



Llywodraeth Cymru  
Welsh Government

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**WRITTEN STATEMENT**

**BY**

**THE WELSH GOVERNMENT**

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**TITLE**            **SI laid in Parliament - The World Trade Organisation Agreement on Agriculture (Domestic Support) Regulations 2020**

**DATE**            **22 December 2020**

**BY**                **Lesley Griffiths Minister for Environment, Energy and Rural Affairs**

**Purpose of the instrument**

1. The purpose of this Instrument is to ensure the UK does not breach its obligations under the World Trade Organisation (“WTO”) Agreement on Agriculture (“AoA”) in relation to domestic support.
2. Part 6 of the Agriculture Act 2020 provides the Secretary of State with regulation making powers to ensure continued compliance by the UK with its obligations under the WTO AoA in relation to classification and notification of domestic support, and its commitment to reduce its trade-distorting subsidies.

This Instrument provides as follows:

3. Regulation 4(2) sets the percentage of the UK Aggregate Measurement of Support (“AMS”) each administration can use. The AMS is the total amount of support a WTO Member State can give. The limits are designed to safeguard compliance with the overall UK AMS commitment and ensure policy choices are not constrained.
4. The amounts set out in regulation 4(2) are AMS limits in each part of the UK does not include any spending from ‘the reserve’. The reserve is the difference between the sum of the amounts set out in regulation 4(2) and the total amount of Amber box support allowable to the UK under the AoA. It is expected the reserve will cover Amber box crisis-measures, and other specific purposes as set out in regulation 4(3).

5. Under regulation 5, when an administration intends to introduce a new support scheme, or to amend an existing support scheme, they must give notice to the other administrations. A 'fast track' process will be used for amended schemes which do not change the current scheme classification.
6. Regulation 5 sets out the process for a proposing authority to notify a new or amended support scheme. Under regulation 5(6), the proposing administration is required to propose a classification for the scheme (Green, Blue or Amber box) and provide evidence in support of the classification.
7. Regulation 6 sets out the process for determining the classification of a scheme and includes a process for challenging the proposed classification of a new or amended domestic support scheme.
8. Under regulation 7, new or amended schemes cannot be adopted if they would lead to a breach of an administration's AMS ceiling as set out in section 4(2).
9. In order to comply with WTO obligations, the UK Government is required to notify to the WTO use of domestic support on an annual basis. Regulation 8 sets out the information required from administrations to allow the UK Government to meet these obligations.
10. Regulation 9 makes provision for the Secretary of State to request further information from administrations in relation to notifications required under the AoA, or in relation to disputes with other signatories to that Agreement.

The Instrument and accompanying Explanatory Memorandum, setting out the detail is available here: <https://www.legislation.gov.uk/ukdsi/2020/9780348214987/introduction>

### **Any impact the SI may have on the Senedd's legislative competence and/or the Welsh Ministers' executive competence**

#### **Why consent was given?**

11. Guided by the principles set out in the Inter-governmental Agreement, a Bilateral Agreement was made between the Welsh Government and UK Government. The Agreement required the UK Government to consult the Devolved Administrations and to seek to proceed by agreement before making regulations for the purpose of securing compliance with obligations of the United Kingdom under the Agreement on Agriculture.
12. Provisions which may be made include limits on the amount of domestic support provided in the United Kingdom and processes for the appropriate authorities to decide how different types of domestic support should be classified.

13. The Bilateral Agreement sets out a robust and transparent mechanism for dispute resolution involving the Welsh Ministers on the making and operation of the Instrument.