a more resilient and diverse rural economy? We would like to see a clear economic case for investment in nature, written in plain language and framed around how it will improve everyday life for people in Wales. Excellent international work already exists that could be adapted for the Welsh context.

A Dedicated Nature Recovery Fund

A dedicated and well-resourced Nature Recovery Fund is urgently needed. While higher-level SFS (Sustainable Farming Scheme) payments may form part of this, they will still leave a substantial funding gap. The Welsh Government could draw from climate, skills, economy, and health budgets to ensure this fund is sufficient in scale, embedding systems thinking across departments.

WEL's *Pathways to 2030* report demonstrates the scale required—£438 million annually, representing just 1.7% of the 2025/26 Welsh Government budget. This level of investment is entirely achievable if Ministers prioritise nature recovery.

Multi-annual funding is also vital for the SFS and all nature and climate transition programmes that rely on land management interventions. This would increase confidence in investment and support long-term planning.

We would also like to see more power and autonomy devolved to communities to lead these changes—recognising and releasing the human scale of Wales.

Land Reform and Community Ownership

A Community Right-to-Buy for land, delivered alongside a Land Reform Act, would transform community engagement with the green transition and make a significant contribution to land diversification, nature recovery, and climate goals.⁹

Skills and Ecological Literacy

Wales must urgently address ecological literacy. We have an ocean literacy policy, a comparable 'Nature literacy' programme could help build the understanding and workforce needed to deliver national nature and climate ambitions. This could be integrated into wider land reform and education initiatives.

On skills, we must, again, address ecological literacy. A 'land literacy' program could help build the knowledge and workforce required to deliver Wales's ambitions, potentially integrated with land reform initiatives.

Innovation – a Green Transition for Land

We are at a time of both challenge and opportunity. Alongside a Nature Investment Fund, an Innovation Fund for Land would be a welcome addition, signalling that new solutions are needed for land management in support of nature and climate.

Funds could be allocated to facilitated and self-determined landscape programmes, particularly those that are farmer-led. Cross-sector training and mentoring should also be supported—bringing together farmers, foresters, and nature managers to develop multi-disciplinary skills.

Private Finance

We would like to see the Welsh Government build on the work of the Sustainable Investment Principles and the overarching BSI standards to help create a regulated scheme which can draw in investment for public benefits, that is centered in Wales but aligned with the UK, and will benefit existing landowners and communities, enabling them to transition to nature led management and nature friendly farming. This could be the vehicle to enable much longer-term agreements for land management of 20 years or more, which land managers need to enable confidence and continuity.

⁹ <https://www.hutton.ac.uk/sites/default/files/files/research/srp2016-21/The-impact-of-scale-and-concentration-community-perspectives-from-South-Scotland-Daniels-Creasey-McKee-Hutton-July-2022.pdf>

Marine

At a minimum, the budget for seagrass restoration should be maintained and, if possible, increased. Support should also be extended to saltmarsh, oyster reef, and kelp restoration.

We also recommend reforming the marine licensing system to introduce a Community Marine Nature Restoration Licence—a faster, lighter, and less costly route to enable community-led restoration projects.

Nature-based solutions

Increase the Nature-Based Solutions budget from 2% to 10%, issued alongside a clear route map and updated catchment management plans or area statements. This would unlock and fast-track the benefits of working with nature and could serve as an employment creation scheme, working in partnership with Nature Service Wales.

Natural Resources Wales

The long-term stability and support of Natural Resources Wales are crucial. The incoming Chair and new CEO appear to be bringing positive momentum, and the organisation has continued important work despite cuts and pressure under interim leadership. NRW is essential to the delivery of Wales's environmental targets and legislation.

We recommend a single, flat-rate settlement providing at least three years of funding certainty. This would allow NRW to plan strategically, recruit effectively, and deliver its objectives without the constant resource drain caused by uncertainty, downsizing, and restructuring.