

Agenda – External Affairs and Additional Legislation Committee

Meeting Venue:	For further information contact:
Committee Room 2 – Senedd	Alun Davidson
Meeting date: 5 November 2018	Committee Clerk
Meeting time: 14.15	0300 200 6565
	SeneddEAAL@assembly.wales

Private pre-meeting

(14.15–14.30)

1 Introductions, apologies, substitutions and declarations of interest

(14.30)

2 Scrutiny session with the First Minister of Wales

(14.30–16.00)

(Pages 1 – 13)

Carwyn Jones, First Minister of Wales

3 Papers to note

(16.00–16.05)

3.1 Paper to note 1 – Correspondence from the First Minister of Wales regarding Hub Cymru Africa – 16 October 2018

(Pages 14 – 15)

3.2 Paper to note 2 – Correspondence from Nick Ramsay, Chair of the Public Accounts Committee regarding the Auditor General for Wales Report: Managing the impact of Brexit on EU Structural Funds – 18 October 2018

(Pages 16 – 17)

3.3 Paper to note 3 – Correspondence from the Wales Civil Society Forum on Brexit regarding the creation of a new Brexit forum – 24 October 2018

(Pages 18 – 23)



- 3.4 Paper to note 4 – Correspondence from the First Minister of Wales regarding an update on progress with recommendations contained in the report on 'How the Welsh Government is preparing for Brexit?' – 1 November 2018**
(Pages 24 – 28)
- 4 Motion under Standing Order 17.42(vi) to resolve to exclude the public from the remainder of the meeting**
(16.05)
- 5 Scrutiny session with the First Minister of Wales – consideration of evidence**
(16.05–16.20)
- 6 The UK Government's Agriculture Bill: Legislative Consent Memorandum**
(16.20–16.30) (Pages 29 – 50)

Document is Restricted



Ein cyf/Our ref: MA-P/FM/3455/18

Mr. David Rees AM
National Assembly for Wales
Cardiff Bay
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CF99 1NA

David.rees@assembly.wales

16 October 2018

Dear David

I am writing in response to your letter of 27 September regarding the recent evidence hearing from Hub Cymru Africa HCA who are funded by the Welsh Government via a grant of £349,000 pa from the Wales for Africa programme.

Thank you for your supportive words about the Wales for Africa programme and the global effort to eliminate poverty by 2030.

The annual budget for the Wales for Africa programme is £925,000. This has increased significantly from £500,000 since its launch in 2006. I will answer your other questions in turn.

You asked whether I would commit to undertake a review of our International Development strategy, however, this would be more appropriately considered by my successor.

You have asked whether a more targeted approach to international development is required in line with Scotland's approach, however, the situation in Wales is different from Scotland where there has been a substantial link with Malawi since the days of David Livingstone. From the outset our intention has been to support Welsh links in sub Saharan Africa wherever they are. We have focussed our efforts on the biggest Welsh links and have sought to add value to their work. Consequently we have focussed on;

- the Mbale region of Uganda where a number of Welsh groups have a link. We have a Memorandum of Understanding with 3 Districts and support a major community based tree planting programme there which has, to date, planted over 9 million trees.
- Lesotho where the longstanding Dolen Cymru charity coordinates the work of several Welsh groups.

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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.

- Namibia where Cardiff University has a well supported link with the University of Namibia.

We send staff from across Wales to each of these locations on our International Learning Opportunities programme on 8 week placements. So far over 175 placements have taken place. Participants work with local partners on projects which help deliver the UN Sustainable Development Goals whilst learning and developing new skills which they bring back to their places of work.

You have asked how we envisage the new funding arrangements operating in practice with Wales Council of Voluntary Action. In April of this year we agreed a contract to deliver our Small Grants Scheme with the Wales Council for Voluntary Action following a competitive tendering process. It had become clear that there were a number of bodies which wanted to bid to run our grants scheme and therefore this was the fairest approach.

12 diverse groups from across Wales have recently been awarded grants in a very competitive first round of the new scheme and a further round will be launched in October. We have a comprehensive reporting process in place with WCVA and awardees can use the services of HCA to help them improve the way they monitor and evaluate their work. This is particularly important as I see our small grants scheme as a stepping stone for Welsh groups as they grow and seek to win larger grants from elsewhere.

You have asked about what role the Welsh Government will have in the Fair trade review. Fair Trade Wales, funded by the Welsh Government and a part of HCA, were asked by the Welsh Government to undertake a review of the Fair Trade Nation campaign in order to establish how best they and we can promote Fair Trade. Officials participated in the recent successful visit by interested nations and regions and look forward to agreeing stretching new targets as a result of the review.

The work of the Wales for Africa programme is not constrained by a lack of legal powers. The international relations reservations you refer to relate to the Assembly's legislative competence to make Acts of the Assembly, but the Wales for Africa programme is being delivered using the Welsh Government's existing devolved executive powers outside the International Development Act 2002. We have not raised the issue of powers in the field of international development with the UK Government and I do not believe that this is required to deliver our objectives.

Once again, I would like to thank the Committee for its work with the inquiry and I wish you all the best with the work you are undertaking on the implications for future UK trade policy for Wales.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Carwyn Jones', written in a cursive style.

CARWYN JONES

David Rees AM
Chair – External Affairs and Additional Legislation
Committee

18 October 2018

Dear David,

Auditor General for Wales Report: Managing the impact of Brexit on EU Structural Funds

The Auditor General for Wales published this [Report](#) on 1 August 2018 which looked at the management of three key risks and opportunities in relation to Brexit, which are set out below.

- That Wales loses out substantially on funding;
- That WEFO lowers its standards in order to sign-up projects and spend EU money before Brexit; and
- To apply lessons learnt from years of managing structural funds in Wales to any replacement scheme.

The Report, which was noted by the Public Accounts Committee on 1 October, did not contain any recommendations for the Welsh Government. PAC raised some general queries with the Permanent Secretary during our meeting on 15 October.

In publishing the report, the Assistant Auditor General emphasised that, “While there are still matters of detail to resolve, the risk of Wales losing out on EU funding in a no deal scenario has been reduced with the UK Government deciding recently to extend its guarantee. Nevertheless, with Brexit on the horizon, there is naturally uncertainty around future funding for Wales and this report identifies a number of issues that WEFO and Welsh Government need to focus on during this time.”

The Auditor General is currently finalising a similar report on the EU Rural Development Programme and is also considering a wider programme of work to



support scrutiny of Welsh public services' preparedness for Brexit, although the timing and precise scope of any such work is yet to be determined.

I am aware of the Finance Committee's inquiry into preparations for replacing EU funding streams in Wales, after the UK leaves the EU and your Committee's ongoing inquiries including into preparations for Brexit and the Brexit transition period. PAC Members suggested that there may be some merit in EEAL Committee seeking some assurance that WEFO is in relatively good shape and that they may also be interested in the future work on preparedness that is mentioned in the report.

Yours sincerely,

A handwritten signature in black ink that reads "Nick Ramsay". The signature is fluid and cursive, with a long horizontal flourish extending from the end of the name.

Nick Ramsay AM
Chair



Agenda Item 3.3

Professor Dan Wincott, Wales Governance Centre
Anna Nicholl, Wales Council for Voluntary Action
Professor Jo Hunt, Wales Governance Centre



Fforwm Cymdeithas Sifil
Cymru ar Brexit

Wales Civil Society
Forum on Brexit

David Rees AM
Chair, External Affairs and Additional Legislation Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

Monday 22 October 2018

CC: Alun Davidson

Dear Chair,

As part of your ongoing Inquiry, *Wales' future relationship with Europe - Part Two*, we would like to draw your attention to a newly formed civil society group, Wales Civil Society Forum on Brexit (the Forum).

Set up in summer 2018, the Forum is an initiative developed in partnership between the Wales Council for Voluntary Action (WCVA) and Cardiff University's Wales Governance Centre (WGC), and funded by The Legal Foundation and Lloyds Bank Foundation. Over 40 third sector organisations, including charities and social enterprises, have come together from across Wales to map out what matters most to them, the implications of Brexit on their work and what decision makers must safeguard - during negotiations and post Brexit.

Given that your Inquiry's terms of reference include identifying the support Welsh Government should provide "to trade associations and civil society", we believe our Brexit Position Statement will make for interesting, if not vital, reading. With this in mind, we are providing you with an advance (embargoed) copy to circulate confidentially to Committee Members. This document will be updated regularly as more organisations feed into the initiative.

You will see from the attached document (embargoed until 24/10/18) that third sector organisations attending the Forum are keen to see decision makers adhering to some general principles, such as respecting devolution and allowing for proper scrutiny of any new (post-Brexit) secondary legislation. Moreover, common concerns relate to four specific areas, including funding; the environment and animal welfare; human rights and equality; and immigration.

Should you wish to receive more detail about the Forum's work to date, its plans between now and April 2019 or wish to attend one of our future meetings between now and April 2019, then do please get in touch directly with us or the coordinator, Charles Whitmore at: whitmorecd@cardiff.ac.uk

Yours,

Professor Dan Wincott

Anna Nicholl

Professor Jo Hunt



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Llywodraethiant Cymru
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Wales Council for Voluntary Action, Baltic House, Mount Stuart Square, Cardiff Bay, CF10 5FH

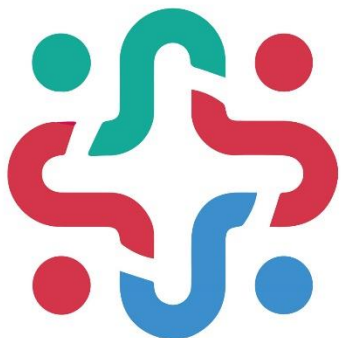
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sites.cardiff.ac.uk/wgc

Pack Page 18

www.wcva.org.uk



Fforwm Cymdeithas Sifil Cymru ar Brexit

Wales Civil Society Forum on Brexit

Position Statement

Third sector organisations participating in the Forum have identified **the following principles and concerns** which they believe must underpin and inform Brexit policy and the relevant decision-making processes. These have emerged from a series of events where organisations have led discussions about the implications of Brexit for their respective sectors.

Cross-cutting principles

- **Respect devolution:** the unique needs and characteristics of Wales must be respected by Brexit and all post-Brexit policy, including Brexit Bills and future trade agreements. The sector remains concerned that new trade agreements risk undermining many aspects of devolved policy-making including farming, the NHS, education, culture and the environment.
- **Ensure Communication:** there must be increased opportunities for communication between civil society and the Welsh and UK Governments, as this has been a point of frustration for many organisations.
- **Ensure Transparency:** the sector remains highly concerned by the lack of information or the lateness which it is provided and calls for an increase in the flow of information from Governments, particularly on how intergovernmental cooperation will function across policy areas under the Intergovernmental Agreement.
- **Safeguards and scrutiny:** proper scrutiny over the powers given by Brexit legislation to use secondary legislation must be ensured and any changes to the equality and human rights legal framework must be overseen by Parliament. The sector is also calling for more power to scrutinise and input into the negotiation of trade agreements to be given to the devolved administrations.

Replacement funding

Under the current EU Structural Funds programme, the third sector in Wales is leading multiple projects worth in excess of £90million and many more organisations are accessing EU funds through a number of frameworks and contracts. This, and wider philanthropic investment from within the EU are supporting the sector to help people into work, gain new skills and is assisting the growth of multiple social businesses.

The proposed UK Shared Prosperity Fund should be:

- **Ringfenced funding for tackling poverty, social exclusion and supporting environmental causes:** The current EU Structural Funds' programme supports multiple initiatives which contribute to the social and economic regeneration of Wales' most deprived regions, as well as supporting the preservation of the environment. Initiatives that would unlikely be funded through domestic sources.
- **Shaped and informed by those it's intended for:** The successor fund should be developed following meaningful consultation with potential beneficiaries and those who deliver frontline services to support them.
- **Should be devolved to a Welsh body:** A UK Government managed fund would circumvent the structures and systems which currently enable the third sector to influence the direction, spend and management of the Structural Funds in Wales. The UKSPF should be underpinned by equal representation from the Welsh public, private and third sectors, in both strategic management and delivery, to support the co-production of activities that build resilience and prosperity within Wales' most deprived communities.
- **Should match current levels of EU Structural funding:** Any loss of funding will have a disproportionate impact in Wales owing to the higher levels of reliance on ESIF funds. Commitment should be given to matching funding levels and increasing them in the long-term. The UK Government should also provide resources to replace CAP funding without reductions in funding levels.

Other sources of EU funding should also be replaced: The Welsh and UK Governments must live up to the promise that Wales will 'not be a penny worse off' as a result of Brexit. They should therefore ensure that all funding from EU programmes benefiting Wales are replaced. This includes but is not limited to money for territorial cooperation, from Creative Europe, and the EU LIFE programme which has been particularly important for nature conservation in Wales.

The Environment and Animal Welfare

- **Guarantee non-regression:** Commitments to not going below current environmental and animal welfare standards should be given and respected, including through trade agreements.
- **Ensure progression:** When replacing EU CAP payments and implementing other post-Brexit changes, these should be used as an opportunity to improve environmental and animal welfare standards and ensure the delivery of public benefits, including social outcomes in Wales.
- **Ensure no governance gaps emerge:** Any new UK wide and devolved governance mechanisms such as the environmental watchdog provided for by the European Union (Withdrawal) Act 2018 to replace the functions of the European Commission must be equipped such as to ensure that no gaps emerge because of Brexit and that specific devolved legislation and interests are fully recognised and accounted for.

Human Rights and Equality

The Forum recognises that Brexit represents a serious risk to human rights and equality in the UK and in Wales. The Forum is concerned by the UK's withdrawal from the EU Charter of Fundamental Rights (the EU Charter), particularly as the economic and social rights it protects are under-prioritised in the UK, especially during austerity.

- **Ensure continued commitment to human rights:** Organisations are concerned by a potential loss of interest in human rights and decision makers should commit to ensuring that these remain central to Brexit and post-Brexit public policy in Wales and at the UK level. The Welsh Government is called on to secure a domestic legal status for the EU Charter through specific Wales-only legislation giving 'due regard' to the instrument across public policy. The Well-being of Future Generations (Wales) Act is insufficient to protect human rights in Wales from the risks created by Brexit and new legislative human rights options should be investigated. Continued commitment to international human rights instruments must also be given.
- **Protect human rights and equality:** The human rights of disadvantaged and already discriminated social groups must not be allowed to be negatively affected by Brexit. Human rights must be safeguarded. Brexit is already having a very real human impact: from increases in hate crime to increased uncertainty about citizenship status and belonging in Welsh society. This needs to be acknowledged and acted on by decision makers.
- **Guarantee non-regression and progression of human rights:** people must not lose out on human rights and advances in equality that they have, or would have gained through membership of the EU. The Welsh Government should seek to ensure that the UK keeps pace with the EU where there are advances in human rights or equality protections. The Welsh Government should seek to implement in Wales any new advances made by the EU. The Welsh and UK Governments should also ensure proper attention to and safeguards against the lowering of human rights standards in future trade policy and negotiations.
- **Provide enforcement mechanisms:** the UK possesses no constitutional guarantees to prevent regression of the human rights guaranteed as a result of EU membership. Brexit will mean the loss of protection of human rights and equality afforded by the Court of Justice of the EU. The Welsh Government should seek to ensure that new mechanisms are developed, by the UK government or in Wales, that enable individuals to rely on their human rights in court. The Welsh Government should examine alternative non-court-based mechanism to enable individuals to seek redress for human rights or equality violations.

Immigration and EU citizens

- **Safeguard migrant communities:** Decision makers must address the risks to the rights and wellbeing of EU citizens and migrant communities within Wales. These include risks created by the EU Settlement Scheme to vulnerable individuals, increases in hate crime towards migrant communities, and the risks to workers and labour rights posed by any future post-Brexit immigration policy, such as tied/employer-sponsored seasonal and temporary visas or deregulation of workers' rights.

- **Ensure proper outreach:** Efforts must be made to ensure that the EU Settlement Scheme reaches as many people as possible, including vulnerable individuals, and contingency plans must be put into place to ensure that those who are unable to participate do not suffer any negative consequences. Third sector participation in this operation must be properly resourced.
- **Protect social-cohesion:** Action is needed to address the hostility, and resulting harm, towards migrant communities as a result of the narratives generated by Brexit.
- **Fully recognise immigrants' contributions:** Recognition should be given to the valuable contributions made by EU citizens and migrant communities to the workforce in Wales (many of whom work in fields which support some of society's most vulnerable). Decision makers should investigate how to ensure that Wales remains an attractive place to work so that those sectors which rely on these contributions do not suffer sustainability concerns.

The Forum is a joint initiative by **Cardiff University's Wales Governance Centre** and **Wales Council for Voluntary Action (WCVA)**, funded by the **Legal Education Foundation**.



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Centre



This statement has been informed by discussions with the following organisations participating in the project and will be updated regularly:

Welsh Centre for International Affairs	WWF Cymru	Trade Justice Movement
Learning Disability Wales	All Wales People First	RSPB
Disability Wales	Cardiff Third Sector Council	Wales for Europe
Chwarae Teg	The Architectural Heritage Fund	Ethnic Minorities & Youth Support Team Wales
Churches in Wales	North Wales Regional Equality Network	Wales Assembly of Women
Royal National Institute of Blind People	Ramblers Cymru	Welsh Refugee Council
Cytun	Neath Port Talbot Council For Voluntary Service	Wales Environment Link
RSPCA	Show Racism the Red Card	Bevan Foundation
The Wallich	All Wales Forum of Parents and Carers	Chem Trust
Race Council Cymru	Unlock Democracy	Women's Equality Network
National Federation of Women's Institutes	Focus on Labour Exploitation	New Philanthropy Capital
Learned Society of Wales	Children in Wales	Human Rights Consortium
The Wallich		The 3 Million
		The Brexit Civil Society Project



David Rees AM
Chair of the External Affairs and Additional Legislation Committee
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1 November 2018

Dear David

Re: Request for an update on progress with recommendations contained in the report on 'How the Welsh Government is preparing for Brexit?'

I am writing in response to your letter of 8 October requesting further clarifications about Brexit preparedness. You requested further information about the UK Government's technical notices and in particular the engagement the Welsh Government had prior to their publication and any follow up action that will be taken. You also asked for further information about legislation in a 'no deal' scenario, and the EU Transition Fund.

First of all, as you know, we have been clear that a 'no deal' outcome to the negotiations would be catastrophic for Wales and the UK. We continue to urge the UK Government and the European Union to make the compromises needed to avoid such a result.

Nevertheless, officials are continuing to plan for all possible outcomes including a 'no deal' scenario and Brexit planning is intensifying. However it is not possible to prepare in isolation and the ability to plan is limited by what the UK Government shares. Despite this, the Welsh Government has published detailed, evidence-based Brexit proposals and a blueprint for negotiations on how to protect jobs and Wales' economy.

UK Government's technical notices

The technical notices (TNs) provide important advice for businesses, citizens and public bodies on what to do if there is a 'no deal' Brexit

The UK Government have published 106 TNs in four batches (23 August, 13 September, 24 September and 12 October 2018). They cover a broad range of issues but it is disappointing that in some key areas (e.g. rights of citizens), no guidance has been published.

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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.

Whilst we welcome the UK Government's engagement with Welsh Government on the technical notices, it has been far from perfect. While all of the Technical Notices were shared in draft, in some cases, UK Government departments provided insufficient time for the Welsh Government to provide comments on the basis of proper consideration. Whilst final versions of the TNs were shared with officials – generally only a matter of hours before publication - there was no opportunity to effect any real change at that point and it was not clear in advance whether our earlier comments had been taken on board.

As a whole, the TNs paint a negative picture of the dire consequences of a no deal Brexit. The overarching theme of the TNs is that many processes and ways of doing business currently taken for granted will significantly change or come to an abrupt halt. The majority of the TNs are of interest to business, and citizens of Wales.

The TNs outline disruption, barriers, red tape and new burdens under a 'no deal'. They include making it much more difficult for holidaymakers to travel with their cars or with their pets. They mean less protection for consumers buying goods or taking holidays abroad and higher prices for electricity and other goods and services. UK citizens could face new passport requirements. Even more significantly, they reveal potentially huge disruption for Wales' aerospace, food and chemicals businesses. They raise further uncertainty for employers in significant sectors – especially Wales' car manufacturers, shipping companies, hauliers and exporters. The TNs in the last batch of notices highlight the very major problems service suppliers will have in selling into and in some cases even operating in EU markets.

The TNs outline huge potential changes that raise questions about the time, capacity, expertise and ability of firms (especially small firms) to be able to adapt. Far from freeing up the private sector to grow, a 'no deal' Brexit imposes huge new burdens on trade with the EU, Wales' biggest export market.

The TNs simply underline the key message of the Welsh Government: that a no deal scenario must be avoided.

Welsh Government Communications

In parallel to the Technical Notices, the Welsh Government has already undertaken steps to provide its own information as well as engaging directly in discussions with stakeholders on the potential impacts of a 'no deal' Brexit .

The Welsh Government has also set up groups to engage with stakeholders. The Health & Social Care Brexit Ministerial Stakeholder Advisory Forum was set up following an initial Brexit round table event organised by the Welsh NHS Confederation on 11 September. It provides a forum for engagement between the Welsh Government and its key stakeholders across the health and social care system in planning for Brexit. It is made up of senior leaders from across the health and social services sector, and led by the Cabinet Secretary for Health and Social Services and the Minister for Children, Older People and Social Care. The first meeting was held on 25 October. An Environment and Rural Affairs Brexit Roundtable Stakeholder Group was set up after the referendum, as a forum for engagement and collaboration between the Welsh Government and the food, fisheries, farming, forestry and the environment sectors.

In September the Brexit Business Portal was launched by the Cabinet Secretary for Economy and Transport: this provides practical advice for businesses to help them prepare for a range of Brexit scenarios including a 'no deal' one. The Portal has been designed to provide companies in Wales with up-to-date information and advice and guidance on a

range of crucial issues including international trading and workforce planning. Feedback from business has been positive.

Where necessary officials have supplemented the UK Government technical notices with additional guidance. Following the publication of the structural funds and the Treasury guarantee technical notices, the Welsh European Funding Office wrote out to stakeholders to expand what that would mean in a Welsh context. There have also been communications with the Welsh NHS. When I appeared before the Committee in September, I said that I would provide more information about these communications and the letters accompany this letter. Officials will continue to consider what further information may be needed over the coming weeks and months.

Legislation

Turning now to legislative preparations. The Welsh Government has identified the changes that need to be made to the statute book in the event of no deal, in order to have a functioning statute book at the point of exit. A programme of subordinate legislation has been created to make these corrections in time for exit day.

Normally, Welsh Government is that where powers lie with the Welsh Ministers, it is the responsibility of the Welsh Ministers to legislate for Wales. However, in the extraordinary circumstances of the UK's withdrawal from the EU, the Welsh Government has recognised that the UK Government could make the corrections in certain devolved areas in order to have a fully operational statute book on exit day, where there is no divergence between the Welsh Government and the UK Government on the policy for the correction.

We are currently anticipating that around 55 Exit SIs will be laid in the National Assembly between November and February. The majority of the SIs will be made using EU (Withdrawal) Act powers, though a very small number may be made under other existing powers. This number is subject to change, because, as drafting is finalised, some SIs may be merged or disaggregated.

We are anticipating around 150 SIs to be laid in Parliament to legislate in areas devolved to Wales, though this number is also subject to change as drafting progresses for the reasons stated above or because policy divergences become apparent during drafting and so the Welsh Government decides to legislate for Wales.

The first UK Exit SI in areas devolved to Wales to be made under the relevant sections of the EU (Withdrawal) Act was laid in Parliament on 24 October, and the laying process will continue over the coming months. The Welsh SIs will start to be laid from November. However, due to the interdependencies with the changes made by the UK legislation a significant proportion of the Welsh SIs cannot be laid before the corresponding UK SIs are laid. This means that any delay to the UK SI programme will result in a subsequent delay to the Welsh SI programme.

EU Transition Fund

The £50m EU Transition Fund, previewed at the final Budget last year and announced by the First Minister earlier this year, will include specific funding allocations made as part of the draft Budget 2019-20.

The EU Transition Fund has been designed to help private, public and third sector organisations prepare for Brexit. It will provide direct financial support to sectors across Wales to plan for the significant changes associated with leaving the European Union.

The Welsh Government has been working with partner organisations including the Welsh Local Government Association, Natural Resources Wales, Hybu Cig Cymru, NHS Confederation and the Wales Council for Voluntary Action among others.

The interventions we are supporting with the EU Transition Fund to date includes £5m to support farming, food and fishing sectors post-Brexit; £200k for research work on likely impacts and implications for social care workforce; £3.5m support for Welsh Universities to drive international partnerships and promote Wales as a study destination; £6m funding for training and up-skilling the workforce in Wales' automotive and aero-industry sectors; and £150k support for the WLGA to facilitate authorities with plans and preparedness for Brexit.

In addition, on 24 October we announced a £7.5m 'Business Resilience' scheme which seeks to assist businesses as they adapt to the new business environment, developing the expertise and processes necessary to support business continuity and explore new growth opportunities, supported with specialist advice. It will significantly enhance our overall understanding of trade flows between Wales and the rest of the UK and beyond to inform strategic decision-making in the future. It will assist businesses in boosting capacity to sell Wales to the world alongside strengthening Wales' visibility as a destination for trade and investment, raising the profile and visibility of Welsh Government services and support to business and underpinning business confidence.

To underpin this work with a contribution of £350k from the Fund we are establishing a partnership with the OECD to inform both our future regional investment approach and the implementation of the Economic Action Plan. This will enhance our understanding of international best practice, inform our transition from EU funding systems as we create a new regional model and support our delivery of the Economic Action Plan.

Recent announcements by Airbus illustrate the risks which Wales face as a result of the uncertainty surrounding Brexit. Our support for the skills and training needs of workers in some of the economically significant business supply chains at this uncertain time demonstrates our positive action and a commitment to them as employers and their employees.

We continue to position Wales as a supportive place to do business and demonstrate the priority we give to up-skilling and retraining at this challenging time. Any opportunity to up-skill a workforce with transferable skills is imperative in order to continue showcasing Wales on the global stage as a desirable place for business, especially in a post-Brexit world.

Our direct skills support programme requires a 50% matched contribution, and our support for Airbus for example will in turn result in further investment in the workforce by the company. Our funding support will also provide Welsh Government the opportunity to lever further outcomes including, providing a larger number of apprentices than available to the wider labour market, engagement with Wales' training providers including further and higher education as well as schools. Also engagement with the Regional Skills Partnerships to ensure that the training being put forward for additional direct support is of high-quality, desired by the sector and that the skills being funded are transferable. The intervention is therefore designed in a way to provide support for employees to increase skills in areas that will help future employment and career prospects.

Our support for the WLGA is designed to enhance knowledge and understanding and help identify subsequent preparation required across local government. The WLGA will commission research, arrange a series of events and workshops on Brexit, share resource materials and toolkits for LAs to customise and use locally, and will cover Brexit related matters such as workforce, future funding programmes, networking and partnerships, procurement, State aid and business support.

Of course, alongside this support to the WLGA there are other bespoke interventions such as research on social care workforce and dependency on EU nationals which will aid with local government planning and preparations as the UK leaves the EU. Work is already underway to ensure we support EU nationals contend with the Settled Status scheme and to safeguard social cohesion post Brexit, and further details on these work streams will be shared with the Committee once finalised.

Wales currently receives £370m a year of EU structural investment funding, much of which is used to support local authorities. We continue to press for full replacement investment to allow us to continue funding structural reforms, including with local government at the same level.

I hope that this is of use in continuing to update the Committee on the Welsh Government's plans for preparedness as we move closer to March 2019

Yours sincerely

A handwritten signature in black ink, appearing to read 'Carwyn Jones', written in a cursive style.

CARWYN JONES

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By virtue of paragraph(s) vi of Standing Order 17.42

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LEGISLATIVE CONSENT MEMORANDUM

Agriculture Bill

1. This Legislative Consent Memorandum is laid under Standing Order (“SO”) 29.2. SO29 prescribes that a Legislative Consent Memorandum must be laid, and a Legislative Consent Motion may be tabled, before the National Assembly for Wales if a UK Parliamentary Bill makes provision in relation to Wales for any purpose within, or which modifies the legislative competence of the National Assembly.
2. The Agriculture Bill (the “Bill”) was introduced in the House of Commons on 12 September 2018 The Bill can be found at:

[Bill documents — Agriculture Bill 2017-19 — UK Parliament](#)

Policy Objective(s)

3. The UK Government’s stated policy objectives are to provide, for England, a new system of paying farmers “public money for public goods” – principally their work to enhance and protect the environment – and to phase out Direct Payments under the rules of the Common Agricultural Policy (CAP).

Summary of the Bill

4. The Bill is sponsored by the Department for Environment, Food and Rural Affairs.
5. The key provisions of the Bill provide the legal framework for the United Kingdom (UK) to leave the Common Agricultural Policy (CAP) and, in England, establish a new system based on public money for public goods for the next generation of farmers and land managers.
6. In addition, at the request of the Welsh Government, the Bill provides powers for Welsh Ministers.

Provisions in the Bill for which consent is required

7. Clause 26 gives the Secretary of State powers to make regulations about securing compliance by the United Kingdom with its obligations under the World Trade Organisation’s Agreement on Agriculture. These regulations can include provision about the classification of domestic support for the purposes of the Agreement on Agriculture; provision about the levels of domestic support; provision requiring devolved authorities to provide

information to the Secretary of State. It is the Welsh Government's view that consent is required for the provisions of Clause 26 because they fall within the legislative competence of the National Assembly for Wales as they relate to agriculture and the observation and implementation of international obligations, namely the Agreement on Agriculture.

8. Clause 27 Bill introduces Schedule 3 of the Bill which makes provision in relation to Wales. Schedule 3 of the Bill extends broadly similar powers to the Welsh Ministers as those conferred on the Secretary of State in Parts 1-5 of the Bill. Schedule 3 does not include a power for the Welsh Ministers which corresponds with the Secretary of State's powers under clause 21 (power to reproduce modifications under section 20 for wine sector, nor does it include provision about powers to modify aid schemes for fruit and vegetable producer organisations in Wales, as there are no such organisations in Wales. However, Schedule 3 does contain additional purposes for which Welsh Ministers may give financial assistance and there are small number technical differences to reflect the redistributive payments made under the basic payment scheme in Wales.

Schedule 3, Part 1: New financial assistance powers.

Part 1 allows Welsh Ministers to provide new financial assistance for future schemes. Additional powers for the Welsh Ministers enable them to give financial assistance for or in connection with, supporting businesses or communities in rural areas and supporting people who are involved in the production, processing, marketing or distribution of products deriving from an agricultural, horticultural or forestry activity.

Schedule 3, Part 2: Financial support after exiting the EU.

Part 2 makes provision about the Welsh Ministers' powers to modify after exiting the EU retained EU law relating to the financing, management and monitoring of payments to farmers.

Part 2 makes provision about an agricultural transition period for Wales which can be extended by regulations made by the Welsh Ministers.

Schedule 3, Part 3: Collection and sharing of data

Part 3 gives the Welsh Ministers powers to collect and share data from those within or closely connected to the agri-food supply chain. The data collected and shared under these provisions, for example, will help farmers and producers increase productivity, help producers to manage risk and market volatility and support animal and plant health and traceability.

Schedule 3, Part 4: Intervention in Agricultural Markets

Part 4 allows the Welsh Ministers to take action to declare a period of exceptional market conditions, and, during the period for which the declaration has effect, to give, or agree to give financial assistance to support agricultural producers in Wales whose incomes are being, or are likely to be adversely affected by the exceptional market conditions described in the declaration. Part 4 also allows the Welsh Ministers to make such use as they consider appropriate of any available powers under retained direct EU legislation which provides for the operation of public intervention and aid for private storage mechanisms in response to the declaration.

Schedule 3, Part 5: Marketing standards and carcass classification

Part 5 will give Welsh Ministers the powers to make provisions relating to marketing standards for products marketed in Wales and carcass classification by slaughterhouses in Wales, through regulations. This will include the ability to amend or revoke the current marketing standards and carcass classification rules as set out in retained EU legislation and in domestic legislation, as well as the flexibility to introduce new standards and rules that will be tailored to suit the domestic agricultural sectors.

Conclusions on Clause 27 and Schedule 3 Consent

9. Consent is required for all of the provisions in Clause 27 and Schedule 3 because they fall within the legislative competence of the National Assembly for Wales and do not relate to reserved matters as they relate to agriculture and the observation and implementation of international obligations.

Final Provisions

10. Part 9 of the Bill provides for different types of ancillary provision which could be made in regulations made under the Bill.
11. Clause 29 (1), (3), (4), (5), (6)(b), (7)(b), (8) and (9) apply in relation to Wales and set out how the regulation making powers given to the Welsh Ministers under the Bill can be exercised.
12. Clause 30 makes provision about the interpretation of the Bill.
13. Clause 31 introduces Schedule 5 of the Bill which makes provision to amend Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products.
14. Clause 32 makes provision to give the Secretary of State powers by regulations to make amendments (which would be consequential, supplemental, transitional or transitory provision or savings in connection with any provision of the Bill) to primary legislation, retained direct EU

legislation or subordinate legislation.

15. Clause 34 makes provision about the extent of clauses in, and Schedules to, the Bill to include the clauses and Schedules which apply in relation to Wales.
16. Clause 35 makes provision about the commencement of clauses in, and Schedules to, the Bill to include the clauses and Schedules which apply in relation to Wales.
17. Clause 36 makes provision about the short title of the Bill by which it will be known and referred to in other legislation.
18. It is the Welsh Government's view that consent is required for the provisions of Clauses 29, 30, 31, 32, 34, 35 and 36 of, and Schedule 5 to, the Bill as they extend to, and apply in relation to, Wales because they fall within the legislative competence of the National Assembly for Wales as they relate to agriculture and the observation and implementation of international obligations.

Powers to create subordinate legislation

19. In Schedule 3, a number of subordinate legislation making powers are given to Welsh Ministers. These powers, together with the relevant legislative procedures, are set out in the Annex to this Memorandum. 'Affirmative resolution procedure' and 'negative resolution procedure' are defined in Clause 29(6)(b) and (7)(b) of the Bill respectively as those terms apply to subordinate legislation made by the Welsh Ministers under the Bill.

Reasons for making these provisions for Wales in the Agriculture Bill

20. The powers being taken for Welsh Ministers are intended to be transitional until primary legislation can be brought forward, to design a 'Made in Wales' system which works for Welsh agriculture, rural industries and our communities. Such powers are required in order to enable the Welsh Government to continue making payments to land managers, related supply chains and other rural businesses and organisations in Wales under the current CAP Pillar 1 and Pillar 2 schemes from 2020, to make changes to the current schemes and to enable transition. It is our intention to bring forward a Wales Agriculture Bill during this term.
21. The Bill provides a legal basis for future support to farmers after Brexit, as we transition away from the Common Agricultural Policy. The provisions sought for Welsh Ministers reflect the opportunities identified for future agricultural support which are the subject of consultation set out in the Green paper 'Brexit and our Land – securing the Future of Welsh Farming'. The consultation runs until 30 October. This consultation and ongoing stakeholder engagement will lead to a White Paper with specific detailed proposals for consultation during spring 2019. The detail of the new land management reform schemes will be dependent on the outcome

of policy and operational decisions which cannot be taken until after the analysis of results from both the Green and White Papers.

22. There is considerable uncertainty about the UK's future relationship with the EU and the rest of the world and how best to support business to compete globally. We need to put primary legislation in place now to enable us to react quickly once decisions are made. The Bill provides enabling powers to the Welsh Ministers. No decisions will be made on how these will be used until the UK's future relationship with the EU and rest of the world is known and the consultation has concluded. By including provisions in the UK Agriculture Bill now Wales will not be constrained in its design of new schemes and will be able to implement what is best for Wales.
23. Welsh Government is generally supportive of the Bill as drafted; there are two outstanding concerns which have not been resolved to our satisfaction relating to the World Trade Organisation (WTO) Agreement on Agriculture and the Red Meat Levy. Further work to resolve our outstanding concerns will continue during the Bill's passage through Parliament and a supplementary Legislative Consent Memorandum will be brought forward if required at the appropriate point.

Financial implications

24. There are no direct financial implications for the Welsh Government or the Assembly as a result of taking these powers in this bill.

Conclusion

25. It is the view of the Welsh Government that it is appropriate to deal with these provisions in this UK Bill as it is an important step forward that will enable the Welsh Government to support farmers in Wales post-Brexit. These powers will be used until a Wales Agriculture Bill is introduced in the Assembly.

Lesley Griffiths AM
Cabinet Secretary for Energy, Planning and Rural Affairs
October 2018

Annex

LEGISLATIVE CONSENT MEMORANDUM: AGRICULTURE BILL – PROVISIONS WHICH CONTAIN POWERS FOR WELSH MINISTERS TO MAKE SUBORDINATE LEGISLATION

Paragraph of Schedule 3	Description of Power	Legislative procedure
2(7)	Power for Welsh Ministers by regulations to make provision for or in connection with requiring the Welsh Ministers or another person to publish specified information about financial assistance which has been given under Paragraph 1 of Schedule 3	Affirmative resolution procedure
3(1)	Powers for the Welsh Ministers by regulations to make provision for or in connection with checking, enforcing and monitoring compliance where financial assistance is to be or has been given under Paragraph 1 of Schedule 3	Affirmative resolution procedure
5(2)	Powers for the Welsh Ministers by regulations to extend the agricultural transition period for Wales set out in Paragraph 5(1) of Schedule 3	Affirmative resolution procedure
6(1)	Powers for the Welsh Ministers to modify legislation governing the basic payment scheme	Negative resolution procedure
7(1)	Powers for the Welsh Ministers by regulations to make provision for or in connection with either or both the phasing out of direct payments under the basic payment scheme in relation to Wales over the whole or part of the agricultural transition period for Wales, or the termination of direct payments under that scheme in relation to Wales and instead the making of delinked payments in relation to Wales in respect of the whole or part of the agricultural transition period for Wales.	Affirmative resolution procedure
9(1)	Powers for the Welsh Ministers by regulations to modify retained direct EU legislation relating to the financing, management and monitoring of the common agricultural policy and subordinate legislation relating to that legislation.	Negative resolution procedure
10(1)	Powers for the Welsh Ministers by regulations to modify retained direct EU legislation relating to support for rural development and	Negative resolution procedure

	subordinate legislation relating to that legislation	
11(2)	Powers for the Welsh Ministers by regulations to require persons in or closely connected with an agri-food supply chain to provide information about matters connected with any of the person's activities connected with the supply chain so far as the activities are in Wales.	Affirmative resolution procedure
15(1)	Powers for the Welsh Ministers by regulations to make provision for enforcement of a requirement imposed under paragraph 11(1) or (2) of Schedule 3 (agri-food supply chains: requirement to provide information)	Affirmative resolution procedure
18(1)	Powers for the Welsh Ministers by regulations to modify retained direct EU legislation relating to public market intervention or aid for private storage for the purposes of altering the operation of provisions of such legislation, so far as they have effect in relation to Wales in connection with exceptional market conditions which are the subject of a declaration under paragraph 16 of Schedule 3 (declaration relating to exceptional market conditions)	Negative resolution procedure
18(2)	Powers for the Welsh Ministers by regulations to modify retained direct EU legislation relating to public market intervention or aid for private storage for specified purposes	Negative resolution procedure
19(1)	Powers for the Welsh Ministers by regulations in relation to products which fall within a specified sector and are marketed in Wales, to make provisions about the standards with which those products must conform	Affirmative resolution procedure
19(3)	Powers for the Welsh Ministers to make provision about the classification, identification and presentation of bovine, pig and sheep carcasses by slaughterhouses in Wales	Affirmative resolution procedure
20(2)	Powers for the Welsh Ministers by regulations to amend the list of agricultural sectors in paragraph 20(1) of Schedule 3 to add or remove a sector and to set out products that fall within each sector or otherwise give further detail on the sectors	Negative resolution procedure

What does the UK Agriculture Bill mean for Wales?

28 September 2018

[Darllenwch yr erthygl yma yn Gymraeg | Read this post in Welsh](#)

What are the aims of the Agriculture Bill?

On 12 September the UK Government introduced the [Agriculture Bill](#) to the UK Parliament. The Bill aims to provide the legal framework for leaving the Common Agricultural Policy (CAP) and establishing new systems for agricultural and land management support across the UK.

While the Bill aims to set the framework for the future policy in England it also contains provisions that extend to the whole of the UK and to different parts of the UK. Schedule 3 applies specifically to Wales.

For England, the Bill will phase out the current system of direct payments and establish a new environmental land management system. The new system will provide an income stream for farmers

and land managers based on public money for public goods with an environmental emphasis.

The new approach will also include support that will aim to:

- help farm businesses become more resilient, productive and competitive;
- support animal welfare enhancements beyond the regulatory baseline; and
- aim to address unfair trading practices in the food supply chain.

What are the Welsh provisions?

Schedule 3 sets out powers for Welsh Ministers to continue making payments to farmers and land managers after Brexit, to make changes to current schemes and to implement replacement schemes. Schedule 3 has been included at the request of the Welsh Government and requires legislative consent from the Assembly.

These powers are intended to be time-limited until the Welsh Government brings forward its own Agriculture Bill, which is expected before the end of this Assembly.

Hallmark aspects of Schedule 3 include powers for Welsh Ministers to:

- Phase out Direct Payments;
- Delink financial support from agricultural production;
- Provide support for public goods provision, especially environmental outcomes;
- Provide support for improving productivity;
- Provide support to rural businesses and communities;
- Provide support to those involved in ‘the production, processing, marketing or distribution of products deriving from an agricultural, horticultural or forestry activity’ which departs from the current ‘active farmer’ criteria for payments;
- Powers to invest in regulatory enforcement for compliance with eligibility criteria; and
- Extend the agricultural transition period which is set within the Bill at seven years starting with 2021 (meaning that the last year Direct Payments will be made is 2027, but may be extended).

Some clauses apply in Wales but do not require legislative consent as the UK Government’s position is that they are reserved. These include Clauses 22-26; Clauses 29-36; Schedule 1; Schedule 2 and Schedule 5. Importantly Clause 26 includes World Trade Organisation (WTO) regulations that allow the UK Government to set financial ceilings on the devolved administrations in relation to agricultural support that is considered as trade distorting (discussed later).

How do the Welsh provisions differ from those that apply in England?

Schedule 3, Parts 1-5 that apply to Wales are similar to Parts 1-5 that apply to England. However, there are some differences, especially in Part 1.

This includes a provision for supporting rural communities and businesses which is only included in the sections of the Bill that apply in Wales. The range of eligible recipients of support is also broader in the Welsh Part including land managers and those throughout the supply chain, whilst in England payments are restricted to those 'starting, or improving the productivity of, an agricultural, horticultural or forestry activity'.



How has the Bill been received?

Welsh Government

On 12 September the Cabinet Secretary for Energy, Planning and Rural Affairs, Lesley Griffiths AM, [published a written statement](#) on the UK Agriculture Bill. While the statement emphasises the Welsh Government's general support for the Bill, it also notes two areas of disagreement.

Firstly, the Welsh Government disagrees with the UK Government on the extent to which the clause relating to the UK's WTO Agreement on Agriculture is a reserved matter. The statement emphasises the strong relationship between WTO powers and devolved responsibilities on agriculture support, and states:

Welsh Ministers have secured an important agreement from the UK Government to commit in Parliament to consult the Devolved Administrations on WTO-related regulations. We have also agreed to find a process for how such regulations will be brought forward. However, a commitment to consult is insufficient given the importance of this matter. We will therefore continue to work towards an agreement which ensures appropriate engagement with and consideration of the views of Welsh Ministers and other administrations.

Secondly, the Welsh Government would like to see powers relating to the redistribution of the [red meat levy](#) included on the face of

the Bill and expects a UK Government amendment 'to correct this as soon as possible'.

The red meat levy is a fee paid by all producers or slaughterers at the point of slaughter (or live export). The levy is paid to the relevant levy board in each country to be used for marketing and promotion of that country's meat products. The country of slaughter dictates which country's levy will be paid. In Wales the levy is paid to Hybu Cig Cymru (HCC) (Meat Promotion Wales), which is mainly funded through the levy.

The levy has been criticised in the past as it does not take into account livestock produced in one country then slaughtered in another; the money is paid to the levy board in the country of slaughter regardless of origin.

Stakeholders views

NFU Cymru has stated that the Bill shows **a lack of recognition that farmers are food producers**. It states:

NFU Cymru maintains that any future Welsh agricultural policy should contain volatility or stability measures, to sit alongside environmental and productivity measures, in order to support farmers' core role as food producers.

Policy analyst, Pete Kennedy, remarked that the clause that provides financial assistance for productivity currently "includes such broad catch-alls that the government can basically give money to anyone. Even Monsanto does things 'in connection with...

improving the health of plants and improving the productivity of agriculture”.

Green Groups, [including the RSPB](#), have welcomed the environmental emphasis of the Bill, which they say addresses the short-comings of the EU system.

What are the next steps for Wales?

A Green Paper, [Brexit and our Land](#) is currently out to consultation which includes proposals for a new ‘Land Management Programme’ which comprises of two schemes:

- Economic Resilience scheme: investment for economic activities, in particular food and timber production; and
- Public Goods scheme: direct support for public goods delivery, in particular for the environment.

It also sets out the proposed transition to the new policy which is detailed in a previous [blog post](#) . The Assembly’s [Climate Change Environment and Rural Affairs Committee](#) intends to explore the Green Paper provisions this term. The Welsh Government is expected to publish a White Paper in the spring, ahead of the proposed Welsh Agriculture Bill.

The UK Agriculture Bill and Welsh Government’s proposals are only part of the picture. The UK’s future trade deals, as well as

commitments around spending which are yet to be announced, will have significant implications on the sector post-Brexit.

Article by [Katy Orford](#), National Assembly for Wales Research Service