

Agenda – Economy, Trade, and Rural Affairs Committee

Meeting Venue:	For further information contact:
Hybrid – Committee room 1&2 Senedd and video Conference via Zoom	Robert Donovan Committee Clerk
Meeting date: 20 October 2022	0300 200 6565
Meeting time: 09.30	SeneddEconomy@senedd.wales

Private pre-meeting (09.15–09.30)

Public Meeting (09.30–12.40)

1 Introductions, apologies, substitutions and declarations of interest

(09.30)

2 Paper(s) to note

(09.30)

2.1 Letter from the Chair of the Legislation, Justice and Constitution Committee

(Pages 1 – 6)

Attached Documents:

Second Additional Protocol to the Council of Europe Convention on
Cybercrime

2.2 Letter from the Chair of the Finance Committee

(Pages 7 – 8)

Attached Documents:

Finance Committee's report 'Post-EU funding arrangements'



Senedd Cymru
Welsh Parliament

2.3 Letter from the Minister for Rural Affairs and North Wales, and Trefnydd

(Pages 9 – 10)

Attached Documents:

Welsh Government's delay in responding to the Committee report 'Review of The Water Resources (Control of Agricultural Pollution) (Wales) Regulations 2021'

3 Agriculture (Wales) Bill: Evidence Session 3

(09.30–11.30)

(Pages 11 – 17)

Arfon Williams, Head of Land and Sea Policy, RSPB Cymru

Rhys Evans, Sustainable Farming Lead Wales, Nature Friendly Farming Network

Alexander Phillips, Policy & Advocacy Specialist, WWF Cymru (representing Wales Environment Link)

Dr Jonathan Davies, Senior Ecologist, Nature Recovery, Brecon Beacons National Park Authority

Attached Documents:

RSPB Cymru – Briefing paper

Wales Environment Link – Briefing paper

Break (11.30–11.40)

4 Agriculture (Wales) Bill: Evidence session 4

(11.40–12.40)

(Pages 18 – 45)

George Dunn, Chief Executive, Tenant Farmers Association

Andrew Tuddenham, Land Use & Farming Adviser, National Trust

John Lloyd, Committee member, National Sheep Association Cymru

Eleanor Jarrold, Secretary, Mynydd Eglwysilan Mynydd Meio and Craig Evan

Leyshon Commoners' Association

Attached Documents:

Research brief

5 Motion under Standing Order 17.42(ix) to resolve to exclude the public for the remainder of the meeting

(12.40)

6 Private

(12.40–12.50)

Consideration of evidence following the meeting

Paul Davies MS
Chair, Economy, Trade, and Rural Affairs
Committee

7 October 2022

Dear Paul

Second Additional Protocol to the Council of Europe Convention on Cybercrime

You will be aware that the Legislation, Justice and Constitution Committee is responsible for monitoring the implementation of non-trade international agreements in the Sixth Senedd.

During our meeting on 26 September 2022 we considered the Second Additional Protocol to the Council of Europe Convention on Cybercrime.

The purpose of this agreement is to enable relevant authorities in one Party to the Convention to directly cooperate with authorities and service providers in another Party, including to expediate the provision of stored computer data via a 24/7 contact point. This builds on the original Convention, which was ratified in 2011. It will also provide a legal basis for enhanced cooperation in criminal investigations and proceedings and to the collection of electronic evidence for criminal offences relating to computer systems and data.

During our consideration of the Convention we agreed to draw it to the attention of both the Culture, Communication, Welsh Language, Sport and International Relations Committee and the Economy, Trade and Rural Affairs Committee should you wish to request more information from the Welsh Government on its effect on areas within your remits.

Our latest report is enclosed for your information.

Yours sincerely,

Huw Irranca-Davies

Huw Irranca-Davies
Chair



International Agreements

Agreements considered on
26 September 2022

October 2022



1. Background

1. The Legislation, Justice and Constitution Committee is responsible for the scrutiny of non-trade international agreements in the Sixth Senedd.
2. International agreements signed by the UK Government can cover matters within devolved competence or matters which have important policy implications for Wales.
3. The Committee will consider the impact on Wales of international agreements laid in the UK Parliament under the process established by the Constitutional Reform and Governance Act 2010 (CRaG Act 2010). It provides an initial 21-day scrutiny period.
4. Our consideration of an international agreement takes into account:
 - whether it engages the Senedd's competence; and/or
 - whether there are potential policy implications for Wales.
5. On 26 September 2022 we considered three international agreements that have recently been laid in the UK Parliament.¹
6. The agreements we considered were:
 - Second Additional Protocol to the Council of Europe Convention on Cybercrime;
 - Protocol to the North Atlantic Treaty on the Accession of the Republic of Finland;
and
 - Protocol to the North Atlantic Treaty on the Accession of the Kingdom of Sweden.
7. We agreed to take further action on one of the agreements and to note the other two for information. Further details on each of the agreements are set out below.

¹ Legislation, Justice and Constitution Committee, 26 September 2022

2. Agreements requiring further action

Second Additional Protocol to the Council of Europe Convention on Cybercrime

- 8.** This international agreement, also known as the Budapest Convention, was laid in the UK Parliament on 14 July 2022. Its scrutiny deadline, as required by the CRaG Act 2010, is 1 November 2022.
- 9.** The purpose of this agreement is to enable relevant authorities in one Party to the Convention to directly cooperate with authorities and service providers in another Party, including to expediate the provision of stored computer data via a 24/7 contact point. This builds on the original Convention, which was ratified in 2011. It will also provide a legal basis for enhanced cooperation in criminal investigations and proceedings and to the collection of electronic evidence for criminal offences relating to computer systems and data.
- 10.** The Explanatory Memorandum for this agreement states that the UK Government consulted the devolved governments on the drafting of this treaty and shared the relevant draft text in advance of signature.
- 11.** The prevention, detection and investigation of crime are reserved matters, as provided by paragraph 39 of Schedule 7A to the Government of Wales Act 2006 (the 2006 Act). National security is also a reserved matter (paragraph 32 of Schedule 7A to the 2006 Act) and is therefore outside the Senedd's legislative competence.
- 12.** However, the First Minister's responsibilities include "national security, including counter-terrorism and cyber security" and cyber security is identified as one of three of Wales's "centres of excellence" in the Welsh Government's international strategy. In May 2022, the Welsh Government announced its investment in a new "Cyber Innovation Hub" to "help Wales to become a global leader" in the cyber security sector.
- 13.** We noted the agreement and agreed to draw it to the attention of both the Culture, Communication, Welsh Language, Sport and International Relations Committee and the Economy, Trade and Rural Affairs Committee recommending that they may wish to request more information from the Welsh Government on its effect on areas within their remits.

3. Agreements noted for information

Protocols relating to the accession of Finland and Sweden to NATO

14. Both the Protocol to the North Atlantic Treaty on the Accession of the Republic of Finland, and the Protocol to the North Atlantic Treaty on the Accession of the Kingdom of Sweden, were laid in the UK Parliament on 6 July 2022. The UK Government has invoked section 22 of the CReG Act 2010 to disapply its usual scrutiny deadlines on the grounds of them being exceptional cases.

15. The purpose of these agreements is to allow Finland and Sweden's accession to NATO following their applications.

16. The Explanatory Memoranda for both protocols explain that they relate to the UK's policy on NATO, which is a reserved matter (paragraph 11 of Schedule 7A to the 2006 Act) and confirm that the devolved governments were not consulted.

17. We noted both agreements for information only.

Paul Davies MS
Chair of the Economy, Trade and Rural Affairs Committee

10 October 2022

Dear Paul

Finance Committee report: Post-EU funding arrangements

You may be aware that the Finance Committee has recently undertaken an inquiry into Post-EU funding arrangements. This was a short, focused inquiry into replacing EU funding, but given your Committee's remit we understand that you may also be interested in the delivery and outputs of these funding streams.

I am therefore pleased to inform you that we have published our report, which I am sharing with you for information. We hope that this report puts in place solid foundations for your Committee and/or other Senedd Committees to build on in future inquiries, if they so wish.

The Committee will hold a Plenary debate on 14 December 2022. This will allow all Members of the Senedd the opportunity to debate these significant issues which will have a lasting impact on Wales.

Yours sincerely



Peredur Owen Griffiths MS
Chair of the Finance Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.
We welcome correspondence in Welsh or English.



Paul Davies MS
Chair,
Economy, Trade and Rural Affairs Committee

Paul.davies@senedd.wales

11 October 2022

Dear Paul,

Thank you for your letter. As you state, the subject of agricultural pollution and the Regulations is an extremely complex policy area. As well as the detailed report from the Committee, which required careful consideration, there is also ongoing development of the implementation of the Co-operation Agreement, which directly relates to this subject area.

As stated in my Written Statement of 5th October, we want to set out a clear and supportive path for farmers to transition to these Regulations. The Committee's work is an important part of this and it was, therefore, important the Welsh Government's response took full account of the latest developments on the Co-operation Agreement also.

I can assure you as Chair, and all Members of the Committee, the delay in responding to the Committee's report in no way entailed any measure of disrespect. I am grateful to the Committee for its work and I look forward to continuing to work with the Committee on this matter.

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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.

Regards,

A handwritten signature in black ink that reads "Lesley Griffiths". The signature is written in a cursive, flowing style.

Lesley Griffiths AS/MS

Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd
Minister for Rural Affairs and North Wales, and Trefnydd

The Agriculture (Wales) Bill - farming for future generations

We must take this unique opportunity to create an Agriculture (Wales) Bill that uses taxpayers' money to pay farmers to tackle the mounting Nature & Climate Emergency and restore our ecosystems and the vital benefits they provide. This includes the capacity to produce food now and in the future, essential to our food security and the resilience of Welsh farming in a changing World.

The case for change:

Farming occupies almost 90% of Wales. We need it to produce our food, but also to look after nature and the ecosystems nature creates and on which we depend. Farming also has a vital role in helping us mitigate and adapt to climate change, including using nature-based solutions e.g., well-managed habitats like peatlands and woodlands that lock up atmospheric carbon and provide natural flood management¹.

For this reason, we must rethink how and why we use millions of pounds of taxpayers' money each year to support farmers in Wales. This is because current policy and support doesn't take a balanced approach to food production and the needs of nature and society with the result that:

- None of our soils, apart from woodland, are in good condition².
- Agricultural pollution is a major reason why two thirds of all freshwater bodies are not achieving good status and why air pollution caused by ammonia from livestock is rising³.
- Welsh agriculture contributes 12% to our overall greenhouse gas emissions.
- Unsustainable farming is the main reason Wales is one of the most nature depleted countries in the World⁴. This matters, not just because nature has a right to exist, it also creates and maintains the ecosystems we need to survive.

**Life on earth depends on nature to provide clean air, water and healthy soils.
Without nature there would be no food.**

The current support system doesn't even sustain farming. There are 800 fewer Welsh farms today than in 2014 (*Welsh Government figures*). This clearly has worrying implications for the future of rural communities, language and culture.

Farming that's good for people, nature and climate:

Thankfully, the new Agriculture (Wales) Bill provides us with the unique opportunity to use public money to pay farmers for land management that responds to the urgent need to restore nature, repair vital ecosystems, and tackle climate change. We have this one opportunity to pay farmers to look after the very building blocks they need to produce food sustainably for us and future generations.

There are already successful farmers farming with nature across Wales, but this approach is limited in its extent. They include farmers like the Welsh [Nature Friendly Farming Network](#) producing beef, lamb, dairy, cereals, fruit, veg and nature rich farms that will benefit us now and in the future.

What we need is an Agriculture (Wales) Bill that supports these farmers effectively and makes the way they produce food and look after nature and the environment the norm.

¹ naturebasedsolutionsinitiative.org/news/wwf-rspb-report-nature-based-solutions-uk-climate-adaptation-policy/

² [NRW/evidence-and-data/research-and-reports/state-of-natural-resources-report-sonarr-for-wales-2020/?lang=en](https://nrw.evidence-and-data/research-and-reports/state-of-natural-resources-report-sonarr-for-wales-2020/?lang=en)

³ [NRW/evidence-and-data/research-and-reports/state-of-natural-resources-report-sonarr-for-wales-2020/?lang=en](https://nrw.evidence-and-data/research-and-reports/state-of-natural-resources-report-sonarr-for-wales-2020/?lang=en)

⁴ rspb.org.uk/globalassets/downloads/about-us/48398rspb-biodiversity-in-agriculture-in-uk-summary-report-v4.pdf

Investing in nature is an investment in the stability of farming:

Research shows that our current approach to supporting farmers with direct subsidies (aka the Basic Payment Scheme) based on the area they farm actually decreases the stability of farm incomes. In contrast, payments linked to environmental outcomes, like restoring and looking after nature and tackling climate change, increase farm income stability. Reducing inputs e.g., artificial fertilizers and animal feeds, is shown to increase the stability of farm incomes even further whilst also reducing negative impacts of farming on the environment.^{5,6}

[Paying for public goods from land management: How much will it cost and how might we pay?](#) (Matt Rayment, 2019) established the annual cost for securing environmental land management for Wales would be £273 million. This is an amount similar to current levels of funding. Additionally, environmentally focused payments would secure value for public money, unlike the current system.

Examples of successful Welsh farms that are good for people, nature and climate:



Esgairllaethdy, Myddfai is a 63 ha mixed livestock farm at the edge of the Brecon Beacons National Park farmed by Hywel Morgan. Hywel keeps 400 White-Faced sheep and 40 beef cattle. Hywel's attitude has changed, from being all about production to realising the benefits of working with – and enjoying – nature.

“...if you haven't got that diversity of wildlife on your farm, you're doing something wrong. You're missing a trick.”

About 15% of the farm is woodland and approximately 1,000m of hedgerow have been restored. A pond was created and has proved very valuable for biodiversity.

Argoed, Mold is a 70 ha organic dairy farm, with about 65 British Friesian cows, farmed by Stuart Taylor. The Friesian cow suit Stuart's focus on grazing and conserved forage and the milk is sold through the Calon Wen organic dairy co-operative.

“Good farming has to include not just food production but habitat protection and restoration. We need nature!”

Through simple changes in grassland management, the swards have become far richer in legumes and herbs. As well as providing high quality forage, this has greatly increased their wildlife value for bumblebees and other pollinators.

Evidence shows we can use current levels of agriculture funding to support farmers to tackle mounting environmental challenges that threaten our and future generations' well-being. Doing this will enhance their ability to produce food and improve the stability of farm incomes across Wales. Using taxpayers' money this way will secure value for public money - an increasingly important consideration given the growing demands on the public purse.

The question is why aren't we already doing this, not whether we should?

Food security:

Historically, responses to food insecurity have been centred around the need for greater production. However, [we currently produce more than enough to feed the global population](#); demonstrating that food insecurity is linked less with calories produced, but instead results from a myriad of factors including food waste (up to 30% of food produced), diet choice and lack of physical and financial access.

Supporting food security in Wales will require linked strategies aligning consumption with sustainable and healthy diets and greater action to decrease food waste. This should be achieved alongside a transition towards sustainable agriculture that delivers for nature, climate and people in the long term.

For further information please contact: Rowena.haines@rspb.org.uk

⁵ Harkness et al, 2021. Stability of farm income: The role of agricultural diversity and agri-environment scheme payments.

⁶ Clark C, (October 2019). Less is more: Improving profitability and the natural environment in hill and other marginal farming systems.

Agriculture (Wales) Bill 2022 – WEL First Impressions

October 2022

Overview

WEL members strongly welcome the laying of the Agriculture (Wales) Bill 2022 and look forward to providing evidence to Senedd Committees in written and verbal forms in the weeks and months ahead.

In doing so we note that Senedd Members may welcome some initial thoughts from us on the Bill and where we will be seeking clarification in the coming weeks. We hope these first impressions will support Senedd Members in their consideration of the Bill in advance of our formal evidence submissions.

These impressions are provided in advance of formal legal advice being provided to WEL members.

Key Points

The Agriculture Bill is the single most significant asset the Sixth Senedd will have to respond to the climate and nature emergency. As Senedd Members will be aware, the effects of climate change and biodiversity loss are beyond question. Agricultural change has been identified as the most important driver of nature's decline across the UK¹ and the sector's greenhouse gas emissions have increased over the last decade, moving slowly back towards the original 1990 baseline². Furthermore, based on the most recent 2020 data, agriculture is the third largest emitting sector behind energy supply and business.

Alongside this environmental decline, the status-quo of area-based support for food production has shown itself to not be economically or cultural resilient with traditional

¹ [State of Nature 2019](#), p.19

² <https://statswales.gov.wales/Catalogue/Environment-and-Countryside/Greenhouse-Gas/emissionsofgreenhousegases-by-year>

family farms continually under threat and declining in number. Finally, we know that the Welsh agricultural system currently provides poorly for the nation's needs and is instead export orientated with as little as 5% of the lamb and beef we produce being consumed in Wales.³

It is hard to overstate the need for urgent reform. We believe that this Bill can be the driver of that reform so long as we get it right for people, nature and climate.

As an eNGO network, our tests of the Bill and Sustainable Farming Scheme (SFS) will include whether they enable sustainable food and farming that:

1. restores and maintains farmland wildlife and the environment;
2. significantly reduces harmful emissions that are contributing to climate change;
3. ends use of imported animal feeds linked to destroying the natural world overseas;
4. develops opportunities to diversify food production for local markets;
5. supports opportunities for community ownership, new entrants, better public access and engagement in land use decisions; and
6. sets an effective regulatory baseline, backed by fair and clear civil and legal sanctions, that all farmers, land managers and landowners must comply with.

WEL's full written evidence will explain more about our key tests and expectations for an effective Agriculture (Wales) Bill. With these summary points in mind, our initial reading of the Bill has raised the following:

- WEL welcomes the four objectives. The Bill would benefit from tighter definitions to better guide further policy development. An obvious example of this is what is meant by 'Sustainable Land Management', what it means to produce 'in a sustainable manner/sustainable food production'. This also applies to the list of outcomes in Section 8.
- The Environment (Wales) Act 2016 (EWA) already includes a definition of the Sustainable Management of Natural Resources. We recommend that this is used as the basis of a SLM definition given that components of land are a type of natural resource defined in Section 2 (soil, physiographical features etc).

³ [SMEs in the Welsh Food System](#), Foundational Economy Research, June 2021

- This builds on a wider point that, while there is frequent reference to goals of the Well-being of Future Generations (Wales) Act 2015 (WFGA), direct linkages to the EWA are limited and passive. It is critical for legislative coherence that this Bill builds on both the WFGA and EWA with regards to natural resources management and decarbonisation.
- This would extend to objectives 2 and 3 so that efforts under the Bill to address them are firmly grounded in what those Acts were designed to achieve and the legislative and policy architecture which has already resulted from them i.e. the Low Carbon Plan in addition to the National Resources Policy and SoNaRR already referenced.
- It remains unclear how the objectives and outcomes work together and how that interaction will guide the development of supported actions in the SFS. The Bill must not create the situation where a future government or farmer is permitted to deliver against some of the Bill's objectives and outcomes but not others. We suggest that Ministers must have a duty to deliver the objectives and outcomes in a balanced way and to "exercise the function in the way that best contributes to achieving those objectives (taken together)". We suggest the words "taken together" are fundamental. This would reflect the guidance arising from the WFGA that the objectives of sustainable development must be delivered in a balanced way, and one cannot be traded-off against another. The commitment to the co-delivery of multiple objectives and explicit support for land sharing needs to be an essential foundation of policy.
- Sections 4-7 on monitoring and reporting are welcome. The Bill should be amended so that governments are required to undertake wider involvement (see WFGA ways of working) when developing indicators and targets for the objectives. Currently they are mostly required to consult themselves and the Future Generations Commissioner. They may consult anyone they deem relevant but this places the power in their hands to pick and choose the level of consultation, and with whom is undertaken. This is democratically weak and should be strengthened.
- The Bill should be amended so that each indicator is required to have at least one target. The Bill should also specify what some of these indicators should be. These should include, but not be limited to, sectoral greenhouse gas emissions, species condition and extent, global responsibility, carbon sequestration.

- Future secondary regulations should require affirmative motions by the Senedd in all circumstances to ensure democratic participation. We also believe that decision-making around further regulations needs to be democratic, with the opportunity for scrutiny and debate.
- The Bill provides the Welsh Ministers with powers to enable the continued operation of existing farming support and to ensure the effective operation of the agricultural sector and agriculture markets following our departure from the EU. While this is necessary, these powers should be time limited to prevent their being used indefinitely and allowing Ministers to run two schemes in parallel beyond the planned transition period of 2025-2029.
- Members should consider the proportionality of the exceptional market conditions clauses. The Senedd should be given the power to check these if necessary.
- The Bill currently lacks clauses to support succession, new entrants and alternative community ownership models. These are vital measures to secure future sector stability. The Bill should place a duty on government to include these in scheme design.
- The Bill currently lacks reference to new minimum regulatory standards. While we appreciate the intent to bring these forwards in a future Bill, we are concerned that waiting for further primary legislation to be introduced before work can start on the regulations, runs the risk that the full set of standards will not be in place in time for the Sustainable Farming Scheme launch. We recommend placing a duty in this Bill to require government to bring forward new National Minimum Standards that will be in place by the launch of the SFS in January 2025.
- S11 of the Bill gives Minister powers relating to compliance checking and enforcement, but there is no obligation to use the powers. The necessary regulations to enact these powers should be introduced alongside the launch of the Sustainable Farming Scheme in January 2025). If not, there will be no way to check eligibility for support, or take action against ineligible claims.

Wales Environment Link (WEL) is a network of environmental, countryside and heritage Non-Governmental Organisations in Wales. WEL is a respected intermediary body connecting the government and the environmental NGO sector. Our vision is a thriving Welsh environment for future generations.

This paper represents the consensus view of a group of WEL members working in this specialist area. Members may also produce information individually in order to raise more detailed issues that are important to their particular organisation.



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Agenda Item 4

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