Summary

The following paper covers two of the NRW led products of the Environment Act:

- Area Statements
- State of Natural Resources Report 2 (SoNaRR)

Both will influence the future prioritisation of water management in Wales via the guiding principles of Sustainable Management of Natural Resources (SMNR). Area Statements and SoNaRR are designed to influence each other, and ultimately the development of the next Welsh Government National Natural Resources Policy (NRP).

To support integration with the Well-Being of Future Generations Act, the developing Area Statements are building on the work of Public Service Boards and their respective well-being plans. These local priorities are helping to inform SMNR opportunities in each area.

NRW has the task of integrating water management issues identified via existing mechanisms (e.g. River Basin Management Plans) into the priorities, challenges and opportunities in Area Statements. Area Statements should identify, with justification, targeted areas in Wales where nature-based solutions will drive the biggest gains for sustaining ecosystems and building the resilience of ecosystems. Applying the principles of SMNR requires evidence to drive decisions (e.g. WFD status of water bodies), but final priorities will also be influenced by where the maximum multiple benefits can be derived and local collaboration opportunities.

1. Area Statement Overview

1.1 Area Statements are a statutory requirement under part 1 of the Environment Act, with NRW tasked with leading the development and delivery. The statements are integral to ensuring that NRW's (and partners') policy design and operational delivery support an ecosystem approach to natural resources management.
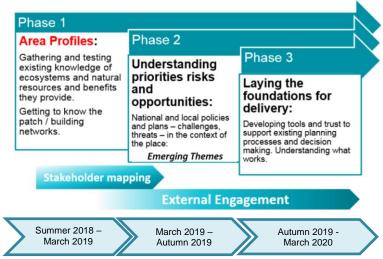
1.2 Area Statements will cover:
- the natural resources in the area;
- the ecosystems services and benefits those natural resources currently provide;
- the priorities, risks and opportunities for the sustainable management of natural resources (in line with the priorities, risks and opportunities set out in the NRP);
- proposals as to how the priorities, risks and opportunities for natural resources might be addressed.

1.3 Certain public bodies must take account of Area Statements when producing management plans (e.g. Local Well-being Plans, Local Development Plans, National Park and AONB Management Plans), and public authorities (including water or sewage undertakers) must take them into account when delivering their Section 6 biodiversity duty. The Area Statement process will help all public bodies to consider how they can work with NRW to take action to enhance biodiversity, build the resilience of ecosystems while supporting the well-being of communities.

1.4 Area statements are key to delivering the spatial element of the NRP, through identifying the areas where taking action at the right scale - both directly by NRW and through advocating action by others - can maximise benefits and identify synergies across policy areas. The aim is for action by NRW and others to be focussed in areas of most benefit and for these areas to be clearly identified, together with the rationale for why these have been prioritised.

1.5 NRW must employ stakeholder engagement to aid the design and development of options to address the **priorities, challenges** and **opportunities** outlined in the NRP. The priorities of which are: 1) delivering nature-based solutions; 2) taking a place-based approach; 3) increasing resource efficiency and renewable energy.

Project timeline

1.6 Phase 1 – Area Profiles

These are intended to provide a summary of natural resources and socioeconomic data in each of the 7 Area Statement boundaries. These Area Profiles will build on the work of SoNaRR and evidence supplied to Public Service Boards. We have also relied upon reports commissioned from NRW specialist teams and an opportunity mapping exercise.

The Area Profiles are intended to aid discussion with stakeholders to identify opportunities for implementing the NRP. We expect the area profiles to be adapted and edited as a result of further information from stakeholder engagement and as new information becomes available – these are not intended to be static documents.

1.7 Phase 2 - Priorities, risks and opportunities (Nov 2018 – mid 2019)

Stakeholder engagement will contribute to creating a list of **priorities, risks and opportunities** for inclusion within each Area Statement. Via an internal consultation exercise the area statement leads have produced a draft list of 'Emerging Themes' – these are a tool to identify opportunities to demonstrate an SMNR approach to addressing local challenges. The Emerging Themes are intended to aid discussion and will change as a result of more detailed internal and external engagement.

1.8 Phase 3 – Delivery (mid 2019 – early 2020)

Area Statements are not intended to replace all existing mechanisms for delivery in NRW, but there is an expectation that each will focus effort on improved ways of working, agreed joint objectives and lead to the commissioning of new work to enable the delivery of SMNR and Well-Being objectives.

The statements will be used to shape NRW business planning, external funding and partnership working going forward. For maximum effectiveness for the coordinated management of Wales' natural resources, Area Statements can inform the way that stakeholders, businesses and the public make decisions.

2. State of Natural Resources Report 2 (SoNaRR)

NRW is at the early stage of developing Wales' 2nd SoNaRR, with an aim to publish by the end of 2020. New data gathered via the Area Statement engagement process will contribute towards an updated evidence base, and NRW will again invite external reviewers to contribute to both the interim (2019) and final report (2020).

Water management issues will be covered in both the freshwater and marine broadscale habitat sections, and will be referenced in some of the sections handling cross cutting themes such as climate change.

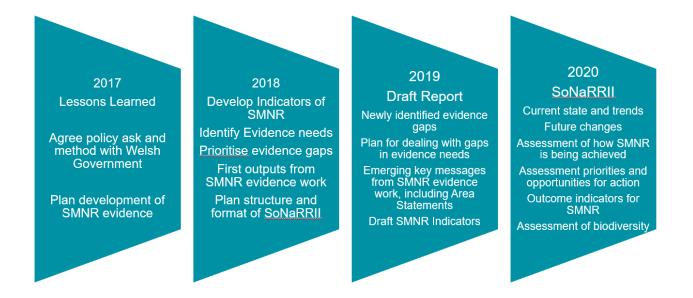### 2.1   Purpose and intent

The purpose of SoNaRR2 will be to:

- Provide a comprehensive and centralised national evidence base on the sustainable management of natural resources in Wales, which is regularly reviewed and updated to reflect current conditions.
- Provide an assessment of the state and trends of natural resources and ecosystems, and an assessment of the extent to which SMNR is being achieved.
- Provide a baseline for and to subsequently measure how Wales is progressing in achieving the objective of SMNR.
- Provide evidence to inform the identification of national risks, priorities and opportunities for SMNR.

SoNaRR2 will differ from the first report in the following ways:

- Shorter, and entirely web-based.
- Issues and opportunities more prominently displayed.
- The steps required to achieve SMNR in Wales more clearly communicated.
- The setting of 4 new SMNR objectives for SoNaRR (listed below), to which NRW will publish indicators for measuring progress against each objective.

2.2   Timeline

2017	2018	2019	2020
Lessons Learned	Develop Indicators of SMNR	Draft Report	SoNaRRII
Agree policy ask and method with Welsh Government	Identify Evidence needs	Newly identified evidence gaps	Current state and trends
	Prioritise evidence gaps	Plan for dealing with gaps in evidence needs	Future changes
Plan development of SMNR evidence	First outputs from SMNR evidence work	Emerging key messages from SMNR evidence work, including Area Statements	Assessment of how SMNR is being achieved
	Plan structure and format of SoNaRRII	Draft SMNR Indicators	Assessment priorities and opportunities for action
			Outcome indicators for SMNR
			Assessment of biodiversity

2.3   4 SMNR Objectives for SoNaRR2

1. **Stocks of natural resources are safeguarded and enhanced**
    Tackling overexploitation to ensure that stocks of renewable natural resources are safeguarded and enhanced to meet the needs of current and future generations. Stocks of non-renewable natural resources are used in a sustainable manner and, where depletion is unavoidable, that substitutes are put in place to meet future needs.

2. **Ecosystems are resilient to expected and unforeseen change**
    Building ecosystem resilience to safeguard and enhance *supporting ecosystem services* and tackling the impacts of habitat change, climate change, pollution, invasive alien species and other identified pressures.

3. **Contributing to a circular economy with more efficient use of natural resources**
    Reducing the environmental impact of production and consumption and our environmental footprint within Wales and internationally, while optimising benefits of *provisioning ecosystem services*.

4. **Wales has healthy places for people, protected from environmental risks**
    Environmental regulation protects people from risks, such as air, water and noise pollution, flooding etc. *Regulating* and *cultural ecosystem services* are managed to increase wellbeing and provide a healthy environment for all.