

TOWARDS A NATURE POSITIVE ECONOMY BY 2030

Climate change and ecosystem collapse have ranked as the highest threats to the world's economies over the coming decade¹. Ahead of COP15 of the Convention on Biological Diversity this year, organisations across Wales are supporting the international call for a new global goal for nature - Nature Positive by 2030. This means investing in the right actions now to halt and begin to reverse biodiversity decline by 2030, setting an upward path to thriving nature by 2050. In order to deliver a Nature Positive, as well as Net Zero, future, we need dedicated action across government portfolios.

Summary

The following paper sets out a series of policy recommendations for the delivery of a Nature Positive Economy:

- Enable Welsh businesses to thrive in a Nature Positive Economy by support businesses to become leaders in climate and nature accountability and key players in delivering a nature positive future for Wales ([page 2](#))
- Develop a clear policy framework for private investment into nature, supported by comprehensive standards and market rules ([page 3](#))
- Establish Wales as a hub for innovation in nature restoration and kickstart a just transition towards a green workforce by supporting a National Nature Service ([page 4](#))

Introduction: Transition to a Nature Positive Economy

More than half of the world's total GDP – \$44 trillion of economic value – is now exposed to risks from nature loss because of the dependence of business on nature.² In Wales, the State of Natural Resources Report has shown an overall trend of “serious decline”, “reflecting the global situation and internationally recognised nature emergency”.³ The last

¹ [World Economic Forum Global Risk Report](#)

² [World Economic Forum's New Nature Economy Report \(NNER\) series, Nature Risk Rising.](#)

³ [State of Natural Resources Report](#)

decade has seen dedicated action from both government and businesses to combat climate change, but we need equally dedicated and parallel action to halt ecosystem collapse and achieve a Nature Positive, as well as a Net Zero, economy.

The Wellbeing of Future Generations (Wales) Act has recognised that social and environmental wellbeing are not a trade-off to economic prosperity, but the very foundation of it. Wales now needs a clear framework to account for the value of nature in a meaningful way in order to set a clear direction of travel for government and provide long-term guidance for businesses so that we can collectively reverse the decline in nature and harness the economic potential of investing in a thriving natural world.

Valuing Biodiversity in Business⁴

Nature Recovery Targets

Just as a joint vision of Net Zero has established a modern framework under which economic development can be achieved within our planet's boundaries, new policies and legislation will need to set boundaries to achieve a Nature Positive economy. Ahead of COP15 of the Convention on Biological Diversity, organisations across Wales are supporting the international call for a new global goal for nature - Nature Positive by 2030. This means investing in the right actions now to halt and begin to reverse biodiversity decline by 2030, setting an upward path to thriving nature by 2050.

As with climate targets, this vision needs to be supported and driven by government action so that a nature positive target, along with Wales' Net Zero commitment, is enshrined in domestic law. We have therefore welcomed the Welsh Government's commitment to introduce legally binding targets for nature's recovery, in line with the Senedd's declaration of a nature emergency.

⁴ [WEF, The Future of Nature and Business](#)

Businesses will need to align their practices with a Nature Positive vision, alongside the existing Net Zero vision. This means setting internal targets, supported by internal measurements as well as disclosure frameworks. A strong framework of long-term targets, supported by interim measures, will provide certainty and a clear direction of travel for business, and incentivise thriving businesses to go beyond mandatory measures and ensure that a new 'business as usual' no longer harms nature, but contributes to its recovery.⁵

Policy Recommendation 1: Support the delivery of Nature Recovery Targets by introducing a Nature Positive Business Initiative to develop guidance and provide support for businesses in contributing to nature recovery.

Taskforce for Nature-Related Financial Disclosures

A strong framework of nature recovery targets will need to be supported by a collective uptake on financial disclosures for activities which are putting nature at risk and provide a more comprehensive understanding of the levels of risks to businesses across future biodiversity loss scenarios.

It is crucial that a parallel climate and nature disclosure framework is introduced with as much clarity and guidance to businesses as possible. The UK Taskforce of Nature Related Financial Disclosures ('TFNS') has been established to parallel the equivalent efforts on mandatory disclosure by businesses made to account for carbon emissions.

The Aldersgate Group has outlined that UK Governments should provide clear guidance on the implications of mandatory disclosure rules, for both climate and nature, encourage voluntary reporting to provide a guided path towards mandatory disclosure rules, and support the development of a transparent framework for measuring nature and identifying dependencies between business operation and biodiversity.⁶

Policy Recommendation 2: Ensure that Welsh businesses falling under the TFND's remit are supported in fulfilling the requirements set out for the TFND.

⁵ [Boston Consulting Group, The Biodiversity Crisis is a Business Crisis](#)

⁶ Aldersgate Group , [Financing the Future](#)

Nature-Based Solutions⁷

Achieving a Net Zero, Nature Positive future will require significant investment in low carbon infrastructure and nature restoration projects. A new RSPB report has shown the economic potential of restoring nature-based solutions at scale across the UK: every £1 invested in peatland, salt marsh and woodland secures £4.26, £2.48 and £2.79 of benefit in return in economics and social benefit respectively.⁸ These nature-based solutions will play a critical role in mitigating climate change by capturing carbon as well as adapting to the impact of climate change by, for example, providing flood defences.

The development of nature-based carbon markets could also provide a significant income source for landowners and land managers;⁹ the value of carbon sequestration in Wales has been estimated at £6.6 million, per year, with the value expected to increase significantly as carbon prices rise. The restoration of these key carbon capturing habitats will also provide new avenues for green job and skills development - see [Appendix 1](#).

The return on investment in nature is therefore significant and should be met with dedicated efforts to close the investment gap into natural capital. Primarily, public investment into the natural environment should be structured with a long-term aim of blending with and 'crowding in' private investment into natural capital, and ultimately increase the amount of funding that is available to large-scale nature restoration projects.¹⁰

Strong guidance and a regulatory framework from government will be needed to set a clear vision to overcome existing market barriers and help drive up market standards to enable businesses to invest.

FinanceEarth has set out the following policy recommendations to achieve this:

⁷ [RSPB, Nature Based Solutions Case Studies](#)

⁸ RSPB and Cambridge Econometrics, [Economic costs and benefits of nature-based solutions](#)

⁹ [Estimating the Carbon Sink Potential of the Welsh Marine Environment](#)

¹⁰ Aldersgate Group , [Financing the Future](#)

Policy Recommendation 3: Develop a clear policy framework for private investment into nature, supported by comprehensive standards and market rules.

Policy Recommendation 4: Support the development of business models for investing in nature¹¹.

Green Jobs & Upskilling for a Nature Positive Future

Green Jobs

The TUC has estimated that up to 4,000 jobs in land, forestry and agricultural improvements could be created in Wales over 2 years¹², while a recent RSPB paper has estimated that an investment in nature, including restoration and creation of priority habitats, nature-based tourism development plan, and the creation of woodland and urban green spaces, could support almost 7,000 direct FTE jobs in Wales over 10 years.

The report sets out that an investment of £68 million per year for the next 10 years will be required for the restoration and creation of priority habitats to meet our priorities for the natural environment and provide nature-based climate solutions. While this is only a subset of investment needed to fully restore nature in Wales on land and at sea¹³, this investment alone could create 1,000 new direct Green Jobs in habitat restoration and creation, with additional opportunities in the provision of advice to landowners and the monitoring of habitats and species.

Nature Restoration Skills Gap

A report by the New Economics Foundation for the Future Generations Office balanced the current job numbers in key green sectors against the job creation figures proposed by the TUC and outlined the current skills gap in fulfilling this potential. The report concluded that while there will most likely be a significant increase in jobs in environmental management as well as potential to scale up relevant apprenticeships in

¹¹ FinanceEarth 2021, [Financing UK Nature Recovery](#)

¹² The package of green investment proposed by the [Wales TUC in research conducted by Transition Economics](#) in August 2020;

¹³ Matt Rayment 2019, a report for the RSPB, the National Trust and The Wildlife Trusts, '[Paying for public good from land management](#)'

this sector, the current apprenticeship opportunities remain low at around 50-120 per year, presenting a clear skills gap¹⁴ - see [Appendix 2](#).

Creating a workforce fit for a Net Zero, Nature Positive economy will therefore require significant re- and upskilling. Restoring natural carbon sinks (peatlands, saltmarshes, or woodlands as outlined above) will also require skilled environmental and conservation professionals. Planting and managing forests will require an increase in agroforestry, forestry and other forms of environmental land management skills. New jobs will also be needed to provide advice, guidance and support to deliver Wales' new Sustainable Farming Scheme.

National Nature Service

Over the past two years, over 100 stakeholders across Wales have convened to develop a proposal for delivering nature restoration, alongside new pathways for green jobs and skills through a National Nature Service for Wales.

Coupled with an investment in nature restoration, a National Nature Service would provide green jobs and skills, provide new, natural flood defences, and rebuild Wales's natural environment to restore wildlife and revive carbon sinks and ensure a successful transition towards a net zero, nature positive economy.

The most recent proposal for an NNS has outlined a vision for the Valleys Regional Park to become an 'early adopter'. The Valleys Regional Park provides a powerful opportunity to trial and showcase green job opportunities in an area that would thrive from the social, environmental and economic benefits.

Policy Recommendation 5: Invest in green jobs that will restore our natural environment by supporting VRP to develop an early adopter for a National Nature Service for Wales

Policy Recommendation 6: Establish Wales as a hub for innovation in nature restoration as well as decarbonisation by developing new qualification, tied to a National Nature Service, that support training and retraining as well as lifelong learning through a joint approach between government and the private sector.

¹⁴ New Economics Foundation 2021, '[Skills Through Crisis: Upskilling and \(Re\)Training for a Green Recovery in Wales](#)'

APPENDIX 1: NATURE BASED SOLUTIONS & JOBS CREATION POTENTIAL - UK

Comparing the values of benefits and costs of **peatlands** restoration, a benefit-cost ratio of 4.62 was derived, meaning that for every £1 invested in restoration, £4.62 can be expected to be returned in economic and social benefits. The upfront capital investment in restoration is expected to create approximately 3 temporary jobs for every 100 hectares of restored peatlands and generate £156k in gross value added (GVA) for every 100 hectares of habitat, during the restoration phase. In addition, the investment in ongoing operation and maintenance of the habitat is estimated to create 7 job years for every 100 hectares of restored peatlands and generate £3,213 in GVA for every hectare of habitat, during a period of 100 years. The Committee on Climate Change recommends restoring at least 55% of peatland by 2050. The restoration of 55% of peatlands is expected to generate around 48,000 temporary jobs during the restoration phase and 112,000 job-years for the operation and maintenance of the restored habitats. Similarly, approximately £2.5bn and £5.1bn would be generated in GVA as a result of the capital investment and the operational investment respectively.

For the analysis of **salt marshes**, a range of benefit-cost ratios was derived, estimating that for every £1 invested, between £0.24 to £1.31 can be expected to be returned in economic and social benefits, depending on the scale of costs required for the restoration programme. The cost benefit analysis showed that the costs of salt marshes restoration are highly variable depending on the scale of the work required and the location of the habitat. The restoration techniques required to restore salt marshes can be costly and complex, when compared to peatlands and woodlands. However, the capital investment in restoration projects is expected to affect employment positively, generating approximately 14 to 74 temporary jobs per 100 hectares of restored habitat during the restoration stage. In addition, the capital investment in salt marshes restoration is estimated to generate £880k to £4.8m in GVA for every 100 hectares of habitat,

during the restoration stage. The restoration of approximately 4.5% of UK salt marshes could therefore be expected to create up to 1,628 temporary jobs and generate up to £105m in GVA, during the restoration phase.

A benefit-cost ratio of 2.79 was estimated for **afforestation** project, meaning that for every £1 spent, an average of £2.79 can be expected to be returned in economic and social benefits. Furthermore, the upfront capital investment for afforestation is expected to generate around 25 temporary jobs for every 100 hectares of trees planted and generate £1.2m in GVA during the restoration stage. In addition, the ongoing investments for operation and maintenance of the habitat are estimated to create additional 6 job-years for every 100 hectares of trees planted and generate £314k in GVA annually for every hectare of habitat, during a period of 100 years. The Committee on Climate Change advises on planting at least 30,000 hectares of woodlands in UK. If this recommendation were to be met, around 7,500 temporary jobs would be created in the planting stage and 1,800 job-years would be created for the operation and maintenance of woodlands created. Similarly, £367m and £94m would be generated in GVA as a result of the capital investment and the operational investment respectively.

APPENDIX 2: JOB CREATION POTENTIAL IN NATURE IN WALES

TUC JOB CREATION POTENTIAL SUMMARY (2 years)

Project	Public Investment (£ billions)	Direct-short term job creation in Wales	Estimated existing jobs (2018)	Current annual apprenticeship starts	Further education capacity
Reforestation schemes	0.39	2,895	2,000	5-120	4,500 people enrolled in 2018/19 down
Environmental restoration (including	0.12	709			

flood defences)					from 8,065 in 2012/13
Support farmers to switch to Organic Agriculture	0.06	327	?	200-350	

RSPBCYMRU JOB CREATION POTENTIAL SUMMARY (10 years)

Type of investment	Employment (FTE)
Restoration and creation of priority habitats	1,000
Restoration and creation of boundary features	1,151
Environmental land management advice	87
Improving and creating urban green spaces	500
Planting additional woodlands for net zero carbon	167
Biodiversity net gain	114
Control of invasive non-native species	20
Nature conservation surveys, monitoring and evaluation	20
Nature based tourism development plan	3,875
Total	6,934