



Wales
Cymru

Green Growth Wales: Investing in the Future



Green Growth Wales: Investing in the Future

The prospectus sets out how the sustainable use of our natural resources can create a new economic model that will deliver wealth creation and economic growth both today and in to the future. It sets out our key offers around:

- Our wealth of natural resources
- A flexible and committed Government
- Practical and customised support for business

Why Wales?

We offer a unique wealth of natural resources combined with significant investment in infrastructure renewal and expansion



Committed Government:

We are creating a streamlined environment for investors, with Natural Resources Wales offering a single point of contact for environmental regulation

Practical support:

We offer customised support for business

Rt. Hon Carwyn Jones AM

First Minister of Wales



I want Wales to be a world leader in green growth. In the same way that the availability of our natural resources put Wales at the forefront of the first industrial revolution, driving the growth of iron and coal and then steel and manufacturing, it is our abundant natural resources that can drive the growth of a new and different economy that will be rooted in the sustainable and intelligent use of those resources.

The new realities of climate change and resource depletion drive us to understand that an old, tired “business as usual” approach is an insufficient and inadequate response to the challenges facing today’s advanced economies. These challenges are a golden opportunity for Wales and we are focused on maximising the benefits these challenges offer.

The Welsh Government is committed to creating an environment where businesses can invest with confidence. We are creating the conditions that will nurture and drive green growth, with regulatory regimes that are able to respond positively and quickly to new opportunities.

I am pleased to say that we are already making great strides, working coherently and effectively as a Government, to deliver a positive transition to a wealthy, low carbon future. This can be seen in our approach to low carbon energy. The Energy Wales Programme, is identifying areas of opportunity and supporting investors, Welsh businesses and communities to create projects that deliver for the investor, but also deliver economic, social and environmental gain for Wales.

This is a huge opportunity to forge a better future and to once again lead a revolution in history. This prospectus sets out how we intend to drive forward these ambitions.

Peter Davies

Commissioner for Sustainable Futures



It is often said that the future is already taking shape around us and it is only a question of where to look. I hope this prospectus will encourage companies to look to invest in the future that we are creating in Wales.

A commitment to sustainable development has been a distinctive feature of devolution. As the independent Commissioner appointed to ensure this commitment is being delivered, I believe we now provide a location where companies who share these values can thrive.

In a competitive global marketplace, companies will invest where there are the best conditions to enable long term sustainable growth. Increasingly these conditions require government to provide a platform for low carbon growth that enables companies to produce goods and services that respond to diminishing natural resources, increasing material prices, and the global effort to reduce emissions.

This prospectus sets out the platform that is now in place to provide the skills, infrastructure, support services and networks for innovation that are necessary for green growth; but more than that, it provides the basis for collaboration and partnerships among businesses, investors and key public institutions to create new models of inclusive and sustainable growth.

I look forward to working with you in establishing this shared understanding and purpose, in forging the future that we want.



In Wales you will find:

- A wealth of energy, water and marine resources.
- Significant investment in infrastructure renewal and expansion.
- Support for business.

Why Wales?

Wales has a significant natural resource advantage.

We have a considerable resource potential in relation to low carbon energy generation including tidal (range and stream) and marine energy, hydro, solar, and onshore and offshore wind.

Our wealth of natural assets plus our longstanding experience – in energy stretching back to the industrial era of coal and other fossil fuels – means we continue to be a country of choice for multimillion pound developments, including, for example, the £12 billion Wylfa Newydd nuclear development. Over 15GW of energy generation capacity is in the pipeline in Wales, either consented, in planning or in pre-planning phases.

We have a secure and increasingly resilient water supply that plays a vital part in our economic development, giving us an advantage over other parts of the UK and the wider world.

Our coastline of 1,200 km and around 32,000 km² of sea offers significant opportunity for 'blue' growth. We have considerable knowledge and expertise in a range of developing industries, including marine energy and aquaculture.

We also have the infrastructure that enables us to harness the opportunities from these natural resources.

We have 7 major ports located along the north, west and south coast. These are strategically important assets. For example, the majority of the UK's Liquefied Natural Gas (LNG) is imported through Milford Haven. Our ports, which include deep water berths, are multifunctional and they connect with good road and rail links to other major cities and transport hubs in the UK.

The next few years will continue to see significant investment in our infrastructure, including:

- By 2016 96% of premises in Wales will have access to superfast fibre broadband
- Western Power Distribution will be investing £3 billion to upgrade and maintain the network between 2015-2023
- Wales and West Utilities are investing £1 billion to upgrade and maintain the gas network between 2013 and 2021
- Water companies wholly or mainly in Wales are currently forecast to invest in excess of £2 billion in the period to 2020
- Waste infrastructure investment up to £750 million is being made through a Welsh Government led programme to support local authorities delivering next generation treatment facilities

We already have over 41,000 people employed in the green economy in a variety of industries including energy, waste and water. Strengths in engineering, steel fabrications, aerospace and construction offer an existing and diverse supply chain serving a thriving green economy.

Our business support, skills base, financial incentives, training support, flexible business space, digital infrastructure and minimal levels of red-tape are geared to supporting businesses in Wales.

As a devolved nation we can act fast, with minimum bureaucracy and maximum flexibility. We are small and joined-up, so every sector has strength from private companies, Government and academia working together.

With greater access to business finance support than the rest of the UK and seven designated Enterprise Zones, we also have a compelling financial proposition for mobile investment.

Committed Government

Successful markets need a strong clear strategic vision and an effective regulatory regime. We as the Welsh Government are putting both in place.

A clear strategic direction

We have reformed and amalgamated our environmental organisations, leading in April 2013, to the creation of Natural Resources Wales (NRW). NRW's role is to ensure the sustainable use of Wales' natural resources as a positive partner in green growth.

NRW itself manages or owns 126,000 hectares of woodland estate and 10,000 hectares of other coastal and river based assets and wishes to see suitable commercial opportunities for investment in these assets.

Building on our existing, unique sustainable development duty we are setting ambitious, long-term statutory goals to reflect the Wales that we want to see, both now and in the future. These goals will reinforce our commitment to put sustainable development at the heart of all that we do, and will commit the whole of the public sector to action.

Growth and sustainable jobs are at the heart of our Programme for Government. Delivery against these is the overriding priority. We have taken decisive and wide ranging action to improve the position of businesses in Wales, prioritising five areas to direct our growth activity:

- Investing in high quality and sustainable infrastructure
- Making Wales a more attractive place to do business
- Broadening and deepening the skills base
- Encouraging science and innovation
- Targeting the business support that we offer

Modern regulatory framework

Through the Environment Bill, we are legislating to establish a modern and joined-up statutory framework for natural resource management, helping to simplify and streamline regulatory approaches and to help identify untapped potential green growth opportunities.

The Bill will define a new approach for integrated natural resource management, with clear strategic priorities for natural resources, including opportunities for investment and business collaboration in areas such as resource efficiency and waste management.

Our Positive Planning agenda seeks to modernise the planning system with a National Development Framework (NDF) to set out our land use priorities by identifying key locations to accommodate change and infrastructure investment. The proposal is that energy generation developments between 25 and 50 MW would be processed and determined by Welsh Ministers to promote the delivery of major renewable energy developments within clear time scales.

Strategic investment

We are committed to maximising opportunities for infrastructure investment in Wales, driving cross sectoral collaboration. By providing a clear pipeline of planned infrastructure activity, we are not only improving visibility of current and future investment, but also delivering cross sectoral knowledge to best inform key construction and investment stakeholders.

First published in May 2012, the Wales Infrastructure Investment Plan (WIIP) details the Welsh Government's strategic infrastructure investment priorities. Alongside the Plan, we have developed an infrastructure pipeline that details national, local and private sector planned schemes, helping stakeholders to plan for future investment.

In Wales you will find:

- A legal framework that allows us to manage our resources in a joined-up way.
- Natural Resource Wales – a single point of contact for environmental regulation with a remit for promoting the sustainable use of our natural resources.
- A national collaborative approach to support infrastructure investment.



The Wales Infrastructure Investment Plan is the key vehicle to deliver our strategic investment decisions. In total, since publication of the WIIP, additional capital allocations and innovative finance initiatives will deliver around £2.7 billion of new capital investment in the Welsh economy and public services.

On 19 November 2012, the Commission on Devolution in Wales ('Silk Commission') published its first report 'Empowerment and responsibility: financial powers to strengthen Wales'. The report suggested that Wales should have greater financial accountability, providing it with some taxation and borrowing powers.

The UK Government issued its response and laid the Wales Bill in UK Parliament on 20 March 2014.

The Wales Bill will give:

- borrowing powers for capital investment (of up to £500 million in total)
- borrowing powers (also of £500 million) to manage short term budgetary fluctuations arising from tax devolution
- powers to introduce Welsh taxes that would replace stamp duty, land tax and landfill tax
- powers to create new devolved taxes on a case-by-case basis
- partial devolution of income tax, if supported by the people of Wales in a referendum

SPECIFIC Innovation and Knowledge Centre (IKC) (collaboration led by Swansea University with Tata Steel and a consortium of global industrial and academic partners).



In Wales you will find:

- Development of Green Growth Wales.
- European Structural Funds investment of over £2 billion, and nearly £1 billion worth of funding is through our Rural Development Programme.
- Support for innovative approaches such as Payment for Ecosystem Services.

Practical Support

Green growth needs the active support of civil society. As a government we are committed to driving this change.

Our practical support is based around:

- Making it easier
- Giving the right signals
- Supporting innovation

Making it easier

Green Growth Wales

We are developing options to support and encourage investment in energy and resource efficient infrastructure in Wales, focusing on promoting better use of resources and developing renewable and low carbon generation opportunities that will:

- improve Wales' contribution to sustainable development by promoting low carbon energy generation and improving the effectiveness of resource utilisation in Wales
- create sustainable employment
- generate returns for investors to support further initiatives

We also see the potential for more locally driven, distributed energy generation and heat systems, exploiting opportunities around smart grids and smart buildings.

We are interested in talking to the investment community about the potential opportunities presented by the forward pipeline of schemes in Wales before we come forward with firm proposals later this year.

Resilience

Businesses have experienced significant disruption from major weather events, climate change, waste proliferation and raw material scarcity.

We are focused on increasing the underlying resilience of Wales through investment in green infrastructure. We are investing £245 million in flood and coastal erosion risk management, supported by £50 million investment from Europe.

Our network of flood defence infrastructure protected over 99% of at risk land and properties during the winter storms of 2013/14 – 74,000 homes and businesses and 34,000ha of agricultural land, preventing nearly £3 billion in damages.

The recently completed Colwyn Bay scheme provides an example of where coastal management can provide flood risk benefits whilst also enabling economic growth and regeneration.

Innovative investment in large scale sustainable water management over catchments is being undertaken across Wales to manage waste water flows and quality.

We are working through our Animal Health and Welfare Framework and Rural Development Programme to modernise our agricultural systems, increasing our resilience and building new business opportunities.

Our Sector Adaptation Plans are building resilience to reduce the risks from extreme weather events and climate change, whilst also maximising the opportunities.

Advice services

In September we are launching Resource Efficient Wales. It will provide a single point of advice on energy, waste and water resources, working with our advisory services to businesses and farmers/land owners.

We are already making significant investment into energy efficiency, supporting the growth of the industry through help and advice for SMEs, and the development of a comprehensive supply chain that is an important employer in Wales.

Giving the right signals

We are committed to developing markets for Ecosystem Services in Wales around carbon, water and biodiversity.

Wales is well placed to develop these markets and we will be providing a clear framework of regulatory, financial and governance structures.

We are kick-starting this work with our new £6 million Nature Fund, with further potential to leverage in investment from the new European Union/European Investment Bank Natural Capital Finance Facility.

Direct Funding

The European Structural and Investment Funds (consisting of the Structural Funds, Rural Development Programme funds, and the European Maritime and Fisheries Fund) are investing some £2.5 billion across Wales during 2007-2016. With additional funds from the public, private and third sectors this amounts to an overall investment of over £4 billion.

A similar level of investment for the period 2014-2023 is expected in areas including SME competitiveness, research and innovation, infrastructure and skills in the fields of renewable energy, resource and energy efficiency, connectivity and sustainable development.

Our Rural Development Programme is investing nearly £1 billion to support new markets and business improvement to ensure a sustainable and innovative future for our land based industries and the food supply chain.

Supporting Innovation

As a government we are committed to supporting and building upon the research and innovation capacity in Wales, supporting partnerships between public and private sector institutions.

We have committed up to £50 million to the Sêr Cymru research programme. The programme will boost our research capabilities through the establishment of internationally recognised research chairs and national research networks in advanced engineering and materials, life sciences and health and low carbon energy and environment.

Wales has an internationally recognised centre of excellence in biological, environmental and rural sciences, working on a number of high profile projects including bio-fuel and food safety.

The Welsh Government is also working with academia and leading technology companies on low carbon innovation opportunities such as the Sustainable Product Engineering Centre for Innovative Functional Industrial Coatings (SPECIFIC). The technology they are working on has the potential to allow a modern steel building to be a largely self sufficient energy grid.

We are keen to talk to you about the opportunities detailed in this prospectus. You can contact greengrowth@wales.gsi.gov.uk



Dinorwig slate quarry and Dinorwig Power Station, Llanberis.



Llywodraeth Cymru
Welsh Government

greengrowth@wales.gsi.gov.uk