



Llywodraeth Cymru  
Welsh Government

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Welsh Government  
Consultation – summary of response

# Consultation on draft Sustainable Investment Principles

January 2025

Mae'r ddogfen hon ar gael yn Gymraeg hefyd / This document is also available in Welsh  
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg / We welcome correspondence and telephone calls in Welsh

## Overview

Nature is declining globally at rates unprecedented in human history and the rate of species extinctions is accelerating. Meeting the challenges posed by the nature emergency will require sustained and transformative action. Scaling up delivery for nature recovery will require significantly increased levels of funding. The [Finance Gap for UK Nature Report](#) concluded that Wales faces a £5-7 billion finance gap for nature-related targets over the next 10 years. This includes the funding needed to address biodiversity loss, in addition to other areas such as improving water quality and climate mitigation.

These draft Sustainable Investment Principles represent Welsh Government's aim to increase and diversify the available funding to effectively tackle the nature emergency and the pressures that drive biodiversity loss – including climate change, pollution, and unsustainable management of natural resources. The draft Principles were co-developed by a task and finish group hosted by Welsh Government. Participants in the group included policy officials, environmental non-profit organisations, public authorities and colleagues from Natural Resources Wales.

## Action Required

This document is for information only.

## Further information and related documents

Large print, Braille and alternative language versions of this document are available on request.

## Contact details

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## Additional copies

This summary of response and copies of all the consultation documentation are published in electronic form only and can be accessed on the Welsh Government's website.

Link to the consultation documentation: [Draft Sustainable Investment Principles | GOV.WALES](#)

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## Methodology

The consultation aimed to gain the views of organisations and individuals on the Sustainable Investment Principles proposed by Welsh Government. The consultation ran from 3 September 2024 to 3 December 2024 and was published on the Welsh Government's open consultation website. Interested individuals and organisations voluntarily elected to respond and were offered three avenues by which to respond: online portal, email response or through the post. Responses were accepted in both Welsh and English. Additionally, easy read versions of the consultation document were available in both Welsh and English.

All respondents were given a structured response form. However, some respondents chose to provide long-form answers instead of using the structured format. Additionally, respondents were asked to provide background information about their organisation, sector activities, and Welsh identity. Respondents were asked eight questions about the Sustainable Investment Principles proposed by Welsh Government.

These questions are listed below:

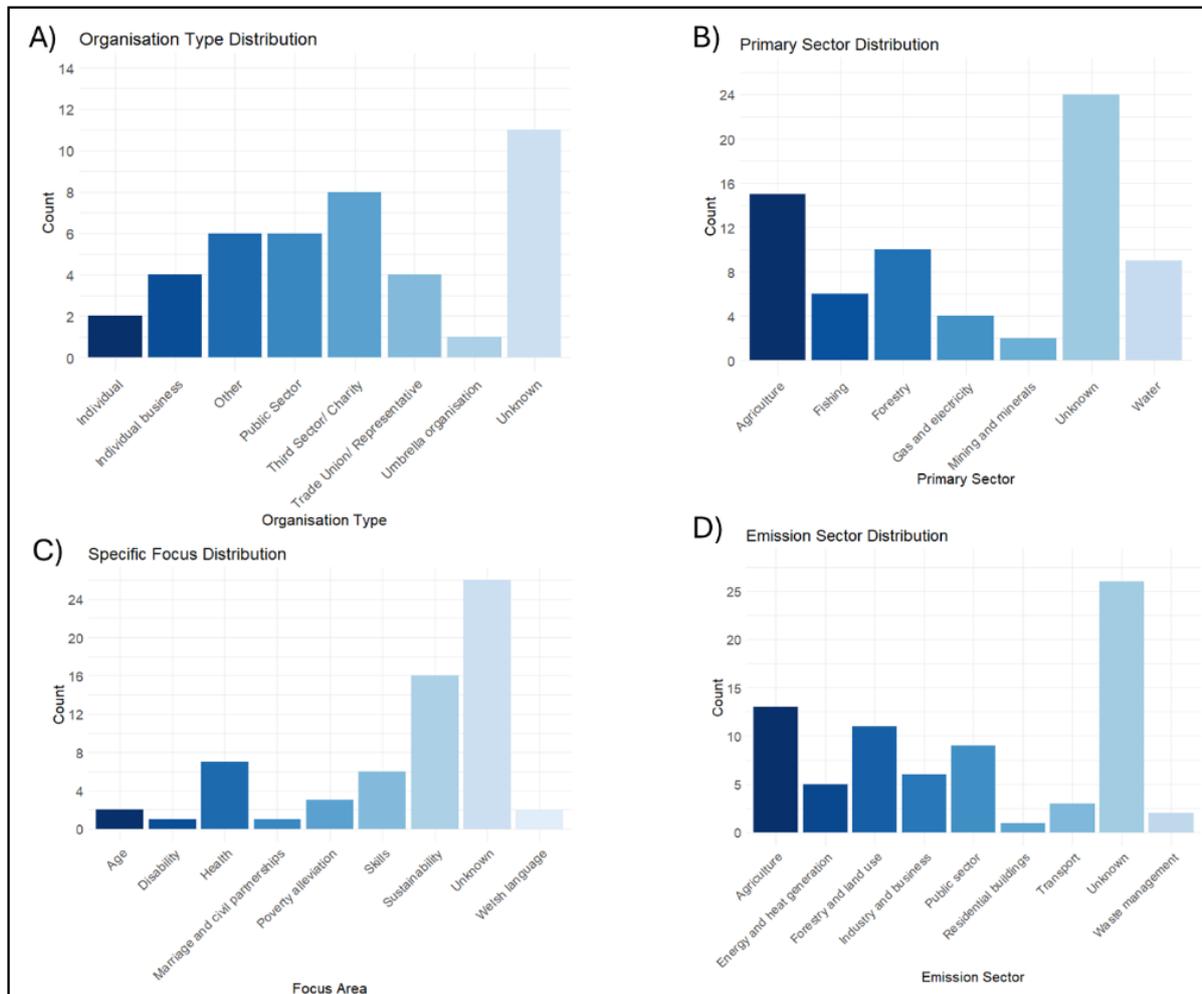
1. What are your views on the proposed principles?
2. What are your views on how the principles can be applied to delivering nature-based solutions and ecosystems services?
3. Do you agree or disagree that our proposed approach complements the values/standards of schemes and codes currently in use?
4. What are your views on our proposed approach to exploring sustainable finance in Wales?
5. What do you think are the barriers to preventing the people and communities of Wales from becoming involved in nature recovery?
6. We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use report them.
7. What, in your opinion, would be the likely effects of the Sustainable Investment Principles on the Welsh language?
8. In your opinion, could the Sustainable Investment Principles be formulated or changed [to better accommodate the Welsh Language]?

Once all responses were collected, they were consolidated in Excel by question and anonymised where necessary. Some responses did not directly address the questions, while others attempted to answer all questions within Question 1 or 2. To handle non-structured responses, we performed a thematic analysis by question. This helped organise the data and identify key patterns across responses. We also conducted a word frequency analysis in RStudio to identify the 10 most frequent words for each question.

## Respondent overview

The consultation generated 42 responses, with 28 received by email and 14 from online forms. All 42 of the responses were received in English. Respondents were asked to provide a suite of background information relating to their organisation, sector priorities and intentions.

Of these responses, six were from individuals and 36 from organisations. Respondents that provided their organisation type included 19.0% (n = 8) third sector or charities, 14.3% public sector (n = 6), 9.5% individual businesses (n = 4) and 9.5% trade unions or representatives (n = 4). The remaining respondents were individual (4.8%), umbrella organisation (2.4%) and other (14.3%). Over a quarter of respondents did not provide this information (Fig 1A).



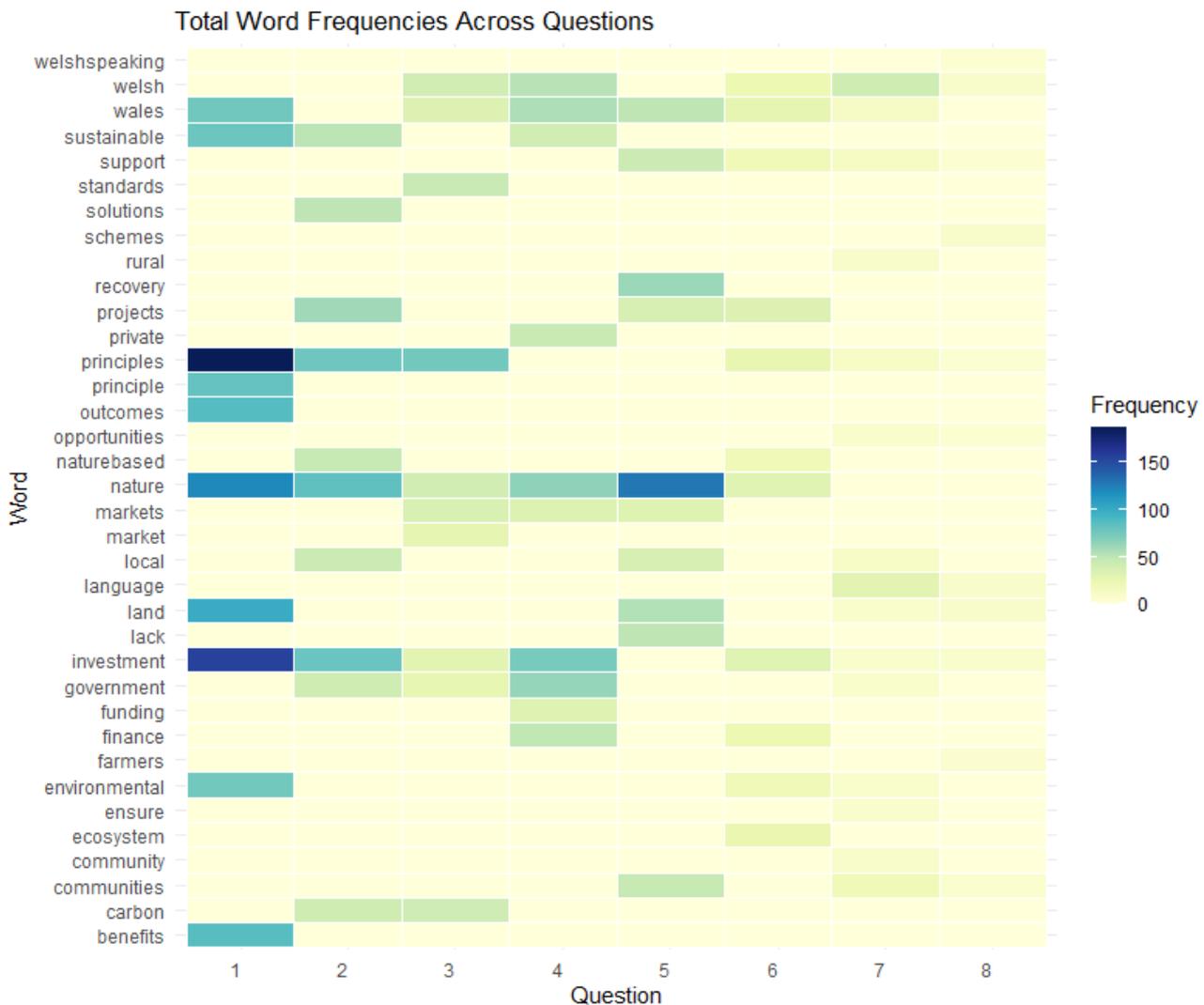
**Figure 1. Count (frequency) of background information responses from contributors to the Sustainable Investment Principles Consultation by Welsh Government. A) Organisation type distribution of respondents. B) Primary sector distribution to which respondents belong. C) Specific focus area that respondents dealt with. D) Key emissions sector that respondents dealt with.**

Responses often spanned multiple primary sectors; however, agriculture (n = 15) and forestry (n = 10) were most frequently reported. Water was the primary sector for 9 responses, while fishing (n = 6), gas and electricity (n = 4) and mining and minerals (n = 2) were less common (Fig 1B). Respondents specific focus was largely on sustainability (n = 16), followed by health (n = 7) and skills (n = 6), poverty alleviation (n = 3), then age (n = 2), and Welsh language (n = 2). Disability and marriage and civil partnerships also appeared in one response each (Fig 1C). When asked if the respondents identified as Welsh speaking, 30 did not provide an answer, 10 said no and two identified as Welsh speaking but still chose to respond in

English. Respondents were also asked which emissions sectors that they participate in. Most responses dealt with agricultural emissions (n = 13), closely followed by forestry and land use (n = 11) and the public sector (n = 9) (Fig 1D).

### Word frequency analysis

A word frequency analysis was used to identify the top 10 most frequent words contained in responses for each question. The results were used to identify commonalities across questions.



**Figure 2. Heat map of frequently used words.** Heat map identifying the most frequent words (y-axis) used in response to eight questions (x-axis) on the Sustainable Investment Principles. For each question, we identified the 10 most frequently occurring words across a maximum of 42 responses. Darker colours indicate more frequently occurring words, while lighter colours indicate less frequently occurring words.

For question one, very frequently occurring words included ‘principle(s)’, ‘investment’ and ‘nature’. Other commonly occurring words were ‘Wales’, ‘sustainable’, ‘outcomes’, ‘land’, ‘environmental’ and ‘benefits’. Words overlapping between question one and two included ‘sustainable’, ‘principles’, ‘nature’ and ‘investment’.

The remaining six most frequently occurring words for question two included 'solutions', 'projects', 'nature based', 'local', 'government' and 'carbon'. From questions one to eight, word frequency of key words generally decreased overall due to shorter or missing responses, hence why a summary of the most frequent words is only provided for questions one and two. However, 'Welsh', 'Wales', 'principles', 'nature' and 'investment' appear to have the broadest distribution, spanning nearly all questions (Fig 2).

In this report, the terms "majority", "many," "several," and "few" are used to describe the number of responses as follows:

- "Majority" refers to more than or equal to 22 responses ( $22 \leq$  response).
- "Many" refers to between 11 and 21 responses ( $11 \leq$  responses  $\leq$  21).
- "Several" refers to between 5 and 10 responses ( $5 \leq$  responses  $\leq$  10).
- "Few" refers to between 1 and 4 responses ( $1 \leq$  responses  $\leq$  4).

## **Question 1: What are your views on the proposed principles?**

41 of 42 responses.

Summary: Many responses welcomed the principles, stating they are "sound and consistent with other principles for sustainable investment." Several responses felt that "the proposed principles link with the sustainable development principle of the Well-Being of Future Generations Act 2015, and aligns with several of the wellbeing goals". However, the majority of responses provided constructive criticism that principles need to be expanded and strengthened. For example, principle one to include use of the seabed, or that principles rely too heavily on perfect data and nature markets and/or credits. Some responses identify that "principles still seem too reliant on market led, for profit, development increases in finance for ecosystem services and nature-based solutions." Further, requests include the "need [for] more detail, particularly on nature-based solutions and funding for nature restoration."

### **Thematic analysis**

**Clarity:** Several respondents highlight the lack of clarity, framing and knowledge of existing processes hindering their responses to this consultation. The Royal Town Planning Institute state they cannot "provide a full and considered response" to the principles, as the consultation lacks sufficient "information on the implementation of the proposed principles for practitioners and existing processes". Another response has highlighted the need for further consideration of prevention and the long-term ways of working, which may be "best reflected under the second principle".

NFU Cymru generally support the principles, however: "it is not clear how the principle[s] will be applied in practice and what mechanisms Welsh Government has to address instances where this is found not to be the case. How and by whom the principles are applied and how the principles are intended to influence decision making has not been clearly explained within the consultation [...] NFU Cymru is unsure how the proposed engagement and collaboration with local communities requirement will take place in practice." Swansea Council Natural Environment Section echo these concerns, where "alone these principles cannot ensure

sustainable principles. A robust framework, further detail on implementation (including stewardship) and other measures would be needed for the principles to influence investment.” The Brecon Beacons Mega-Catchment Steering Group reiterate this, stating “we have experienced a lack of clear direction on which issues need addressing in order to deliver Government targets. This requires not just clarity on what the outcome is and the scale of delivery required, but also a join up of the ambitions by those, often Government sponsored bodies, that have the resources and evidence to take a lead on delivery.”

**Just transition to net-zero:** Many respondents raised that a stronger connection to a just transition to net-zero, and Welsh carbon targets, is needed. Landscapes Wales stated that net-zero is “not considered in enough detail and fails to consider the need for a just transition (i.e., how we can protect against the risks of decarb[onisation] activity leading to negative consequences for our communities). More detail is needed on approaches to creating and sharing benefits that benefit public, private and community interests, while also contributing to a just transition. While our preference would be locally led, foundational solutions for private finance than, for example, land purchase by large, absent, corporations, we would want to see any investor giving full consideration to the Act and the five ways of working.” Monmouthshire County Council also highlight the importance of a “‘just transition’ to sustainable food production” and request stronger emphasis on net-zero principles.

**Market actors:** Several responses highlight the importance of investors in delivering these principles, including the Sustainable Soils Alliance: “the draft Principles would benefit from a clear recognition of the economic potential of aggregating different services and investors, and a commitment to involve as many of these players as possible. This would send a strong message to the potential investing business sectors that the Welsh government is committed to enabling their role in nature recovery as much as possible.” Banc also requests clarity on which investor types [the principles] apply to – asset owners and/ or managers, their respective responsibilities and disclosures.

Wildlife Trust Wales identify that “there is a need to make Wales attractive to investors. Setting a level playing field such as the adoption of National Minimum Standards by the Welsh Government and simplifying investment routes is needed.” Additionally, “the issue of payments for ecosystem services will need to be a consideration. Currently this has tended to just mean government payments to landowners/farmers for maintaining or improving way they manage land (limited scale and replicability). However, benefits are accrued to a large range of actors.” Wildlife Trust Wales “emphasise a focus on economically viable protection/enhancement for nature through collaboration. e.g. engaging private sector around profitable and sustainable, nature-positive forestry, tourism”.

NFU Cymru ask that there be more emphasis on farmers in principle 1, “who manage over 80% of the land in Wales and who are dependent on the land for their livelihoods. Where they are the providers they should be the primary beneficiaries.” NFU Cymru note “the proposed principles also insufficiently address the fundamental shift required by many potential investors (from a position of budgeting for one-off capital investments for hard infrastructure to long-term revenue streams for sustained changes in land management) that are likely to be required if markets for

nature-based solutions are to become a reality.” WWF Cymru stress that “the Government’s principles must not exclude climate and nature investments from new landowners, even if they are not engaging in traditional land uses”, and not be “limited to those with significant pre-existing wealth, or within a line of succession.” An individual response stated that “these [principles] can’t be effective unless there are criminal liabilities for polluters and these are properly enforced.”

**Strength of wording:** A few respondents had explicit criticism of the principles regarding stringency of wording. Wales Environment Link identify a lack of emphasis on nature restoration, “particularly within Wales’ context, which is needed to meet global biodiversity obligations. The language should be strengthened to focus on nature recovery, as the current wording lacks emphasis on environmental integrity.” The need for more robust wording is further reiterated where RSBP Cymru state that “Principles contain many ‘should’ statements and very few ‘musts’; strengthening the language of these principles would provide a clearer signal to market participants.” Soil Association Cymru “suggest that any policy position on voluntary environmental markets as a climate and nature solution needs to also consider the alternatives and whether a regulated approach will achieve more for climate mitigation than even a well governed and high-quality voluntary market.”

**Additionality:** Several responses raise concerns over additionality, where presently “this could adversely impact on our ability to seek investment”. Powys County Council states this may negatively impact “sustainable outdoor recreation and low carbon transport e.g. rights of way and cycleway management [...]. The principles should not prevent investment in essential work to improve or look after existing assets that contribute to these outcomes, simply because it could be regarded as ‘statutory.’”. Wildlife Trusts Wales “has concerns that there is no scope for securing additional and/or private finance for designated sites. Most protected sites are in poor condition and have been for a long time – there is not enough funding or resource to bring them all to the requisite condition and keep them that way and that’s unlikely to change – therefore alternative sources of funding are needed for these sites too.”

**Additional or modified principles:** A few responses propose additional principles or offer suggestions to modify existing principles to further strengthen the framework. The Woodland Trust suggests that “an additional principle is needed that that clearly states that the purpose of responsible investment is to protect and restore irreplaceable habitats (such as peatland and ancient woodland). “Likewise, for climate outcomes a statement of purpose is needed to ensure that responsible investment in carbon sequestration is to cover genuinely unavoidable residual emissions and not to buy a licence to continue polluting.” The Woodland Trust raise further concerns over preventing greenwashing, responsibility of private corporate entities and recognition of Welsh language and culture, where existing draft principles should be modified to strengthen these. More specific concerns from the Anaerobic Digestion and Bioresources Association include “insufficient recognition of waste management and organic resource recovery as key drivers of environmental improvement, alongside “limited guidance on methodologies for measuring greenhouse gas reduction and removal benefits.” Furthermore, the principles lack “distinction between temporary and permanent environmental solutions”.

**Aligning frameworks:** While this topic was asked explicitly in questions three, many responses for question one offered views that the principles aligned well with existing frameworks. Several responses offer further thinking on how this alignment should be handled. For example, CLA Cymru state that “rather than developing its own set of principles, Welsh Government should endorse and adopt the British Standards Institute’s principles referenced in the consultation. This would avoid the need to duplicate the British Standards Institute’s extensive work, and ensure that nature markets could operate across the UK with ease.” RSBP Cymru further detail the need for these “Principles [to] align with frameworks already in existence across markets and the UK [...] The principles alone are not sufficient to deliver high integrity markets. The Welsh Government also needs to support the adoption of the principles by providing the market with clear signals on regulation, support on understanding of the complexities of Welsh landscapes and ownerships, etc.”

Natural Resources Wales “suggests that the principles should be part of an overarching regulatory framework, integrated with standards and formal regulations to prevent short-term economic interests from undermining long-term goals and market stability.” An anonymous contributor raised that “for Principle 4, these points look to already be covered by the British Standards Institute Flex 701. We would question the value in pulling out a separate set of high integrity principles for Wales with such a high degree of overlap instead of signposting to a robust set of principles that have already been published, which risks confusing the market with too many sets of overlapping principles.”

**Welsh culture:** While the principles impacts on Welsh language and culture was specifically considered by questions seven and eight, several responses to question one also call for more emphasis on Welsh culture within the principles. For principle 1, NFU Cymru “believe that in line with the Well-Being of Future Generations Act, cultural well-being including the Welsh language should be key considerations.”

**Scope:** Several responses question the scope of the principles, with the North Star Transition stating the “proposed Principles are too narrow in scope and ambition to deliver on the hoped-for outcomes.” Concerns over scope include who the principles apply to (for example ‘resilience to food supply’; only 5% of key products such as beef and lamb being consumed in Wales), duration of principles, which spaces they include, who is designing and monitoring the methodologies etc. Closely linked with the insufficient detail section above, WWF Cymru state “there is less reference to Nature-based Solutions in urban environments i.e. green infrastructure typologies. Neither the principles nor Annex 2 [of the consultation document] capitalise on the of business in urban and suburban areas beyond references to new developments and the planning process. Are these spaces out of scope? Or is their inclusion supposed to be implicit? The principles would be strengthened by making them more explicit: this is particularly pertinent given the relationship between ecosystem resilience, and community resilience / wellbeing benefits which should be provided at both a landscape and neighbourhood level.”

Natural Resources Wales recommend “clarifying the scope of the principles, proposing a title like “Sustainable Investment Principles for Nature Recovery” to better reflect their focus. They believe these principles should apply to both market-based (traded credits) and non-market (contracts, grants) investments in nature.”

The Brecon Beacons Mega Catchment Steering Group note that “Government Acts do not always apply in full to private organisations thereby limiting the impact of delivery. Similarly, we need a strong steer and support to help communities own, engage and deliver nature-based solutions. The current principles tend, however, to focus on maintaining the current approaches and this tendency needs support to change.” An anonymous contributor highlighted that the principles must consider how “private finance in this space can interact and compliment the Sustainable Farming Scheme (SFS), understanding any potential barriers, for example by hindering proof of additionality.”

**Reliance on free market:** Many responses identify that there is too much reliance on “market led, for profit, development increases in finance for ecosystem services”. RSPB Cymru highlight that “In recent years in Wales there have been several high-profile cases of large corporations buying up land for carbon offsetting projects, displacing people, impacting on our cultural heritage and failing to provide multiple benefits for nature or local communities. This has led to mistrust and uncertainty of what the future brings. These Principles must ensure high integrity within this space and protect Wales’s people and restore our land. Investments should enable those landowners to stay and to be supported to do so.” An individual response was particularly enthusiastic about this issue, stating “these principles are founded on a completely disproportionate emphasis on /reliance on /deference to neoliberal free market principles and ‘private profit’ as a driver for nature recovery, as if the two could somehow be made or ‘wished’ to be compatible. This has not worked to date and it’s completely unclear how it would work now.”

**Inaction and accountability:** Perceived inaction by Welsh Government has been reiterated among several responses. WWF Cymru state “it has remained unfortunate that wider legislation, most notably the Well-being of Future Generations (Wales) Act 2015, has persistently failed to recognise this hierarchy in both its drafting and resulting implementation. This lack of recognition, where instead outcomes are balanced across environmental, social/cultural, and economic pillars, has led to environmental outcomes being undervalued and/or lost within some elements of wider Government policy.”

### **Gaps:**

Key gaps identified by five (5) or more responses include the following

- Resilient ecosystems: The principles should explicitly support the maintenance and restoration of resilient Welsh ecosystems, in line with the Well-Being of Future Generations Act 2015 and the Environment (Wales) Act 2016. - Natural Resources Wales
- Leakage: Natural Resources Wales suggests that the principles should address leakage (where positive outcomes in one area are offset by negative outcomes elsewhere). - Natural Resources Wales
- Demand-side principles: They call for the inclusion of demand-side principles to ensure responsible buyer behaviour and prevent issues like leakage. - Natural Resources Wales
- Climate adaptation: The principles should explicitly encourage climate resilience measures in nature-based solutions, acknowledging the impacts of climate change. - Natural Resources Wales

- **Transparent risk management:** The principles should require transparent risk assessment and mitigation for underperformance in projects to prevent greenwashing and ensure investment quality. - Natural Resources Wales
- **Measurement and monitoring:** They advocate for greater ambition in gathering environmental data and ensuring projects are evidence-based. - Natural Resources Wales
- **Stacking:** Although complex, they suggest that the principles should eventually address the ability to combine multiple sources of investment for a single project. - Natural Resources Wales
- **Connection with Well-Being of Future Generations Act 2015:** Natural Resources Wales emphasizes that the principles should align with the Well-Being of Future Generations Act 2015, ensuring that investments contribute to long-term social, cultural, environmental, and economic outcomes. They also highlight the need to ensure that Wales' environmental efforts do not simply compensate for negative impacts abroad. - Natural Resources Wales
- **More explicit guidance:** Need more guidance on how these principles will be enforced across the public and private sectors. A more detailed framework on monitoring and compliance would ensure that stakeholders consistently apply these principles in a measurable and accountable way. - National Landscapes Association
- **Local governance and community:** Stronger emphasis on the role of local governance and community-led initiatives could further enhance their practical application, ensuring that local knowledge and values are integrated into decision-making. - National Landscapes Association
- **Smaller-scale actors:** Greater focus on addressing the challenges of smaller landholders and community groups in accessing green finance. In practice, large-scale investors are often better positioned to take advantage of ecosystem service markets, while smaller players may face barriers such as lack of capacity, knowledge, or upfront capital. Including specific measures to support these stakeholders, such as technical assistance programs or financial incentives, would make the principles more inclusive and help democratise access to green finance opportunities. - National Landscapes Association
- **Complexity of nature:** key missing themes for in this include 1) recognition that nature is complex, dynamic, diverse and place based, 2) recognising our entire economy is embedded in nature, so nature-based solutions should be designed with a starting point of economic and social outcomes (not an addition to it - which is very often the case!), and 3) nature is a system (nested in economic systems) and investment in a node in the system leads to much wider systemic impacts. - The Good Economy
- **Systemic outcomes:** Outcomes should also factor the systemic impact of investment in and management of nature-based solutions i.e., how an investment in an intervention can impact an entire economic and social system around it, and the wider macro system it is nested in. - The Good Economy

## Question 2: What are your views on how the principles can be applied to delivering nature-based solutions and ecosystems services?

36 of 42 responses.

**Summary:** Many responses to question 2 closely overlap with question 1. However, a few responses do not directly address this question, instead referencing their own work, or offering a wider commentary on principles and their sector in general. Many responses praise the principles, with one organisation stating the principles “provide a strong foundation for effectively implementing nature-based solutions and ecosystem services. The principles ensure that projects deliver tangible environmental and social benefits while maintaining high standards of transparency, accountability, and community engagement.” However, a few others suggest there is a long way to go in the development of these principles to effectively deliver Nature-based Solutions, most of which centre around accessing investment for long-term funding.

### Thematic Analysis

**Investment and long-term funding:** Similar to question one, several responses echo the importance of sustainable investment without over-reliance on market mechanisms. However, a few organisations are “unclear on how, if at all, the Welsh Government will facilitate a flow of funding and to what extent the Welsh Government will seek to provide guidance to people who wish to engage with new markets and schemes.” Marine Conservation Society states “it is worth considering alternative means of giving the green light to an investment without having perfect data.” Another response states that “clarity is vital, as the green finance market is global and investors will be operating across multiple countries/markets, both domestic and overseas. These principles do not go far enough in this area.”

The Future Generations Commissioner for Wales reports “public bodies tell me that they would find it much easier to deliver on a nature positive Wales by 2030 if they had funding allocated over 5 years. A strategic, longer-term focus like this would also improve the chances of creating a more investable package of activity in Wales or within the four regions.” Similarly, Monmouthshire County Council state that “current funding models for the delivery of nature-based solutions i.e. grants are incredibly short at 2-3 years maximum with no long-term monitoring and maintenance. They are also incredibly competitive with ‘new’ projects and areas of work needing to be developed with each funding cycle. Nature recovery need significantly longer, consistent approaches that could be delivered via these principles.” Banc also stated that “if investors, particularly intermediary investment managers wish to develop investable projects in Wales, then voluntary subscription to a central regime should not present a significant barrier and would underpin long term engagement and alignment between Government and markets on policy goals.” Although private investment was seen as vital by many responses.

The Wildlife Trusts Wales highlight that “a situation where private investment is seen as a substitute for public investment in nature’s recovery should not be allowed to happen. Welsh Government has an important role in ensuring through the

application of these Principles that any projects are of the highest environmental integrity which will help ensure targets and commitments made concerning nature's recovery are met.”

**Stakeholder engagement:** Many responses were broadly supportive of the principles' recognition of the importance local communities and effective engagement with them. However, a few responses thought that greater detail was needed. For example, Farmers' Union of Wales broadly agrees with the principles, however “there are many examples where early ‘engagement’ or community consultation does or has not ultimately changed or prevented a potentially damaging decision being made. An investment impact assessment would be stronger, as called for by the FUW within its 2022 County Council Election Manifesto.” The Woodland Trusts highlight that “the governance mechanism must allow stakeholders a substantive role in making decisions collectively, including on priorities for expenditure.”

RSPB Cymru emphasise the importance of “working closely in partnership, engaging with those with local expertise, boosting additional benefits such as improved biodiversity and water quality, and investing in the community by working with local businesses.” The National Landscapes Association supports the role of these principles in encouraging engagement, stating “one of the key strengths of the principles is their focus on community engagement and equitable sharing of benefits. This ensures that nature-based solutions are not only environmentally effective but also socially inclusive. Engaging local communities early in the project development process and involving them in decision-making helps build trust and local support.”

**Integration:** Many responses highlight the potential integration of the principles, and private finance, with the Welsh Government's upcoming Sustainable Farming Scheme. WWF Cymru “sees significant potential for the principles to be applied to deliver nature-based solution and ecosystem services. The challenge we foresee is the integration of these principles with wider public policy [...] We can foresee significant potential to integrate with elements of the [Sustainable Farming] scheme, such as funding allocated to tree planting and peatland restoration, given the comparatively robust and mature accounting codes which are in place to identify outcomes. Yet other areas, most notably when nature/climate actions interact with food production (agroforestry being a prime example), require significantly more care and subtlety to ensure that these investments do not accidentally end up subsidising food production – which would raise concerns from an international trade perspective.” Wales Environment Link raise “concern that private investment could inadvertently subsidize food production rather than enhancing environmental goals. The [Sustainable Farming Scheme] collaborative layer, which could enable landscape-scale biodiversity projects, needs adequate resourcing to be effective [...] There is a need for clarity on how public money from the [Sustainable Farming Scheme] can be combined with green investment, ensuring there is no double funding. Successful green investment will depend on how well public and private funding can work together without undermining each other.”

**Quantifying outcomes:** A few responses called for greater detail in the principles on how the outcomes of investments are quantified. Both the Soil Association and Natural Resources Wales echo the importance of quantifying outcomes, with Natural

Resources Wales stating that “measuring and quantifying the outcomes of Nature-based Solutions is vital for transparency, risk mitigation, and ensuring effective implementation.” The Soil Association “want public payments for public benefits from land management to operate in tandem with private finance for environmental payments, to ensure that current good practice (e.g. organic farming) is rewarded and that perverse outcomes do not occur e.g. additional land-based emissions to reset baselines.” The Good Economy highlight that “outcomes should also factor the systemic impact of investment in and management of nature-based solutions i.e., how an investment in an intervention can impact an entire economic and social system around it, and the wider macro system it is nested in.”

**Delivery of benefits:** Several responses offer comment on how the principles could be used to guide the delivery of benefits that Nature-based Solutions provide. This theme relates in part to the clarity and market actors theme identified in responses to question one. The Pembrokeshire Coastal Forum suggest that “the Sustainable Investment Principles could be used by nature delivery organisations and investors / funders to guide project development so it is more likely to have acceptance by Welsh Government, [Natural Resources Wales], and communities in Wales.”

One response suggests that farmed landscapes are a key area for Nature-based Solutions delivery; “farmed landscapes are in a unique position of being able to integrate nature-based solutions alongside food production and it is important for this to be recognised. Viewing nature-based solutions and farming in isolation from one another limits opportunities and hinders process towards important environmental goals.” While another response has highlighted that “at present the carbon credit opportunities for farmers are limited as the relative price of credits is low, meaning that any potential margin requires large scale developments; farmers should be made aware of this before entering into any contract.” However, “with a robust set of guiding principles, land managers, and communities may be more inclined to engage with sustainable finance initiatives - provided their absolute benefit for all parties involved.”

Another response urges that “the government should provide incentives and help achieve best practices”. For example, “the Welsh Government could accredit appropriate organisations to audit how well projects align to high-integrity principles to allow those projects to market their respective credits as higher quality, for example a Welsh Government Gold Standard, which may support premium pricing.” The Brecon Beacons Mega Catchment Steering Group urges that the proposed principles “cannot be driven purely from above. We need local communities and land managers to own the issues and deliver local options. To do this requires knowledge and skills of the range of available interventions. These will deliver local engagement and ownership; but will require parallel efficient and easy consenting, and suitable funding mechanisms which can encourage delivery.”

**Question 3: Do you agree or disagree that our proposed approach complements the values/standards of schemes and codes currently in use?**

30 of 42 responses.

**Summary:** Response broadly agree and welcome the proposed approach, stating “overall these principles appear consistent with other sustainable investment principles and codes.” However, several responses call for clarity on the aforementioned areas in questions one and two, particularly implementation, investment and accountability, in order to fully support the proposed principles.

### **Thematic Analysis**

**Ecosystem Services:** Landscapes Wales note that “it is important to raise concerns regarding costs associated with some schemes and codes that can reduce the income received by land managers and communities.” Another organisation states the approaches “could be strengthened to highlight the importance of science-based targets. We’d also like to see an indication of how these principles will guide, support and mobilise funding to ensure that there is meaningful delivery for landscape and seascape-scale recovery of nature.” Farmers’ Union Wales highlight that “the ecosystem service delivered may not represent a ‘net gain’ per se in terms of nature recovery. Particularly in regard to carbon trading, which has been well documented as potentially facilitating a ‘licence to pollute’.”

**Other frameworks:** The Woodland Trust state that “an ideal framework created by the Welsh Government will encompass existing initiatives and drive their gradual improvement towards fully meeting the principles.” Banc also suggest that “the UN principles for responsible investment framework [...] would provide a useful template for developing a voluntary framework to monitor and evaluate how principles for investors are enacted and their performance over time, while enabling investor and project flexibility.”

NFU Cymru specifically states that “the [Payment for Ecosystem Services] approaches should be guided by the following principles:

- Farmers must be fairly rewarded for the delivery of environmental goods.
- Environmental markets must work alongside the production of food, energy and fibre
- Public policy and government initiatives must support the development of private markets
- Clear rules and standards are required to allow farmers to participate with confidence
- Markets should be accessible across a range of farm sizes, tenures and business structures”

While not a framework or scheme that was listed several responses ask that Welsh Government provide urgent clarity on Net Benefit for Biodiversity and how it will drive investment in nature restoration in Wales.

**Agreement:** While there was broad support, a few responses openly disagree with the proposed principles, with one stating the principles should “first start with what is currently in use and improve it substantially”. One suggestion is that there should be a “central record of [implemented schemes documenting] what has been done, how successful they have been and their location and extent. This is needed to provide confidence, support further uptake, and to ensure we avoid duplication of effort. It would also support knowledge exchange.”

## Question 4: What are your views on our proposed approach to exploring sustainable finance in Wales?

36 of 42 responses.

**Summary:** Many responses welcome principles tailored to Wales, as “it is important to highlight the unique complexities Wales faces”. While supportive, many responses point back to the need for more detail on how the principles will collect or interact with the existing data, how investment will be secured, and how these principles will be implemented and governed across Wales.

**Government’s role:** A few responses also consider the role Welsh Government could play in furthering the uptake of sustainable finance in Wales. One response states that “Welsh Government can lay the enabling conditions to attract sustainable investment...”, for example, into marine ecosystems, where there is “currently a big gap between the cost of nature-related projects and the possible returns”. Another response highlights how “Public funding could be available to cover losses in the event of a project failing, or could be used to guarantee a minimum return on investment. Collaboration across sectors will be necessary to apply this.”

**Governance:** Regarding the governance of the principles several responses felt that more detail could be offered. Landscapes Wales, and several others, emphasise the “need for strong governance and transparency of any investment groups or partnerships to ensure funds are used effectively and equitably. We would welcome more details on enforcement mechanisms to ensure that investments truly contribute to long-term environmental and social goals. There should also be a focus on ensuring that Wales’ distinctive needs—such as protecting its unique landscapes, culture, language and heritage—are represented in these broader collaborations. Core funded work is central to the work of designated landscapes and their ability to delivery on the priorities expected of them.” RSPB Cymru echo the need for strong stakeholder relationships, stating “the question remains how we work in partnership across stakeholder groups to overcome these complexities. The Welsh Government needs a coordinated approach internally to enable it to take leadership in these areas. It is also important to consider how the Welsh Government will engage with the UK Government and other devolved administrations, to tackle areas of common concern and secure benefits.”

### Additional views

The Future Generations Commissioner for Wales highlights “investment schemes or private sector partners must be required not only to develop nature outcomes for a Resilient Wales, but also to ensure that outcomes from investments align to each of Wales’ seven Well-being Goals. In return, for private sector organisations to invest, they will require a good sense of assurance. It makes sense to meet the sector where they are: familiar with the Sustainable Development Goals and ESG reporting. It would be helpful if, in Wales, we co-produced a Future Generations aligned framework which shows the direct line of their [Environmental, Social and Governance] investments through the Well-being Goals and to the [Sustainable Development Goals]. One way to do this would be to commit to measuring outcomes

over a longer period, as we already see with net zero targets to 2050 which have enabled carbon markets.”

Wales Environment Link provided two areas beyond those previously mentioned that need to be addressed. Firstly, diversifying nature recovery beyond tree planting. “The government must ensure that its investment priorities address the full scope of the nature and climate crisis. While tree planting is important for net zero goals, investments should also target other areas, like biodiversity connectivity, that may not have well-established market mechanisms yet.” And secondly, “to meet the ambitious environmental targets set for 2030 and 2050, the Welsh Government must act swiftly. Existing budgets alone will not suffice, and transitioning toward sustainable investment options is critical to achieving these targets on time.”

The Woodland Trust raises further concerns of poor recognition for regional initiatives and over-privatisation. “One of the weaknesses in Wales is a lack of regional initiatives, such as the Northern Forest and community forest network in England. We would like to see the Welsh Government commit to establishing a framework for such regional projects, looking at opportunities that are now arising from the Alliance for Wales’ Rainforests, Wrexham Forest Partnership, the regional supply chain development needs arising from the Timber Development Strategy and the other opportunities for collaborative working across local authorities to deliver their tree and woodland strategies.”

Banc highlight the strain on Government capacity and investment. “There are opportunities for public co-investment through Public Finance Institutions such as ourselves, ensuring delivery of enhanced local community benefits and relieving strain on resource and general capital in Government budgets through the use of Financial Transaction Capital. Given the distributed land ownership of Wales and the need for integrated landscape approaches that coordinate market interventions in land use, we would support proposed mutualised models for investment and embedding of these principles in these organisational structures, to facilitate many-to-one offers for investment and appropriate audit of standards and reduced transaction costs. With respect to market standards, we agree and would stress that standards need to align to international codes. Where they are enhanced in Wales by national frameworks credits can be advertised as such, ensuring global compliance and therefore opportunity for investment, while delivering opportunity for improved valuation.”

Wildlife Trusts Wales states “whilst [Wildlife Trusts Wales] supports the approach taken by the Welsh Government with regard to exploring sustainable finance we would not support this if such an approach is seen as a substitute by the Welsh Government for its own investment into nature’s recovery and addressing the climate crisis. It is critical that the Welsh Government ensures a level playing field for sustainable investment with clear procedures in place that will ensure that any private finance is clearly aligned with the objectives of the Welsh Government on climate and nature.” Similarly, the Usk Catchment Partnership state “while we welcome the Nature-based Solutions approach in principle there is much detail around this that needs to be robust [...] There is concern that finance will be used to enable ‘business as usual’ by powerful players who have vested interests (whether these are represented by the financiers themselves or by decision makers/lobbyists

from within industries that are represented in the current rural economies), it is not clear how this will be addressed.”

GRWP Wales raise concerns that “the danger of the thinking behind your consultation is that it divides nature from the economy, so people see it as a rival. Nature cannot win when framed like this, as times get harder, it will be sacrificed. You need a consultation on how to become self-sufficient for the basics, retaining the richness and productivity of our environment for uncountable future generations. The present consultation favours corporations who can buy, with public money often, a bit of wilderness in return for control of the bulk of our productive resources, - land, renewables sites and flows, sea, infrastructure and waters. They will be controlled by bodies with no local love or loyalty and no structural ethics and who can afford to buy legal representation such that there will be no control over what they do.” Another response stated this approach is “guaranteed to lead to further destruction of the environment and the health, wellbeing and livelihoods of local communities and generations to come.”

National Landscapes Association highlights two key barriers to implementation of this approach in Wales. Firstly, “lack of Awareness and Capacity: many landowners and community groups lack the knowledge and capacity to engage with ecosystem service markets. Providing technical assistance and capacity-building programs will be crucial to enable broader participation.” And secondly, “coordination with UK and Global Standards: it is essential to ensure that Wales’ strategy is aligned with broader UK and global initiatives, such as the Nature Investment Standards Programme and the Global Biodiversity Framework. This alignment will enhance credibility and ensure consistency across borders.” An anonymous response echos that “extreme caution needs to be taken to safeguard communities, livelihoods, and the delicate balance of nature itself [...] Nevertheless, there is an evident requirement for a strong regulatory and legal framework to facilitate investments and transactions of this nature, to ensure they are genuinely ecologically beneficial.”

### **Question 5: What do you think are the barriers to preventing the people and communities of Wales from becoming involved in nature recovery?**

32 of 42 responses.

**Summary:** The feedback to question five highlights recurring challenges, focusing on the systemic, economic, and social hurdles that prevent meaningful engagement in Wales. Some of these challenges include access to long term funding, changing demography, lack of skills and capacity, engagement and market complexity.

#### **Thematic analysis**

##### **Funding:**

- “Key barriers include lack of long-term funding certainty for Councils and [Local Nature Partnerships] partner organisations, limited revenue funding for staff capacity, and complex/resource-intensive application processes for grants (such as Lottery funding). Simplifying access to

sustainable finance and providing more revenue support would help overcome these.” - Swansea Council Natural Environment Section

- “The economic costs associated with nature recovery projects present another major barrier, particularly for small landowners and economically disadvantaged communities. Engaging in nature-based solutions, such as woodland creation or regenerative farming, often involves high upfront costs that many stakeholders cannot afford without external support.”- National Landscapes Association
- “Costs related to changing land use, implementing sustainable practices, or restoring habitats can be prohibitive, particularly when immediate financial returns are uncertain. This economic barrier discourages participation, especially in communities where short-term financial stability is a priority.” - National Landscapes Association

**Changing demography:** “Barriers for rural communities can include the changing demography or rural communities – depopulation and an ageing population, a lack of time due to many having to work multiple jobs to make a living, poor infrastructure with limited travel and access opportunities, all linked to rural poverty.” - Landscapes Wales

**Lack of recruitment and skills:**

- Historically low investment in nature, and lack of sector-specific skills and recruitment must be addressed to reduce “biodiversity loss, improve water quality and climate mitigation.” - Landscapes Wales
- “Complex permitting and regulatory requirements that can deter community-scale projects.” - Anaerobic Digestion and Bioresources Association
- “Insufficient technical expertise for project development and operation, especially in rural areas.” - Anaerobic Digestion and Bioresources Association

**Capacity and resources:**

- “Knowledge and collaborative working across sectors, including the development industry and landowners, would be an important part of the success of the investment principles, however, given current capacity and resources, it is unclear how will this be supported.” - Royal Town Planning Institute
- “Even when there is interest, many communities and landowners lack the technical expertise and capacity to engage meaningfully in nature recovery. Developing projects that generate ecosystem service credits, such as carbon or biodiversity credits, requires significant planning, technical know-how, and financial resources.” - National Landscapes Association
- “Without clear, user-friendly information on how to develop and implement nature-based projects, many potential participants feel excluded from these opportunities. Providing accessible educational resources and outreach programs would help bridge this knowledge gap.”- National Landscapes Association

**Farming and land management:**

- “Lack of clarity around financial support, particularly the Sustainable Farming Scheme, hampers large-scale planning. Rising costs (e.g., inputs, cost of living) and shifting geopolitical factors create financial strain. A lack of a cohesive food strategy in Wales undermines farm incomes and investment, affecting local food economies.” - Rewilding Britain
- “The current design of these markets mean smaller family farms are structurally disadvantaged from accessing or benefiting from them. Due to the costs of registration, verification and ongoing monitoring, large scale projects with few ‘middle men’, good marketing and good links to investors offer far better ‘returns’.” - Farmers’ Union of Wales
- “Concerns about the potential impacts of land use changes on traditional livelihoods and local economies present a significant barrier to community participation. Many landowners, particularly those involved in agriculture, fear that nature recovery projects could lead to the loss of productive agricultural land or restrictions on land use.”- National Landscapes Association
- “Shifting to nature recovery projects, such as rewilding or wetland restoration, can be seen as a threat to agricultural productivity and food security. These concerns can lead to resistance, especially when the benefits of nature recovery are not clearly communicated or perceived as outweighing the potential economic loss of farmland.”- National Landscapes Association

#### **Engagement:**

- “Insufficient support, monitoring, and funding for community-led land management initiatives. Absence of strong mechanisms for community land ownership, with a call for land reform to support community and ecological trusts.” - Rewilding Britain
- “Communities can often feel disempowered through a lack of clear opportunities to engage in the conversation around nature recovery. Communities that are at risk of flood, or where house prices are too high for locals to afford often feel that the system is not working fast and efficiently enough to deliver the solutions they seek to protect their communities, heritage and livelihoods.”- Usk Catchment Partnership
- “A lack of clear mechanisms and government support stymies business involvement in nature restoration. Emerging finance models like Stump for Trees and the Atlantic Rainforest Restoration Programme show potential but remain underdeveloped.” - Rewilding Britain

**Market complexity:** “Complexity in financing green initiatives, with a need for businesses and communities to demonstrate financial and environmental benefits. The absence of strong policy support from the Welsh Government limits engagement in green finance, with little meaningful funding for nature-based services.” - Rewilding Britain

#### **Distrust:**

- “There is likely to be distrust in the motives of certain private investors. For example, a food retailer that underpays farmers could be seen as undermining sustainability efforts, as their low prices may negate any positive impact of investing in nature recovery. Companies should be

required to first improve their own environmental practices before gaining credit for supporting nature restoration.” - Wales Environment Link

- “The lack of leadership from the government favouring corporates and self interest. The issue with politicians with self interest usually getting into position of power and appointing former corporates businesses man into key roles; therefore making it impossible to work for nature.”- Anonymous
- “A significant barrier to communities engaging in nature finance opportunities is a lack of credible information and a mistrust in the markets [...] It is easy for communities to feel unease about such investments where it might put their local heritage and culture at risk.” - Future Generations Commissioner for Wales

**Distribution of power:** “Local government has few powers to guide or direct investment at a project/site level, as many of the relevant land management decisions sit outside the planning system. This makes it more difficult for government to guide investment into its priorities and targets, risks creating tensions within local stakeholders and emphasises that sustainable solutions require full engagement with local communities.” - RSPB Cymru

**Infrastructure Barriers:** “The lack of developed market infrastructure for ecosystem services in Wales is another barrier. While there is growing interest in ecosystem service markets, such as carbon credits and biodiversity units, the infrastructure needed to support these markets—such as trading platforms, registries, and verification systems—is still underdeveloped.”- National Landscapes Association

**Upscaling Nature Recovery Efforts:**

- “Many communities in Wales are already involved in nature recovery, but scaling these efforts is crucial to address nature and climate emergencies. The focus is on how to accelerate and expand these initiatives.” - Natural Resources Wales
- “There is a lack of consensus in a vision of what our landscapes should / could look like. This lack of vision at scale relates to a lack of ability to provide opportunities at scale, and has led to small, isolated nature restoration delivery constrained by public funding challenges and much of the time not quantifying benefits.”- Pembrokeshire Coastal Forum
- “A significant funding gap in Wales, with only 3% of UK environmental philanthropy directed to Wales, leading to challenges in scaling up conservation efforts.” - Rewilding Britain

**Question 6: We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them.**

24 of 42 responses.

**Summary:** Respondents to question six raised the untapped potential of Wales’ marine territories, designated landscapes, and innovative financing models to advance nature recovery, while emphasizing the need for transparent markets, government leadership, and collaboration. They also emphasised concerns about balancing environmental priorities with economic pressures, calling for technology-

driven solutions, a shared terminology, and inclusive, scalable approaches to ecosystem management.

## **Thematic analysis**

### **Marine territories and investment:**

- “Wales has a greater marine territory than land area and it presents opportunities for sustainable economic gains, equity and resilience. With this in mind, I suggest expanding the focus of the principles to include the use of the sea wherever possible (for example, principle 1 only mentions land use).”- Marine Conservation Society
- “We would welcome the consideration of the opportunities offered by the growth of marine energy development around the coast of Wales. These developments may provide some funding options and consideration of mechanisms to support both coastal communities and Marine Protected Areas.”- Landscapes Wales
- “Marine Carbon Credit Schemes: Requests commitments to develop transparent marine carbon credit schemes to recognize the role of marine habitats in mitigating climate change.” - Rewilding Britain

**Designated Landscapes:** “The Designated Landscapes of Wales and their teams are well placed to share experience on their work with nature friendly farming and land management, and nature-based solutions which all offer potential for investors. [...] Designated Landscapes are crucial in delivering nature-based solutions, providing essential services, such as carbon sequestration, flood mitigation, and biodiversity conservation. However, they have the potential to offer even more by serving as key areas for targeting the Sustainable Farming Scheme blended with other finance and piloting projects aimed at supporting broader nature recovery efforts across a range of habitats across the landscapes.” - Landscapes Wales

**Learning from Other Regions:** “Suggests learning from established schemes in Great Britain and Scotland, contextualizing them for Wales.”- Rewilding Britain

**Lead by example:** “The Welsh Government needs to lead by example and implement these principles across projects on its own sites. For example, how will Natural Resources Wales land be used? How will they work in partnership with other landowners such as the Crown Estate? Providing direction and enabling Natural Resources Wales to enter public land into environmental credit schemes and work in partnership with others on third party land would lever in additional resources, allow Natural Resources Wales to demonstrate best practice and to support/facilitate others through partnership working. Wales has a global footprint with exports and imports when it comes to our impact on nature and climate. Whilst an ambition to retain credits within Wales is admirable and this might be a preferred choice, this should not be to the exclusion on inward investment of corporate businesses that could benefit from the Welsh market.”- RSPB Cymru

**Guidance on additionality:** “While the principles do offer a view on additionality, these would be further strengthened if there was additional guidance on rules around stacking/bundling of ecosystem services. In order for projects to generate revenue

sufficient to cover costs, there is often a need for stacking of revenues or bundling of outcomes, such as biodiversity and coastal defence.”- Crown Estate

**Market Development:** “Support for mature ecosystem service markets with clear price signals and long-term market certainty. Encouragement for investment and integration between environmental markets. A focus on local and regional ecosystem service values, ensuring environmental integrity and avoiding greenwashing or double-counting.”- Anaerobic Digestion and Bioresources Association

**Nature-based and Conservation Finance:**

- “We would suggest that these are not ‘Sustainable [Investment] Principles’, but rather ‘Principles for Nature-based Finance’. Sustainable Finance is a very broad market segment, covering all the UN Sustainable Development Goals and internationally recognised as such. To use this title in this context is perhaps mis-leading and could present barriers to wider initiatives for devolved investment policy related to impact investment and wellbeing economy in Wales.”- Banc
- “WWF UK is exploring different models of sustainable investment under our definition of ‘conservation finance’. Conservation finance is an emerging field focused on raising and managing capital to support the conservation of natural resources, such as land, water, and biodiversity. It involves creating financial mechanisms and investment opportunities that align environmental, social, and financial outcomes. Key aspects of conservation finance include:
  - Private Capital Engagement: Attracting private investments to fund conservation projects.
  - Innovative Financial Models: Developing new financial vehicles, such as green bonds or conservation trust funds, to support sustainable initiatives.
  - Partnerships: Collaborating with various stakeholders, including governments, Non-Governmental Organisations, and private investors, to leverage resources and expertise.”- WWF Cymru
- “Any credit granted needs to be verified, measurable and fungible, and effort needs to be made that the easiest way of carbon offsetting – potentially counterproductive woodland creation without due regard of the wider impacts – is not the default method [...] There also needs to be due consideration of how ‘green finance’ will interact with other commercial financing mechanisms in the future. The incorporation of nature-based criteria in to mainstream financing has significant potential to impact agricultural enterprises, especially in regards to small businesses; who can neither accommodate nor afford nature recovery without trading off their own sustainability.”- Anonymous

**The Voice of Nature:** “The needs of nature are specifically set out in our Usk Catchment Partnership Vision and Core Values, and in this sense we are unique [...] (the voice of Nature” has “equal weight among the Partnership members. The inclusion of Nature and its needs [...] in the Principles is barely covered within the document and this is a critical omission.”- Usk Catchment Partnership

**Shared Glossary:** “A shared glossary of terms, particularly for concepts like "nature-based solutions" and "ecosystem services," would also be beneficial. Terms are used interchangeably which can lead to confusion and inconsistency. A common terminology would create a more consistent framework across Wales and beyond, making it easier for stakeholders to engage meaningfully and align their actions with the principles.”- Natural Resources Wales

**Existing financial burden:** “The problem faced by local government is the tension between complying with 'Green Principles/Rules' and balancing budgetary priorities e.g. schools, police etc. [...] There is already a large budget deficit which entails raising council tax rates, increasing the financial burden on home owners who are already suffering the effects of high inflation e.g. energy costs. Taking a wide view of this proposal, balancing the human benefits of caring for the natural world against the disbenefits resulting from the financial costs in the present economic climate [...] the Senedd is placing too much emphasis on environmental conservation at this time.”- Neil McKenzie

**Leveraging Technology and Innovation:** “Technology can significantly enhance the implementation and monitoring of nature-based solutions. Utilising satellite imagery, drones, and remote sensing technologies can improve the efficiency and accuracy of monitoring ecosystem service outcomes, such as carbon sequestration or biodiversity gains. The Welsh Government could also support the development of digital platforms that facilitate the trading of ecosystem service credits, increasing transparency and reducing transaction costs. These innovations would strengthen Wales’ ecosystem service markets and attract more investment by ensuring greater accountability and ease of access.”- National Landscapes Association

## **Question 7: What, in your opinion, would be the likely effects of the Sustainable Investment Principles on the Welsh language?**

18 of 42 responses.

Responses here substantially overlap with previous questions’ responses, where there is reference to “alignment with the Well-being of Future Generations Act 2015 and support for the Wellbeing Goal; a Wales of vibrant culture and thriving Welsh Language.” One response notes that “if executed well, green finance can support and enhance rural communities, the communities which have traditionally been the strongholds of the Welsh language. All content can be bilingual and any investors must be guided to the importance of Welsh language and the frameworks focus on cultural, community and social benefits.”

Farmers Union Wales points to a report published by The Commission for Welsh speaking Communities, titled ‘Empowering communities, strengthening the Welsh language’. The report states “In the Welsh context, addressing the impact of the climate crisis on the Welsh language requires holistic approaches that recognise how language, culture and the environment are interconnected. Efforts to mitigate the potential impacts of this crisis must consider the needs of linguistic minorities, while language revitalisation initiatives should incorporate strategies for adapting to environmental changes.” According to 2021 census data, around 43.1% of the agriculture, forestry and fishing sector are Welsh speakers. “The Commission

therefore unequivocally supports the family farm that produces food alongside upholding environmental duties. Food production sustains other economic activities in rural areas that also often employ a significant number of Welsh speakers. The Commission recommends that: The Welsh Government should ensure that the Welsh language is a central consideration in agricultural policy.”

Similarly, the Future Generations Commissioner states “Under a place-based approach, the key to community wealth building here is to involve communities in land use planning for nature and promote local organisations or social enterprises as the business model of choice for managing land for nature as called for by Cwmpas. However, Institute of Welsh Affairs’ ‘Our Land’ Report 2022 shows that communities in Wales are the least empowered in the UK, in terms of access to land. I support the call in the Institute of Welsh Affairs’ report that communities should be given a statutory first right of refusal over assets, such as land, when they are proposed for sale or transfer.”

Corporate colonialism is raised as a key concern for negative impacts on Welsh language which could be addressed more readily by the principles. “There is a risk of the perception of corporate colonialism which carries with it an ignorance of, and lack of support for Welsh culture and language. We suggest that principles 2 and 3 should include wording that addresses this.” Monmouthshire County Council also raise that “The principles must ensure no unintended consequences relating to the Welsh language and take opportunities to support and promote the Welsh language through the cultural well-being benefits of delivery. Ensuring that opportunities for communities to engage in the design and delivery of benefits are language appropriate and bilingual across the country.”

Swansea Council Natural Environment Section state that “The Sustainable Investment Principles could have positive effects on the Welsh language by ensuring that nature-based projects and investments consider and support Welsh-speaking communities. There may be opportunities to promote positive effects by explicitly including Welsh language considerations in the principles, such as requiring bilingual communications and prioritizing projects that support Welsh-speaking rural areas”. Whereas, another response disagrees, that there are “no opportunities to promote positive effects [and] no opportunities to mitigate adverse effects.”

### **Question 8: In your opinion, could the Sustainable Investment Principles be formulated or changed?**

13 of 42 responses.

This question has considerable overlap with responses previously addressed in this analysis. For example, comments from Farmers Union Wales, which include calls for clarity, regulation, land use protections and fair compensation. Relevant to question seven, the Marine Conservation Society highlight that “Welsh and Welsh language businesses are typically small/medium size, so may be at a competitive disadvantage to bigger city and international investors. This could translate into Welsh language becoming less prominent amongst new business and activities that result from the investment guided by the Sustainable Investment Principles.” Similarly, another response states “There should be a focus on ensuring that Wales’

distinctive needs—such as protecting its unique landscapes, culture, language and heritage—are represented.” One response stresses that Welsh Government “would have to completely rethink the Sustainable Investment Principles.”

### **Statement of next steps**

Following this consultation, Welsh Government will be reviewing the Sustainable Investment Principles taking into account the feedback received. Following the review, Welsh Government will refine the Principles. During this review period, Welsh Government will also explore a number of pilot projects in Wales to test the application of the Principles and gather further insights to how private investment can support nature recovery in Wales. This will include consideration of blended finance. The lessons learned from applying the Principles to pilot projects will also contribute to the development of a natural capital framework.