



Paul Davies MS
Chair
Economy, Trade and Rural Affairs Committee

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29 April 2022

Dear Paul,

Thank you for your letter of 30 March regarding the Common Framework on Agricultural Support. My response to your specific questions are set out below.

Scope of the Framework

To confirm what the scope of the framework is, and whether it would apply to sustainable land management schemes?

The Framework is a non-legislative agreement which covers working arrangements for future agricultural support now the UK has left the EU and the Common Agricultural Policy (CAP). The specific elements of agricultural support covered in the Framework are:

- Agricultural spending and associated regulation and enforcement
- Marketing standards
- Crisis measures, Public Intervention (PI) and Private Storage Aid (PSA)
- Cross border holdings
- Data collection and sharing

Agriculture is a devolved policy area and therefore each government can design and implement agricultural policies for their own territories. Sustainable land management schemes would fall within scope of the Framework.

Decision-making in the framework

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

The Agriculture Policy Coordination Group (PCG) has a large number of responsibilities in relation to the framework. Can you clarify how this will be resourced and supported within Welsh Government, and how frequently the group will meet?

The Policy Collaboration Group (PCG) is resourced and supported by officials within my portfolio. The group is currently meeting monthly with a rotating Chair from each Government, and a standing Defra secretariat.

Whether the Senedd will be informed when crisis management groups are set up and what their terms of reference are?

Crisis-specific sub-groups will be established as and when necessary, within the existing governance structures under the framework. I would be happy to update the Senedd on this at the appropriate time.

Whether any of the data and information gathered by the Market Monitoring Group (MMG) will be published or shared with the industry?

A meeting note is published on the following web page each month, along with a report of the data considered - [UK Agriculture Market Monitoring Group \(UKAMMG\) - GOV.UK \(www.gov.uk\)](http://www.gov.uk).

Can you clarify how the MMG will decide a Market of Principal Importance is no longer such, or on what basis it might decide new areas should become Markets of Principal Importance, and how will you inform the industry about any such decisions?

All marketing standards are within scope for the MMG and PCG, however any amendments to the list of markets of principal importance would be made by consensus between the Parties to the Framework. This would be communicated to stakeholders via the regular meetings held with officials.

To explain who the UK Agriculture Market Policy Group (UKMAPG) are, and how they relate to the framework?

The UKAMPG was the previous name for the Policy Collaboration Group (PCG). The final Framework documentation will be updated to correct this.

Managing divergence through the Framework

Different terms are used to describe divergence in the framework. Can you clarify on what basis the parties to the framework will decide if divergence is 'harmful' or 'unwanted', or 'necessary' or 'acceptable'?

The PCG's role is to enable sharing of knowledge, information, and good practice proactively between the Parties. Its members will jointly consider if a new or changing policy leading to divergence would have a harmful or unwanted impact on another party. An example could include one country introducing lower marketing standards. The impact of divergence will be assessed based on an appropriate evidence base – this may include further evidence from analysts including the MMG, evidence from legal teams, or externally from external bodies or industry engagement.

To explain how divergence between Great Britain and Northern Ireland will be managed through the framework, given that Northern Ireland will be required to follow EU marketing standards? What, if any, risks are there for divergence with Northern Ireland on marketing standards?

The Framework reflects the specific circumstances in Northern Ireland arising from the Northern Ireland Protocol and remains UK wide in its scope. Decision making and information sharing will respect the competence of all Parties.

Where one or more of UK, Scottish or Welsh Governments propose to change rules in a way which has policy or regulatory implications for the rest of the UK, or where rules in Northern Ireland change in alignment with the EU, the Framework is intended to provide governance structures and consensus-based processes for considering and managing the impact of these changes.

As rules evolve to meet the emerging regulatory needs of the UK, Scottish and Welsh Governments, the Framework will ensure the full participation of Northern Ireland in discussions so the views of the relevant Northern Ireland Executive Minister(s) are taken into account in reaching any policy or regulatory decisions.

Where rules in Northern Ireland change in alignment with the EU, the Framework will form the basis of a mechanism to ensure consideration by the four governments of any changes and will enable them to determine any impacts and subsequent actions arising from these changes.

To explain how the framework interacts with the UK Internal Market Act?

Future policy discussed in this Framework and how this will interact with the UK Internal Market Act will be considered on a case by case basis to determine the effects. The Framework provides the flexibility to consider divergence.

Does the Welsh Government intend to seek an exclusion for this framework from the UK Internal Market Act?

There are no intentions to request an exclusion.

Dispute Resolution

To clarify if dispute resolution processes could lead to delays in Welsh Government policy making decisions?

The dispute resolution mechanisms are considered to be robust and proportionate. These have been jointly developed and agreed by the four nations. The dispute resolution mechanism allows for disagreements to be escalated as disputes to Ministers, where appropriate and necessary, for timely resolution.

Processes exist to manage disputes at an official and Ministerial level. In the event a dispute arises, the Framework includes dispute avoidance principles and processes. It is expected only a very small number of cases will need dispute resolution approaches.

Can you clarify the timescales for resolving disputes?

It is recognised disputes may vary in nature, complexity, and operational context and therefore a set time limit would not be conducive to reaching the best outcomes for all administrations.

Practical impact on law and policy

Has the Welsh Government's Agriculture Bill gone through, or will it go through, any of the common framework processes? If so, what was the response of other governments and were any changes made as a result?

Officials are keeping counterparts in the other governments updated on progress with the Agriculture (Wales) Bill via the Policy Collaboration Group. No concerns have been raised and no changes have been made on the basis of discussion with the other governments.

Transparency and accountability

How stakeholders will be engaged in the decision making and review structures in the framework?

Stakeholders will continue to be consulted on developments in policy in the usual way. The Welsh Government commits to notifying stakeholders of the upcoming review points of Common Frameworks.

Review points are scheduled into each Framework which give stakeholders additional opportunities to engage in the development and evolution of Frameworks. Once finalised, the Agriculture Support Framework will be reviewed every 12 months. Third parties can be used by any Party to the Framework to provide advice at any stage in the process. This may include seeking views from relevant stakeholders as appropriate.

Can you explain what the UK Farming Conference is and how it relates to the framework?

The UK farming conference has since become the UK Agriculture Partnership (a Defra initiative). Following similar queries during the House of Lords scrutiny, it has been agreed the reference to the UK Farming Conference will be removed from the Framework documentation.

Monitoring, review and amendment

To clarify the timescales for the review of the framework: when will they take place annually, and when will this transfer to every three years?

Reviews will take place annually, until the reviewers agree a three year period between reviews is satisfactory. The framework will be updated to reflect this.

Can you set out what processes will be put in place for stakeholder engagement in decision-making, amendment and review of the framework?

There is a commitment to consistent reporting on Frameworks post-finalisation. The details are currently being worked through at an official level. Review points are scheduled into each Framework. It is expected these will give the Senedd additional opportunities to engage in the development and evolution of Frameworks. The Interministerial Standing Committee will monitor the progress of the Frameworks programme to fulfil the role given to it by the joint Review of Intergovernmental Relations to 'Provide oversight of the Common Frameworks programme and its governance arrangements'.

The expectation is reports on Frameworks will be public documents once they are signed off by portfolio Ministers and will be made available to the relevant committees in the four nations as well as relevant stakeholders.

In addition there is a commitment to inform the Senedd:

- of disputes raised through the Frameworks
- of upcoming review points and consider recommendations by the Senedd and stakeholders as part of the same review process
- of any new legislation affecting the Frameworks
- of any applications for an exclusion under UKIMA.

Other Questions

The framework consists of a number of errors, unexplained and inconsistent terms. Can you explain why these were not addressed through internal sign off processes prior to publication?

Time constraints may have been a factor behind textual errors and inconsistencies. Any such errors will be corrected in the final version of the Framework.

Can you clarify when the Concordat associated with the regulations on the agreement on agriculture will be published?

Defra are leading on the publication process for the Concordat which is currently being considered by portfolio Ministers in all four governments. The timetable for publication will be determined once all four governments have approved the Concordat.

Can you clarify how, if at all, the framework interacts with the Trade and Cooperation Agreement and why parts of the framework appear to have not been updated since the Agreement was ratified?

Agricultural subsidies are excluded from the Trade and Cooperation Agreement. Therefore, there is little interaction between the Agreement and the Framework.

Can you clarify the relationship between the framework and the UK Coordination Body and the Rural Payments Agency group?

The UK Co-ordination Body (UKCB), established for EU Common Agricultural Policy schemes has been identified as a provider of UK/GB wide functions, where collaboration, co-ordination or co-operation is mutually beneficial.

The Parties to the Framework agree to continue to submit to Defra, Rural Payments Agency (RPA) and the UKCB data which was previously compiled and sent to the EU. The Parties are also responsible for identifying notifications which are not sent collectively through a single UK-wide body.

Connections will be maintained between policy and operational teams via informal but regular mutual updates between the Agricultural Support Framework's Policy Collaboration Group and the Paying Agency groups under the auspices of UKCB.

The UKCB fulfil a legislative role under retained EU law required for ongoing payments made under the European Agricultural Fund for Rural Development (EAFRD). This legislative role will be a requirement until the 2024/2025 financial year at the earliest.

I trust the responses provide sufficient detail and clarity on the scope and operation of the Framework and I look forward to further discussions with you on Common Frameworks in the future.

Regards,

A handwritten signature in black ink that reads "Lesley Griffiths". The signature is written in a cursive style with a large, sweeping initial 'L' and a long, trailing flourish at the end.

Lesley Griffiths AS/MS
Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd
Minister for Rural Affairs and North Wales, and Trefnydd